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Service Recovery through Empowerment:

HRM and Performance in the Hotel Sector

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Abstract

This thesis examines the relationships existing between human resource (HR) practices, management style, employee empowerment and service recovery performance (SRP) in the three to five-star hotel sector in Sri Lanka. Because service recovery refers to how firms respond to service failures, this study focuses on the SRP of employees. Both qualitative and quantitative data were gathered through interviews, and a large-scale survey was conducted in thirty hotels with a sample of 104 managers and 625 workers. The data were analysed using content analysis and structural equation modelling. The conceptual model proposed in this thesis integrates the ability–motivation–opportunity (AMO) theoretical framework empowerment theory and self-determination theory. This thesis tells a subtle story in relation to hotel employees in Sri Lanka. Empowerment theory has relevance for service recovery performance in this hotel sector, but only if we appreciate the multi-dimensional nature of empowerment. The thesis suggests that empowerment is important in the hotel context but it is strongly related to the job level in the organisational hierarchy. The analysis of employee surveys and manager performance ratings of the SRP of employees revealed that supervisory employees reported a higher degree of job autonomy and job impact, and were seen by managers as having a higher level of service recovery performance than service workers. The thesis confirms that context-relevant HR practices and management styles help to develop job competence, which is related to job satisfaction and SRP. However, management style does not appear to encourage a sense of job impact, although job impact is important in SRP. The thesis suggests that service workers occupy low-autonomy jobs, but supervisors are granted a somewhat higher level of involvement in decision-making, resulting in higher SRP. HR practices enable employee job competence, job autonomy and job impact. Therefore, training, rewards, management style, job competence and job impact are significant factors in better handling service failures and prompting problem resolution in the hotel context.

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Glossary

HRM	Human resource management
HR	Human resource
SRP	Service recovery performance
CEO	Chief executive officer
PIS	Participation information sheet
CF	Consent form
SEM	Structural equation modelling
MVA	Missing value analysis
MAR	Missing-at-random
MCAR	Missing-completely-at-random
MNAR	Missing-not-at-random
CFA	Confirmatory factor analysis
EFA	Exploratory factor analysis
ESEM	Exploratory structural equation modelling
VIF	Variance inflation factor
SPSS	Statistical package for social science
Mplus	Statistical modelling programme software
NVivo	Qualitative data analysis computer software package
α	Cronbach's alpha
β	Beta coefficient
R^2	R squared or coefficient determination
*p	Significance level
N	Sample size
$\chi 2$	Chi-square
CFI	Comparative fit index
RMSEA	Root mean square error of approximation
SRMR	Standardized root mean square residual
ICC	Intra-class correlation
MI	Measurement invariance

Chapter 1

Introduction

This chapter begins with an introduction to the focus of the thesis, which is the hotel industry. It then outlines the theoretical and practical reasons for the problem the study addresses. Finally, the potential significance of the study, its research design and the structure of the thesis are presented.

1.1 Focus of the thesis: the hotel industry

The tourism industry has a significant global presence, contributing 9.8% of global gross domestic product (GDP) in 2015, and a favourable growth rate of 4% (World Travel and Tourism Council, 2016). In terms of employment, the tourism industry generates 284 million jobs globally or "1 in 11 of all jobs in the world" (World Travel and Tourism Council, 2016). Hospitality is one of the major segments of tourism, and the money spent by tourists on accommodation, food, and beverages is a large part of the GDP generated by a country's hospitality industry (Elango, 2015). This study focuses on one facet of the hospitality segment, that is, the hotel sector. Because of the intensity of the human resources utilised in this industry, the study of human resource management (HRM) in the hotel industry is of particular importance.

The service sector consists of a broad range of industry segments, and the service marketing literature suggests that significant differences exist within these segments. Because of this heterogeneity, it is of importance to define the parameters of the specific study areas (Johns., 1999; Ottenbacher, Harrington, & Parsa, 2009). The hospitality industry itself consists of an extremely wide variety of segments: food and beverages, lodging, leisure, entertainment, or a

combination of those. Because hotels' primary service is providing accommodation for travellers, they are defined as being within the category of the lodging industry (Ottenbacher et al., 2009). Even within the hotel industry a wide range of different market segments exists, for instance, luxury hotels, economy hotels, resorts, inns and motels. This categorization is mainly based on the nature of the service offered and the accommodation provided to the guest. Even within each category of lodging facility, there are distinct differences based upon various criteria such as brand reputation, location, amenities offered, pricing and ownership (Ottenbacher et al., 2009).

Luxury hotels have a high level of service interaction in comparison with budget hotels: in luxury hotels, for example, there may be a "staff/guest ratio [of] 1:1 whereas budget hotels may have a ratio as low as 1:10 staff/guest ratio" (Ottenbacher et al., 2009, p.271). A luxury hotel stay is an example of a service that has a high level of intangibility and is considered to be an experience (Ottenbacher et al., 2009). Also, the service encounters in a luxury hotel are qualitatively different from those in budget hotels, in terms of the level of service interactions and the services offered. Therefore, in this study, I focus on three-to-five-star hotels in Sri Lanka.

1.2 Problem identification and the theoretical background

Service management is a multidisciplinary field of research and practice in which service marketing, service operations management, and HRM are important areas (Schneider, 2004). The focus of service marketing is on customers and service; the service delivery process is the main interest of service operations management, and HRM is concerned with the personnel who are responsible for service delivery and execution. An integrated approach to these three disciplines is recommended when investigating the delivery of service (Michel,

Bowen, & Johnston, 2009; Schneider, 2004) and service recovery (Michel et al., 2009). For many service organisations, improvements in service delivery and the maintenance of a loyal customer base are critical factors for survival and success (Lovelock, Patterson, & Walker, 2007).

Studies conducted in the service sector (e.g.Boxall, Ang, & Bartram, 2011; Peccei & Rosenthal, 2001) have highlighted the importance of a theoretical understanding of the link between HR practices and management behaviour and their impact on service performance. As suggested by Peccei and Rosenthal (2001), employee-perceived HR practices and management behaviour can positively impact the empowerment and service behaviour of employees. Many scholars in the marketing and HRM fields have emphasised the importance of customer service employees, also known as customer-contact employees and frontline employees, in providing excellent service to customers (Babakus, Yavas, Karatepe, & Avci, 2003; Bitner, Booms, & Tetreault, 1990; Gazzoli, Hancer, & Park, 2010; Liao & Chuang, 2004; Michel & Ashill, 2010). These studies have suggested that human interaction in service delivery is critical for customer satisfaction. Due to the intangible nature of service, customers can view the interaction aspect between customer and service employee as being equivalent to the whole service (Bitner et al., 1990). In addition, these operational-level employees often do not have the discretion required to handle service failures, and this can lead to poor service recovery and customer dissatisfaction (Babakus et al., 2003; Michel et al., 2009).

Service recovery refers to how firms respond to a service failure (Gronroos, 1988). Even rigorous quality-control checks cannot completely eliminate mistakes during service delivery because service delivery is in "real time" (Prasongsukarn & Patterson, 2012). Research evidence suggests that failing to achieve efficient service recovery can lead to many negative

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consequences, such as losing the customer, harmful criticism and publicity, damage to company reputation and brand, in addition to having to perform the service again (Prasongsukarn & Patterson, 2012; Sajtos, Brodie, & Whittome, 2010). Handled properly, service recovery presents the opportunity to turn an unhappy customer into a satisfied one (Sparks & McColl-Kennedy, 2001).

Research findings emphasize the importance of the role of customer service employees in the service recovery process. Bitner et al. (1990) studied a sample of 800 critical incidents from airline, hotel and restaurant customers, and showed that employee inability or unwillingness to handle service failures was one of the major factors in 40% of unsatisfactory service encounters. In a similar study, using 468 critical incidents in service organisations including banks, fast food restaurants, hotels and airlines, Keaveney (1995) found that poor response to service failures by employees, such as uncaring and impolite behaviour and unresponsiveness, was responsible for 17% of customers switching to a different service provider. Tax and Brown (1998), meanwhile, found that 65% of service complaints in service organisations arose at the front-of-house, indicating that complaint handling is an important part of a service employee's job. Their sample consisted of firms from telecommunication, healthcare, banking, and emergency services. Gross, Caruso, and Conlin's (2007) study used a sample of 4000 respondents from 600 US companies and found that 56% of participants felt their company was slow to respond and fix problems after a service failure. All the above findings show the importance of service recovery and highlight important areas for further research, such as a deeper exploration of how employees handle service failure and recovery. Effective service recovery efforts are critical for business in terms of retaining customers and ensuring repeat business. Effective service recovery can remedy disappointments and even recover customer relationships.

1.3 Research question and objectives

Many scholars argue that even the best service companies cannot prevent service failures (Hart, Heskett, & Sasser, 1990; Prasongsukarn & Patterson, 2012; Swanson & Kelley, 2001). As indicated above, in the hotel industry, service is often delivered in the customer's presence and there is human involvement. In particular, premium hotels have a high level of customer service interaction. Mistakes are therefore "inevitable, but dissatisfied customers are not" (Stefan, 2001, p. 20). Even though service failure results in dissatisfied customers, effective service recovery can address this dissatisfaction and can potentially enhance customer relationships (Sajtos et al., 2010). The theoretical work of Batt (2008) and Michel et al. (2009) emphasizes the importance of integrating the HRM, service marketing, and operations management perspectives in managing service quality, failures, and recovery. This thesis contributes to filling a gap in the research by exploring the following research question with respect to the management of customer service employees in three-to-five-star hotels in Sri Lanka:

How do human resource practices and management styles influence customer service employees' service recovery performance in the hotel sector?

Researchers have explored the concept of service recovery from three different perspectives: customer recovery, process recovery and employee recovery (Michel et al., 2009). This thesis focuses on the employee service recovery perspective. Service recovery performance is defined as how employees handle service failures and customer complaints, as well as how they engage in recovering customer satisfaction after service failures (Liao, 2007). There is substantial research evidence to suggest that during service failures employees need to be

responsive and to take immediate actions to satisfy complaining customers (Liao, 2007; Michel & Ashill, 2010).

The nature of service failure and the actions that are needed to satisfy complaining clients cannot be pre-specified, and service firms need to be flexible in their operating procedures (Bowen & Lawler, 1995). A customer service employee's job is to some extent unpredictable. It requires personal judgment or immediate attention to the problem. Therefore, such jobs may require a certain level of empowerment (Babakus, Yavas, Karatepe, & Avci, 2003; Bowen & Lawler, 1995). However, empowerment may not be suitable to every service organisation, and may also vary with job level. Thus, researchers argue that what matters is the degree of empowerment, and that management has to decide who to empower and to what extent (Forrester, 2000; Ro & Chen, 2011). This thesis examines employees' perspectives on empowerment as well as managers' perspectives on empowering staff in the service recovery process, using both qualitative and quantitiave data.

Empowerment theory and research suggest that empowered employees display a higher level of performance and job satisfaction (Bowen & Lawler, 1995; Gazzoli et al., 2010; Ro & Chen, 2011; Spreitzer, Kizilos, & Nason, 1997). Exercising greater discretion may enable employees to provide guests with prompt responses and quicker solutions to service lapses. Researchers argue that when employees perceive that they have more control and autonomy in their jobs, this can result in positive behavioural and attitudinal responses (Snipes, Oswald, LaTour, & Armenakis, 2005; Spreitzer, Kizilos, & Nason, 1997). Therefore, this thesis examines the relationships among- HR practices and management styles, empowerment and job satisfaction- and analyses their impact on hotel employees' SRP.

1.4 The significance of the study

Given the growing importance of the tourism industry and the management of services, the aim of this study is to establish a clear empirical link between HRM and service recovery performance (SRP), and thereby to make an original contribution to the literature on HRM and service marketing. Earlier studies have identified the association between management commitment to service quality and service recovery (e.g.Babakus et al., 2003; Karatepe & Karadas, 2012; Michel & Ashill, 2010). This thesis examines the extent of the effects of the variables, 1) employee-perceived HR practices and management style; 2) employee-perceived psychological empowerment; and 3) employee job satisfaction, on employee SRP as evaluated by employees' immediate managers. A conceptual model is proposed based on the hypothesised relationships between these variables and tests the effect of direct relationships and indirect mediating relationships on employee SRP as well as multiple mediation effects between study variables. Two sequential phases of data collection using qualitative and quantitative studies helps to understand the research problem, and improves the analysis and interpretation of the findings.

The research on HRM and organisational performance highlights the critical role of HR practices that enable firms to improve productivity, financial performance, service quality and employee outcomes such as reduced turnover and absenteeism (Guest, 2011). There are areas of research, however, as to how firms respond to service failures and their efforts on service recovery, that remain under-explored (Michel et al., 2009). In particular, there is a lack of empirical evidence on how employees deal with service failures and what HR practices are critical to improve service recovery. Despite the commitment to providing an excellent service quality, there can be an occurrence of failures and mistakes in service delivery (Babakus et al., 2003), especially in such a labour-intensive industry as the hotel sector. This thesis,

therefore, examines what HR practices, management styles, and empowerment initiatives are required to improve the service recovery efforts of employees. It contributes to HRM and management theory in two aspects, that is, by studying the HRM and service recovery performance relationship; and the association between HRM and job satisfaction. Job satisfaction is a measure of employee well-being. Therefore, the study examines the impacts of HRM on performance as well as HRM on employee well-being.

The study was conducted in the hotel industry of Sri Lanka and investigated the HR practices required to manage frontline employees in both local and multinational firms. The study explores management perspectives of service recovery, that is, how managers view service employees' handling of service failures. Considering ways of satisfying a complaining customer presents an opportunity for an organisation to improve its service. In addition, the model proposed here is empirically tested in relation to the Sri Lankan hotel sector. Hotel management may benefit from this study in three ways. First, the findings may indicate the relevance of HR practices to improving the service recovery efforts of employees. Secondly, they may show the effect of management styles on empowering employees to recover service failures and how empowerment impacts on employee job satisfaction. Thirdly, they may cast light on the relevance of empowerment to designing frontline employees' jobs in the hotel context. The study has potential practical value since the collected qualitative and quantitative data, and the results of their analysis, can be used to improve customer service in the hotel sector.

1.5 Research design

It is important to contextualise HRM research (Boxall & Macky, 2009; Paauwe, 2009). In line with the methodology adopted by Boxall et al. (2011), preliminary interviews were conducted with hotel management to identify the context-relevant HR practices and management styles used in three-to-five-star hotels in Sri Lanka. Information gathered from these interviews was used in developing the study questionnaire on HR practices and management styles, and contextualised the scale used to measure SRP. The purpose of the qualitative data gathering was to contextualise the study and to identify the context-relevant HR practices and managerial styles. The qualitative data were useful in terms of understanding empowerment practices and service recovery. Collecting both qualitative and quantitative data improves the analysis and interpretation of the findings.

This research was conducted in 30 hotels in Sri Lanka with a star rating between three and five-star, and the survey sample consisted of 625 employees and 104 managers. The unit of analysis is individual hotel employees and their managers in the hotel sector in Sri Lanka. It involved research with a range of employees who provide service including front-of-house reception, restaurant service, and housekeeping. Both employees' and managers' data were used in the survey. Six main hypotheses were tested using mainly quantitative methods, and the hypothesized model was tested using structural equation modeling (SEM) with the multilevel analysis being performed in Mplus (Muthen & Muthen, USA). The results show that employee-experienced HR practices and empowerment have positive impacts on employee job satisfaction and service recovery performance.

1.6 Thesis structure

This thesis is presented in eight chapters. Chapter 1 has discussed the background to the study, followed by the research problem, significance, study design and the structure of the thesis. In Chapter 2, theory and previous studies relevant to this research are discussed before the broad theoretical framework is conceptualised. Chapter 3 presents a systematic literature review of the hotel industry by considering 27 empirical studies conducted in the hotel sector in different countries. An earlier form of this chapter was published in the Proceedings of 2015 Australian and New Zealand Academy of Management Conference. Chapter 4 presents the findings of the qualitative interviews and describes the questionnaire design. Chapter 5 then presents the conceptual framework and the hypotheses of the study before Chapter 6 outlines the measures adopted, the survey data collection, and the analytical techniques used. Chapter 7 illustrates the results of the study, and the final chapter, Chapter 8, discusses the findings, the limitations of the study, and its contributions to the theory and practice.

Chapter 2

The service sector, HRM and empowerment

This chapter presents the systematic literature review conducted to derive the conceptual model applied in the study. A review of research articles and book chapters in the Business Source Premier (EBSCO), ABI/Inform (Pro Quest), Google Scholar and Science Direct databases was performed based on a search utilising the keywords "Human Resource Management (HRM)", "Human Resource Practices", "Service Quality", "Service Failure", "Service Recovery", "Empowerment", "Hotel", and "Hospitality". The articles were initially filtered for relevance by reading their abstracts and then, secondly, by reading potentially relevant articles, which resulted in the identification of 85 relevant articles covered in this chapter. The purposes of the literature review were: (1) to identify the prior research and theories relevant to the study variables of HR practices and managerial behaviours, psychological empowerment, and service recovery performance (SRP), to define the main concepts, and (2) to formulate the broad theoretical framework underpinning this research.

The chapter is organised as follows. First, the concepts of service, service quality, service failure and service recovery are discussed, and the relevant literature on employee perspectives on service recovery is outlined. Second, the concept of HRM and prior HRM studies are described and the AMO theoretical framework is introduced. Third, empowerment theory and relevant studies of empowerment are outlined before a consideration of the concept of job satisfaction. The chapter concludes by addressing the concept of job satisfaction and how it relates to empowerment.

2.1 Characteristics of service

Service is typically viewed as a valuable experience, and in many situations involves human interactions rather than a physical product (Boxall & Purcell, 2016). A service is defined as "any act, performance, or experience that one party can offer to another and is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product" (Lovelock, Patterson, & Walker, 2007, p. 6). It has been argued that the characteristic of intangibility is the primary difference between products and services (Kotler, 2009; Lovelock et al., 2007). In contrast to physical products, services are intangible and "cannot be seen, tasted, felt, heard, or smelled before they are bought" (Kotler, 2000, p. 200). In a pure service situation, no tangible element is exchanged, and interactions between service personnel and customers are a part of the offering in the service encounter (Solomon, Surprenant, Czepiel, & Gutman, 1985).

For a full understanding of service, the four well-documented characteristics of service – intangibility, heterogeneity, inseparability, and perishability – must be appreciated (Gronroos, 1988; Kotler, 2009; Lovelock et al., 2007). From the customer's perspective, many services are intangible; that is, in advance of executing a purchase it is hard for client to visualise the experience and to understand what they will be getting (Lovelock et al., 2007). Customers are buying an experience, for example, going to a movie or taking a vacation in a hotel. Because it is difficult for firms to evaluate the service quality, the intangible nature of service is challenging. Employees' service delivery performance is crucial because "what they say and how they say it also have an impact on the customer's view of the service" (Gronroos, 1984, p. 39). Therefore, the service expertise, attitudes and behaviours of service personnel are critical factors that create value and customer satisfaction (Gronroos, 1984; Lovelock et al., 2007). Because the intangibility aspect of service is represented by human-provided customer

service, service firms are more labour-intensive than manufacturing firms (Boxall & Purcell, 2016).

The second essential characteristic of services is heterogeneity. The heterogeneous nature of service performance is due to (a) variation in service performance between producers; (b) variation in perceptions of service performance between customers; and (c) changes in timing (Parasuraman et al., 1985). For example, during a vacation in a star-class hotel, different guests may receive different services in terms of quality even though they have all paid for the same type of service. Most service firms have large numbers of frontline staff, and hence the behaviour of service employees and the quality of their service performance can vary considerably (Schneider, 2004).

Inseparability is another key characteristic of service quality. Inseparability represents the simultaneity of production and consumption (Lovelock & Gumesson, 2004). Services are usually created and consumed at the same time or in "real time" (Kotler, 2000). Since a service encounter usually involves an interaction between the customer and the contact person providing the service, and cannot be separated from the actual delivery of the service, clients can, in fact, affect the outcome of the service (Parasuraman et al., 1988). Therefore, it is important to consider customer interactions during service training and delivery, especially in the case of high-demand service industries such as hospitals, hotels and airlines (Lovelock et al., 2007).

Perishability is the fourth and final characteristic of service. This recognises that services cannot be stored as inventory after production (Lovelock & Gumesson, 2004). "Services cannot be stored; once an airplane takes off, or a movie starts, any unsold seats cannot be held

for future sale" (Kotler, 2000, p. 202). Perishability is a major characteristic of services in the hotel industry, which is characterised by customers' experience of the present moment. It is worth noting that customers' experience of such services can have long-lasting effects on their attitudes beyond that moment.

2.2 Service quality perspectives

Assessing service quality is notoriously difficult, and several different approaches have been put forward, including the Nordic perspective, the SERVQUAL model, and the hierarchical approach, each of which is outlined here. According to Gronroos (1984), perceived service quality is an outcome resulting from an evaluation process, in which the customer compares his or her expected service experience with the actual service received. This perspective originated in Scandinavia, and was developed by the Nordic School of Services (Gronroos, 1993). The Nordic perspective divides service quality into two key aspects: functional quality and technical quality (Gronroos, 1984, 1993). Functional quality is the performance of a service, that is, how the customer experiences the service or service delivery (Gronroos, 1984). During a meal in a restaurant, for example, functional quality results from how the service firm's employees perform the service. Conversely, technical quality relates to the product or the tangible aspect of the service.

Parasuraman et al. (1988) explain service quality as "a form of attitude, related but not equivalent to satisfaction, and resulting from a comparison of expectations with perceptions of performance" (p. 15). The authors developed a multiple-item scale, the SERVQUAL model, to measure customer perceptions of service quality. They argue that service quality is not only the outcome of service, but also involves the quality of the interactions between the customer and employees during service delivery. The SERVQUAL model consists of the

following five elements: tangibles, reliability, responsiveness, assurance and empathy. According to Parasuraman et al. (1988), these five dimensions represent five qualities of the service. Tangibility is the physical facility or location and the appearance of the service personnel. Reliability is the ability of staff to provide the promised service, while responsiveness is their willingness and sensitivity to customer needs in providing speedy service. The courtesy of the service personnel and their knowledge about service, confidence and trustworthiness are measured in the assurance dimension. Finally, empathy is being compassionate and providing a caring service to the customers.

Integrating the Nordic School of Services and the SERVQUAL models, Brady and Cronin (2001) argue that overall service quality construct is multilevel and multidimensional. They conceptualise the hierarchical approach to service quality, and suggest measuring service quality using three aspects of the service encounter: (1) interaction quality; (2) physical environment quality; and (3) output quality. The first factor, interaction quality, is considered to be a generic element across service industries, and consists of employee behaviour, employee attitudes, and employee expertise (Kuo et al., 2012). The physical environment consists of ambient conditions, design, and social factors. Environmental conditions are connected to non-visual conditions such as temperature, scent and music. A good example of what constitutes an ambient condition is a customer's description of a hotel's environment as being peaceful and relaxing. The design factor relates to the physical layout and how convenient it is for the customer to walk through different parts of it. Social factors refer to the appearance and behaviour of other guests, which can influence perceptions of the physical environment and can also be a distraction from the service outcome (Brady & Cronin, 2001). Output quality or the service outcome consists of waiting time, tangibles, and valence (Brady & Cronin, 2001). The first two components are self-evident, but valence requires some

explanation. Valence is the customer's final evaluation or experience of the service outcome and how good or bad it was (Brady & Cronin, 2001). A good example of valence is the final judgement in a sporting event ("we lost the game"), or in a hotel ("the experience was disappointing") (Brady & Cronin, 2001, p.40). The negative valence of the outcome could eventually represent an unfavourable experience, even if the service quality was high during the service provision (Brady & Cronin, 2001).

In brief, service quality relates to the expectation gap between customer anticipations and actual service received. Different schools of thought have presented their views on conceptualising service quality and a considerable number of research studies have been conducted on service quality. Achieving an error-free service is not always possible as service failures are commonplace.

2.3 Service failure

Service failure is a situation where the actual service received by the customer falls below his or her expectations. This concept can be defined as "an exchange where a customer perceives a loss (financial or otherwise) due to a failure (in a core or supplementary service) on the part of the service provider" (Prasongsukarn & Patterson, 2012, p. 510). A fundamental concept of service management is the "moment of truth", the "moment in time when the customer is evaluating the service performance and forming an opinion of its quality" (Gronroos, 1988, p.12). Gronroos (1988) views service failure as poorly handled moments of truth, where service production and delivery have not been executed properly. The recognition of service failures provide an opportunity to correct the mistake.

A service encounter can be explained as "a dyadic interaction between a customer and a service provider" (Solomon et al., 1985, p. 99). In most service encounters, a client is directly interacting with the service provider, with no time to rectify errors during the service delivery (Ruyter & Wetzels, 2000). Eliminating mistakes entirely during the provision of services may not be possible. This does not mean that dissatisfied customers are unavoidable (Ruyter & Wetzels, 2000; Swanson & Kelley, 2001). Quite the reverse; effective service recovery can turn unhappy customers into satisfied customers and can possibly enhance customer loyalty (Hart, Heskett, & Sasser, 1990; Ruyter & Wetzels, 2000). Detrimental effects of service failures are criticism, the termination of contracts, direct complaints, and customers not complaining but switching to another competitive firm (Komunda & Aihie, 2012). If a firm is aware of the service failure, then service recovery action can be taken to address it, and such awareness can potentially remedy service failure and regain customer loyalty (Sparks & McColl-Kennedy, 2001). Most importantly, a service failure can become an opportunity for more personalised service and enhanced customer satisfaction (Maxham & Netemeyer, 2002; Smith & Bolton, 1998).

2.3.1 Nature of service failures

In cases of service failure, the way in which employees respond and behave is of particular importance since the quality of customer service received determines whether a resolution of the customer's dissatisfaction occurs or not (Bitner et al., 1990). Using the critical incident method, Bitner et al. (1990) analysed 700 reported incidents from airline, hotel and restaurant customers and identified three major categories of service failure, which are shown in Figure 1.

Figure 1: Types of service failures (Bitner et al.1990)
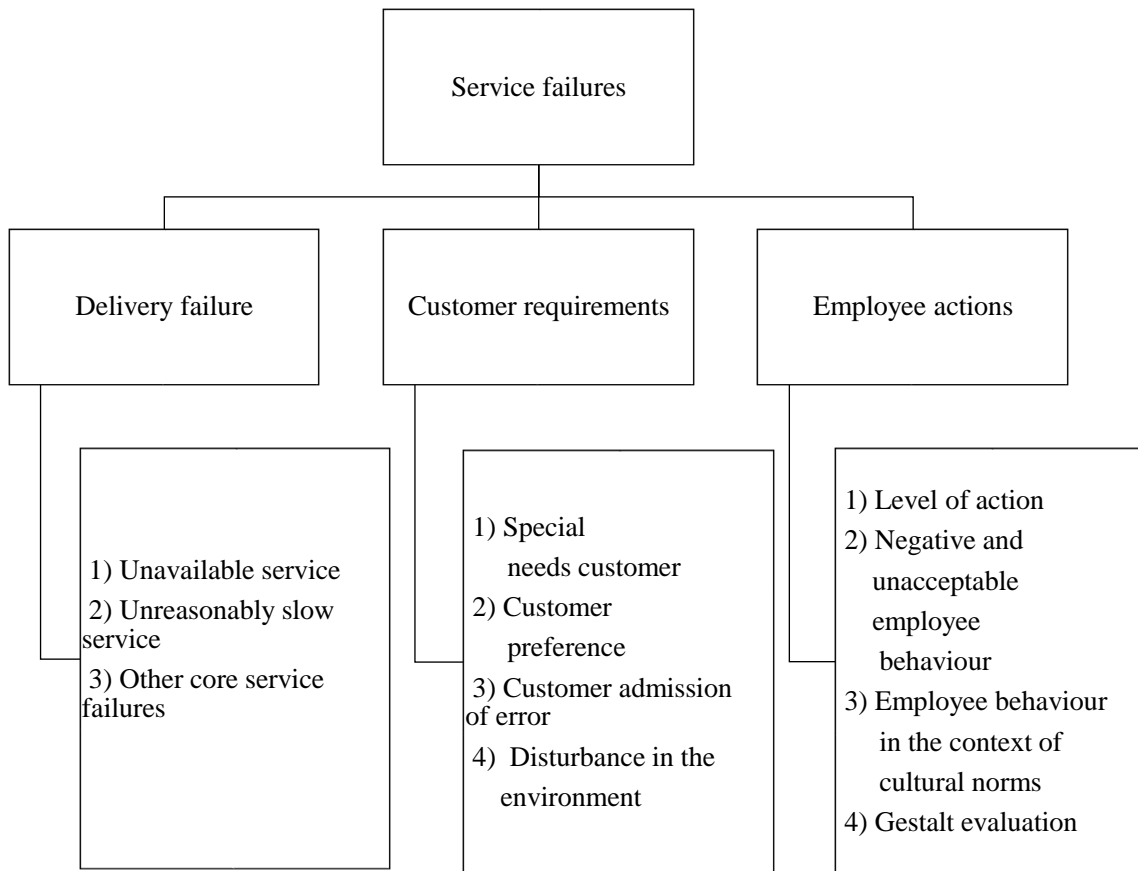
The first category of service delivery failure includes unreasonably slow service, unavailability of service, and other core failures of service. Core service is the primary benefit received by the customer and the key purpose behind a service encounter (Hess Jr, Ganesan, & Klein, 2003). Examples of core service include rooms provided by a hotel and meals served in a restaurant (Hess Jr et al., 2003). Bitner et al. (1990) argue that the unavailability of core services can arise from such issues as lack of readiness: for example, the overbooking of hotel rooms or the absence of service, or when a hotel room is unavailable due to a "lost" reservation. Unreasonably slow service occurs when employee service performances are perceived to be extremely slow: for example, when staff shortages result in lengthy queuing times. Other core service failures include instances where a core service performance does

not meet the minimum standards for the industry; for instance, when a hotel room has not been cleaned. In all of the above examples, employee reaction to such failures determines the level of customer satisfaction or dissatisfaction (Bitner et al., 1990; Hart et al., 1990; Prasongsukarn & Patterson, 2012; Surachartkumtonkun, Patterson, & McColl-Kennedy, 2013). In the case of service delay, the appropriate employee behaviour could be the acknowledgement of the delay, an explanation of the causes of delay, and an offer of compensation, all of which could then lead to customer satisfaction (Bitner et al., 1990). On the other hand, service personnel behaving as if no wrong has occurred, not explaining the causes of delay, or not being able to address the customer's needs would lead to customer dissatisfaction and aggravation (Patterson, Cowley, & Prasongsukarn, 2006). Bitner et al. (1990) argue that not only the initial core service failure, but also the reaction of the service employee can cause customer dissatisfaction, if that situation is managed badly. Employee response to a core service failure can create customer satisfaction or dissatisfaction (Han, Kim, & Hyun, 2011).

Second, there are customers who request attention to their special needs, whether medical, dietary, psychological, language-based or social (Bitner et al., 1990). Customers' allergies and dietary preferences are of particular importance in the hotel industry, especially when allergies may be life-threatening. Special customer requests might go beyond the scope or discretion of company/industry policy or norms. However, Bitner et al. (1990) argue that in such situations employees may need to "bend the rules" to accommodate the needs of the customer. For instance, in relation to dietary preferences, it is important to accommodate a customer's specific needs, even to the point of preparing meals that are not available to anyone else. Failure to respond well can result in unsatisfactory and problematic situations. An employee's response to the special needs and preferences of a customer, and to situations

where a customer has admitted his/her error (e.g. loss of a ticket, or the submission of an incorrect order), are critical moments of customer service interaction. There is potential to resolve service failure and opportunities to provide personalised service, and these instances require appropriate and flexible employee responses and behaviour (Guchait, Paşamehmetoğlu, & Dawson, 2014).

Thirdly, service failure can also be manifested in unprompted and unsolicited employee behaviour that is truly unexpected by the customer (Bitner et al., 1990). From the client's perspective, this third type of service failure is manifested in negative and unacceptable employee behaviour demonstrated during a service encounter, in situations where a contact employee shows a poor attitude towards the customer, ignores them, or treats them impersonally (Bitner et al., 1990). Bitner et al.'s (1990) findings reveal that unprompted and unsolicited employee actions resulting in customer dissatisfaction are not under direct management control. Examples include a service employee being impatient, or not anticipating the needs of the customer, or failing to provide information. Bitner et al. also pay attention to employee behaviour that clearly violates cultural norms, such as discrimination against female or juvenile customers.

There is the potential to resolve service failures, and opportunities to provide personalised service, through appropriate and flexible employee responses and behaviour (Guchait et al., 2014). It is essential that employees understand the service concept, the procedure of service delivery and operations, and the standards of service required. It is this knowledge that enables employees to inform customers of the reasons for a service failure and the potential remedies (Liao, 2007). In addition, the acknowledgement of service failure including the provision of information can mitigate the service failure to a certain extent (Hess Jr et al., 2003). In some

cases standardized responses or actions can be used. However, in most instances a response must be personalized to the specifics of the incident (Prasongsukarn & Patterson, 2012). Employee training to develop a broad repertoire of responses is useful in handling the service failure situation (Boshoff & Allen, 2000).

Many hospitality researchers argue that frontline employees have direct contact with customers, and that enabling and authorizing them to address customer issues is therefore appropriate, as the customer service employees require to adapt their behaviours in response to each and every service provision (Gazzoli, Hancer, & Park, 2012; Lashley, 1995a; Lashley, 1995b, 1999; Ro & Chen, 2011). In the event of a service failure, employees need to be responsive and to act immediately to resolve the situation (Michel et al., 2009). As indicated above, "bending the rules" or having more flexible procedures enabling customer contact employees to respond quickly to a service failure could offer good solutions (Patterson et al., 2006).

2.4 Service recovery

Service recovery is "the actions of a service provider to mitigate and/or repair the damage to a customer that results from the provider's failure to deliver" (Johnston & Hewa, 1997, p. 467). Service recovery strategies are actions taken by service firms and their employees in response to service failures, to recover the customer's state of satisfaction (Patterson et al., 2006). These strategies may include acknowledgement of the problem, speedy rectification of the service failure, apologising, explanation of the problem, empowering staff to resolve the situation as well as possible, and offering compensation (Patterson et al., 2006; Prasongsukarn & Patterson, 2012). Employees should be trained to be courteous and respectful during the recovery process. The objective of recovery is to resolve problems at two potential times: in

the course of the service encounter (i.e. before a customer complaint); and (if the client is dissatisfied) soon after the service encounter has been completed (Gronroos, 2007). A speedy recovery after the failure safeguards the organisation's image and reputation (Wirtz & Mattila, 2004). The service recovery process requires immediacy, listening carefully to the customer problem and making the right response with a sense of personal care (Boshoff & Allen, 2000; Michel, Bowen, & Johnston, 2009).

2.4.1 Three perspectives on service recovery

The concept of service recovery has been explored from three different points of view, grounded in three related disciplines (Michel et al., 2009). These perspectives are customer recovery, employee recovery, and process recovery. The customer recovery perspective originated in the marketing literature and concerns regaining customer satisfaction after a service failure. In the operations management literature, a service failure is defined for both production and delivery process failures: for example, failures in technology. This is the process recovery perspective (Michel et al., 2009). Finally, the employee recovery perspective has been developed in the management literature and focuses on how employees handle service failures (Bowen & Johnston, 1999). Michel et al. (2009) argue that this perspective addresses two aspects: the practices and procedures that support employees to succeed in their attempt to recover the customer; and employees' own recovery from the adverse impact of service failure. In sum, customer recovery involves the organisation trying to regenerate customer satisfaction, process recovery involves learning from the failure incident to avoid its recurrence, and employee recovery involves preparing employees to handle service failures (Michel et al., 2009).

Managing service activities is a unique challenge and depends on creating a coherent approach towards the customer by coordinating the marketing, operations and HRM disciplines (Batt, 2009). Conflicts between these three perspectives may cause unresolved tensions and result in the failure of service recovery actions (Michel et al., 2009). The discipline-bound view of academics and managers often focuses on only one aspect, neglecting the other perspectives. For example, the employee recovery perspective is internally focused and supports the employee to handle the situation effectively. On the other hand, the customer perspective has an external focus. It has been argued that the complaining customer should be treated as "a gift or a true friend" as he or she provides opportunities to improve service (Berry & Parasuraman, 1992; Michel et al., 2009). Conversely, employees often consider complaining customers as an annoyance. Grandey, Dickter, and Sin (2004) argues that employees may feel irritated when asked to accept that "the customer is always right", as they may experience situations where, in fact, the customer is at fault (p. 399).

Grandey et al. (2004) argue that when employees are dealing with service failures and customer complaints, where they have little or no control, then these incidents may affect negatively on service employees' commitment to customer service. In a service failure situation, or a situation where a customer holds an employee personally responsible, lack of control by the employee may lead to his/her dissatisfaction (Michel et al., 2009). Employees may underestimate their role in service failures, while customers can be demanding as they are paying for their service; this can cause dissatisfaction for both parties (Bitner et al., 1994; Michel et al., 2009).

Poor internal service recovery can lead to discontented clients as well as stress-ridden, disheartened employees who feel powerless to resolve difficulties in service (Grandey et al., 2004). Batt (2009) argues that at the firm level, the role of employees is of particular

importance, and that successful service delivery involves a careful integration and coordination of activities across operations, marketing and HRM. Further, Batt states that in a service recovery context, having appropriate staff levels, investing in training, and using reward management to motivate staff should be high priorities. In sum, it is important for any firm to handle service failure and service recovery appropriately. A coherent, integrated approach to managing services – one that incorporates the three different perspectives – is argued to be crucial.

2.5 Studies on employee perspectives of service recovery

Over the last decade, the marketing literature has experienced a noteworthy accumulation of studies pertaining to service recovery-related topics (Prasongsukarn & Patterson, 2012). Recent research has focused on how service failures affect customers and their reactions to such incidents. Areas researched by these studies include service recovery satisfaction (Prasongsukarn & Patterson, 2012); customer rage (Surachartkumtonkun, Patterson, & McColl-Kennedy, 2013); service recovery and its impact on customer loyalty and satisfaction (Komunda & Aihie, 2012); service recovery strategies (Kuo, Yen, & Chen, 2011); severity of service failure (Sajtos, Brodie, & Whittome, 2010); and critical service failure incidents in restaurants (Leong & Woo Gon, 2002).

Only a small number of researchers have conducted studies on service failures from the employee perspective (Ashill, Carruthers, & Krisjanous, 2006; Babakus, Yavas, Karatepe, & Avci, 2003). Babakus et al. (2003) propose that training, empowerment, and rewards are positive factors for employees, and conceptualise these three functions as representing management's commitment to service quality. They collected questionannaire data from 180 employees of publicly and privately owned banks in Turkey. Measurement of SRP and the

criterion variables was made via a self-reported measure. The authors reasoned that frontline employees are directly facing the customers and are therefore in the best position to evaluate their service recovery efforts. Babakus et al.'s (2003) findings show that management commitment to service quality is positively linked to perceived SRP through the mediation of organisational commitment and job satisfaction. They concluded that organisational commitment exerted a stronger mediating impact on SRP than did job satisfaction. Also, the effect of organisational commitment on SRP was stronger than that of job satisfaction, which had a weak relationship with SRP. Figure 2.1 shows the conceptual model tested by Babakus et al. (2003).

Figure 2 Theoretical model proposed by Babakus et al. (2003)

Management Commitment → Affective Outcomes → Performance Outcomes
to Service Quality (MCSQ)

Training
(TRAIN)

Empowerment
(EMPOW)

Rewards
(REWARD)

Affective Org.
Commitment
(AOC)

Job Satisfaction
(SAT)

Service Recovery
Performance
(PERF)
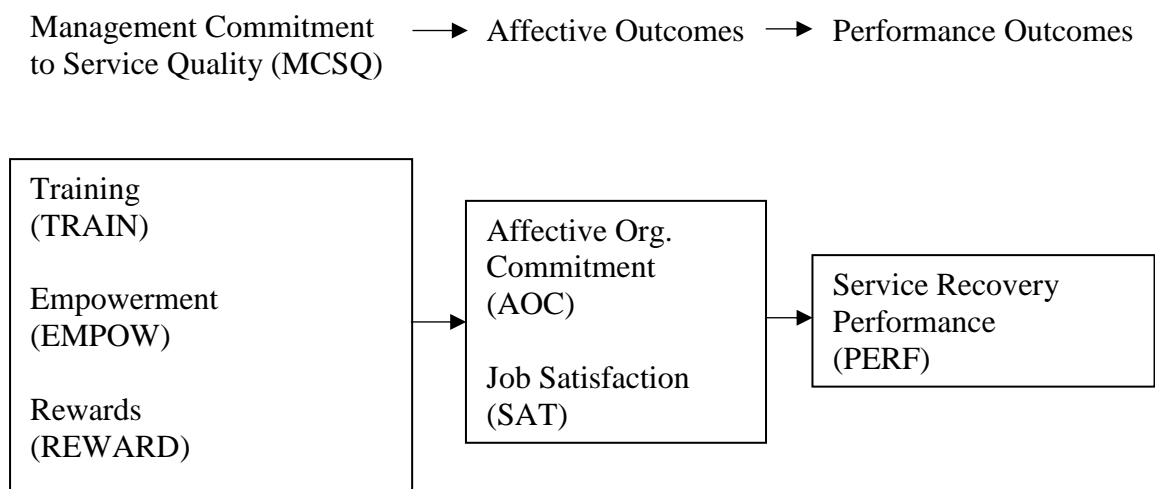
Michel and Ashill (2010) applied Babakus et al.'s (2003) model in the New Zealand context. They conceptualised management commitment to service quality using four variables: employee rewards, training, empowerment, and customer service orientation. Data was collected from 186 frontline hospital employees from both private (n=82) and public (n=104) sector hospitals using a self-report survey. Results for both private and public hospital staff indicated that the hypothesised paths between job satisfaction and SRP were not significant.

However, management commitment to service quality was positively linked to job satisfaction and organisational commitment. Also, in both public and private sector hospitals organisational commitment was positively associated with SRP. The authors considered that the non-significant relationship between job satisfaction and SRP could be due to the narrow definition of the concept of job satisfaction. In conceptualising job satisfaction, they focused mainly on pay satisfaction, a sample questionnaire item being "I am satisfied with the amount of pay that I received for the job I do" (Michel and Ashill, 2010, p. 102). They note this problem in their article and mention that they could have focused more on intrinsic factors, such as frontline employees being satisfied when they relieved a patient's problems and distress. Nevertheless, in both samples, management commitment to service quality strongly predicted job satisfaction and organisational commitment.

Based on the conceptual framework introduced by Babakus et al. (2003), Ashill et al. (2006) theorised management commitment to service quality using the variables of training, empowerment, rewards, supportive management, servant leadership, and service technology. They argue that management commitment to service quality positively relates to job satisfaction and organisational commitment, and that it is also linked to SRP indirectly via organisational commitment and job satisfaction. Their sample consisted of 104 full-time frontline employees of public sector hospitals in New Zealand. They found that management commitment to service quality had an indirect positive effect on SRP via the mediating variable of organisational commitment. The association between job satisfaction and SRP was non-significant.

All three of the above studies followed a similar conceptual framework but differed in their way of conceptualising management commitment to service recovery. Ashill et al. (2006) and

Michel and Ashill (2010) used more variables to conceptualise management commitment to service quality than the original model by Babakus et al. (2003). They aggregated different constructs such as rewards, empowerment, training. on one scale even though they have different meanings. For instance, studies have shown that reward (Spreitzer, 1995) and training (Boxall, Ang, & Bartram, 2011) can be antecedents to empowerment. Each construct – rewards, empowerment, training – can have different effects on job satisfaction, organisational commitment and SRP.

Karatepe (2012) hypothesised that organisational support influences SRP and job performance via career satisfaction. This study was conducted in the hospitality and tourism sectors in Cameroon. Supervisors of frontline employees evaluated the latter's SRP with a month-long gap between the collection of predictor and criterion variables. The results show that when employees perceive that their organisation cares about their well-being and appreciate their efforts, this leads to higher career satisfaction which in turn leads to improved SRP and job performance.

Service failures are unavoidable, but these failure incidents present opportunities to regain customer satisfaction through the implementation of proper service recovery. Service recovery has been studied from three different perspectives; this study focuses on the employee perspective of service recovery. The next section describes the HRM concepts of employee empowerment and job satisfaction.

2.6 HRM in the service sector

2.6.1 HR Systems, HR policies and practices

Human resources are the "knowledge, skills and energies" of people, which they utilise in the course of their employment (Boxall and Purcell, 2016, p.4). Human resource management (HRM) is about "all those activities associated with the management of work and people in organisations" (Boxall & Purcell, 2011, p. 1). Managers use HR policies and practices for organising work and managing people, and "these policies and practices are the basic materials or instruments of HRM" (Boxall & Purcell, 2016, p. 6). According to Boxall and Purcell (2016), HRM includes both 'work' and 'employment' policies and practices, where work policies and practices are concerned with the 'structure of work'; on the other hand, employment policies and practices are concerned with the management of employees within a company. Work policies and practices include, for example job design, work processes for team building, and problem-solving groups (e.g. quality circles). On the other hand, employment policies and practices include management activities such as selection, hiring, training, appraisal, as well as informing, consulting and negotiating with individuals. The design of jobs varies, from low discretion jobs, such as following scripted instructions with limited authority, to highly autonomous jobs where individuals have greater control over what they do in the course of their appointed role and decision-making power (Boxall & Purcell, 2016). Organisational positions, for instance, the job of a service worker, which is at the lowest level of an organisational hierarchy, may have limited authority; however, higher up in the hierarchy, those in managerial and supervisory roles tend to have a higher level of autonomy.

HR systems consist of a related set of HR policies and practices (Lepak, Liao, Chung, & Harden, 2006). HR strategy can be viewed as "a cluster of HR systems", and different HR systems exist within an organisation to facilitate the management of diverse work and

employment groups (Boxall & Purcell, 2011, p. 67). Managers choose HR practices, for example interviews, incentive-based remuneration, and 360-degree performance evaluation, in order to manage employees and attain certain outcomes (Lepak et al., 2006). HR practices can be used to attain a diverse range of goals. For instance, HR systems for customer service, particularly in service industries, play a vital role in achieving high-quality service delivery (Lepak et al., 2006). Liao and Chaung (2004) propose that training, performance incentives, and employee involvement are especially relevant for employee performance in a service setting.

An organisation typically contains a mixture of HR systems, and not all employees are managed in the same way (Boxall & Purcell, 2011; Boxall, Purcell & Wright, 2008). HRM includes both individual and collective approaches to managing people which means managing employees as individuals and in groups (Boxall & Purcell, 2011). There are various employee groups, such as managers, manual workers, professionals and technical staff. These different categories can be managed in a variety of ways (Clinton & Guest, 2013). Depending on the employment context, the differences lie in the level and type of remuneration, employee contracts, and job autonomy (Kalleberg, Marsden, Reynolds, & Knoke, 2006).

The conceptualisation of the HR system, that is, which specific HR practices constitute the particular system, is dependent on the specific context of the system under consideration (e.g. Paauwe, 2009; Paauwe and Boselie, 2007). While there is considerable variability in the selection of HR practices and policies across different HR systems (Lepak et al., 2006), it is also evident from various studies that the objectives of HR practices vary (Boxall, 2012). When an organisation operates across national boundaries, the diversity of the HR systems is much higher (e.g. Paauwe and Boselie, 2007; Boxall & Purcell, 2011). In research, adopting

context-specific measures of HR practices and management styles relating to the study context is important (e.g. Boxall et al., 2011). The design of this study takes into account the importance of contextualization, and this is further discussed in Chapter 4.

2.6.2 Management styles in HRM

Organisations operate in societies and in this societal context, there are laws and cultural norms that influence the ways in which managers employ workers and how they treat them in the workplace. Therefore, social legitimacy is an important goal in HRM (Boxall and Purcell, 2016). All organisations should comply with the employee regulations and minimum legal requirements within the society in which they operate, and thereby maintain their status as legitimate members of the society.

The laws of a society may impose restrictions on the management power of firms and protect the rights of employee voice. "Employee voice" can be defined as "opportunities for employees to have a say and exert influence over the decisions that affect their interests" (Boxall and Purcell, 2016, p.133). There may be direct channels for voice through which employees can negotiate with management their terms of employment, such as hours of work and remuneration. Also, employees may be able to exercise control and decision-making authority over their jobs; this may be particularly observed in the case of highly skilled positions. Furthermore, employees can raise their concerns through team briefings, problem-solving groups and self-managed teams, where they get the opportunity to influence decision-making and have an effect on the work itself. Conversely, indirect voice is often represented in collective bargaining through trade unions. The indirect form of employee voice may also include consultation with workers and management through joint consultative committees

(JCCs) and works councils. The decline of trade unionism can be seen in many countries; despite this, well-implemented voice practices can reduce problems in the workplace and build trust between managers and workers (Boxall and Purcell, 2016).

There is a wide variety of management ideologies and styles within HRM (Boxall & Purcell, 2011). The way in which an organisation approaches 'employee voice' can determine different management styles. The top managers of a company usually make this critical choice of what kind of relationship they want to maintain with employees (Boxall and Purcell, 2016). Frontline managers are asked to apply the wishes of senior management down the hierarchy to the employees. They also undertake certain duties of training, appraising, selecting, and communicating in the development of their staff. As noted by Boxall and Percell (2016), the behaviour of frontline managers "can range from a command-and-control style to one favouring a high level of employee commitment" (p.149). Command and control gives limited avenues for employee participation in a firm's policy decisions and workplace partnership gives more recognition to employee rights and interests (Boxall & Purcell, 2011). In instances where employees are highly skilled, managers often seek their cooperation in achieving the objectives of the organisation, such as in enhancing quality and innovation; in this case, a more partnership-based style is suitable. However, in low-skilled, repetitive tasks with a low level of job discretion, a command-and-control style may predominate (Boxall & Purcell, 2016).

2.6.3 Defining management styles (management behaviours)

Peccei and Rosenthal (2001) first emphasised the importance of the role of management behaviour in HRM and performance relationship. In their empirical research in Shopco supermarkets in the United Kingdom, the authors state that management behaviour should "act as a visible demonstration to employees of senior level commitment to service excellence"

(Peccei & Rosenthal, 2001, p. 835) and their study involved measuring management behaviour as perceived by shop-floor staff. Based on human relations theory, their findings indicate that supportive behaviour by management can lead to customer-oriented behaviours among employees. In a similar way, Purcell and Hutchinson (2007) highlight the importance of the line manager in the HRM and performance relationship in their exploratory study conducted in 12 'excellent' companies in the UK. Line manager behaviour, as explained by Purcell and Hutchinson (2007), "has to be included in any causal chain seeking to explain and measure the relationship between HRM and organisational performance" (p. 6). Their findings indicated that employee commitment to their job and the employer can be influenced by the quality of the leadership provided by the line manager and employee satisfaction with HR practices.

Prior studies indicate the importance of line managers' role in terms of implementing HR practices (Alfes, Truss, Soane, Rees, & Gatenby, 2013; Boxall et al, 2011; Peccei & Rosenthal, 2001; Purcell and Hutchinson, 2007). HRM systems, policies, and practices filter through the organisational hierarchy, and the frontline manager directs and communicate these policies and practices to employees. They signal to employees what top management expects from them by enacting HR practices through their leadership style. Within HRM there is a symbiotic relationship between leadership behaviour and the actual HRM practices enacted (Purcell and Hutchinson, 2007). Line managers can support employees in their daily jobs, creating an environment that encourages open communication, trust and sharing of information. In HRM research it is valuable to measure how employees perceive the line manager's behaviour. Thus, HRM includes both HR practices and the management styles relating to the management of people (Boxall et al., 2011; Purcell & Hutchinson, 2007).

2.6.4 How do management styles differ from HR practices?

HR practices and management styles are two distinct constructs. Prior researchers (e.g. Boxall et al. 2011; Peccei and Rosenthal 2001; Purcell and Hutchinson 2007) argued the importance of distinguishing management styles from HR practices. In their empirical studies, Boxall et al. (2011) and Peccei and Rosenthal (2001) showed that HR practices and management styles/behaviours are two different constructs that have a positive impact on individual job performance or service behaviours. These study findings are discussed in detail in section 2.6.6. Managers are actors with a mind of their own and often managers behave in different ways when managing employees. Because the way in which the line manager implements the HR practices determines how the employee perceives the management style, HR practices and management styles may not perfectly overlap. For instance, there are HR practices that are independent of the line manager; e.g. holiday allowance is paid to workers by the HR department.

Line managers are involved in implementing HR practices; however, there can be other people involved in implementing HR practices in any organisation. For instance, a professional trainer from a HR department conducts training but a separate manager does the induction. The senior management is responsible for designing the reward system of an organisation. Therefore, there can be more than one person involved in enacting the HR practices, or these HR practices could be directly implemented without the involvement of the line manager. Hence, management style is not equivalent to HR practices and these should be studied as two different constructs.

2.6.5 Models of HRM in the service sector

The framework developed by Boxall (2003) suggests that different markets require different strategies for the management of work and people. This framework categorises markets into

three types: scripted model of HRM or standardised and simple services (e.g. gas stations, fast food outlets and supermarkets); differentiated services (e.g. elder care, hotels and travel services); and knowledge-intensive services (e.g. professional services such as legal and accounting firms).

2.6.6 The scripted model of HRM

In the case of standardised simple services such as those relating to fast food outlets or supermarkets, customers have more choice, products tend to be more price-sensitive and organisations, therefore, rely mainly on cost-based competition. These organisations generally adopt a scripted model of HRM, in which an organisation tries to "standardise how front-line service workers deal with customers" (Boxall & Purcell, 2016, p.207). In other words, front-line workers are trained to follow a set of standard procedures such as greeting the customers and telephone etiquette. Boxall et al. (2011) argued that in a highly standardised service context, such as the management of front-line workers of a large-scale cinema, Taylor's scientific management principles were often adopted. According to Boxall and Purcell (2016), scripted instructions help to reduce the heterogeneity of service encounters and achieve efficiency improvements. These scripted models of HRM are more suited to the employment of low-skilled workers where there is a possibility of substituting labour for technology and self-service: for instance, McDonald's outlets replacing cashiers with kiosks. This type of scripted model of HRM is often seen as equivalent to the factory system of the assembly line, in which a high level of standardisation can increase employees' stress and turnover. Employees are expected to smile and be pleasant even to rude and abusive customers, displaying 'emotional labour' (Hoschild, 1979). Employee wellbeing may not deteriorate entirely in a highly standardised scripted environment: for instance, employees may benefit from support from line managers (Purcell & Hutchinson, 2007). The "quality of the relationship

between employees and their immediate line managers" may have a direct influence on employee well-being, either positive or negative (Purcell & Hutchinson, 2007, p.5).

2.6.7 Differentiated services and the high-involvement model

In contrast to the scripted model of HRM, in a differentiated service industry, a mix of cost- and quality-based competition exists, and there is an opportunity for a company to identify higher-value-added segments (e.g. in hotels) (Boxall & Purcell, 2016). Boxall (2003) claimed that jobs in this segment require a mix of skill levels and a moderate degree of discretion, but that there is clearly a possibility of job enrichment. Firms may target higher-value-added customers, and greater variation in customer preferences exists. With the increased use of high involvement models of HRM for front-line employees in this context, a clear difference can be seen between the manufacturing and service sectors. For example, in capital-intensive manufacturing industries, such as consumer electronics, due to advancements in technology customers are now being offered higher quality products at low cost. In contrast, in the service sector, including in the hotel industry, improvements in quality come at a higher price because the high-quality service involves higher costs. Also, a unique characteristic of hotel service is that a guest should visit a hotel in person to enjoy the stay where the hotel service is geographically fixed (Boxall & Purcell, 2016).

A high-involvement system is designed to use a set of HR practices that influence the scope and nature of the tasks that employees are performing (Lepak et al., 2006). In particular, it can be observed that in high involvement models, there is greater investment in training, more development of employees, regular reviews of employee appraisals, and the encouragement of employee empowerment (Boxall & Purcell, 2016). Empowerment is particularly important in

service-failure situations where front-line workers are required to respond immediately and initiate service recovery (Bitner et al., 1990).

There is no hard-and-fast rule that says that differentiated service companies adopt high-involvement practices, while standardised service firms do not. In fact, organisations may choose a blend of strategies such as scripted practices and more high-involvement HRM for different categories of employees. A study by Peccei and Rosenthal (2001) showed that in the standardised service environment of a chain supermarket in the UK, more empowering practices led to a higher degree of service-oriented behaviour by front-line workers. The major shift that is evident in this example is the allowing of more empowerment for lower-level staff, consequently enabling them to provide a more customised and responsive service for customers (Boxall & Purcell, 2016).

2.6.8 Prior research on HRM in the service sector

The importance of a theoretical understanding of the link between HR practices and management behaviour in the service sector is highlighted by Peccei and Rosenthal (2001). They investigated how the management intervention of "culture change" in Shopco supermarkets in the United Kingdom promoted service excellence. Peccei and Rosenthal's (2001) results suggest that adopting a suitable set of HR practices and management behaviours enhances customer-oriented behaviour among frontline workers. These practices include (1) systematic training that emphasises values and skills; (2) both supervisor and management commitment to customer service and supporting employees in their daily work operations; and (3) job design. Their sample included 54 supervisors and 663 general staff. The HR practices variable was "service excellence training" and they also collected data on the variables of "supportive and customer-oriented management" and supervision (Peccei &

Rosenthal, 2001, p. 840). Employee participation in service excellence training, as well as supportive management behaviour, gave frontline employees more control over their work decisions (Peccei & Rosenthal, 2001). These practices positively affected the job autonomy and job competence associated with the customer-oriented behaviour of workers. The authors argued that, "even within the relatively routinized and low skill context of supermarket service, the adoption of less Tayloristic practices, which enhance employee empowerment, may have a significant positive impact on work behaviour of frontline employees" (Peccei & Rosenthal, 2001, p. 850).

In line with the methodological approach of Peccei and Rosenthal (2001), Boxall et al. (2011) highlighted the relevance of the "multiple goals in management's espoused theories of HRM" in the service setting (Boxall et al., 2011, p.1529). The authors investigated the effect of HR practices and managerial behaviours on the attitudes and behaviour of employees and, through them, supervisors' assessments of employee performance. The theoretical framework of Ability–Motivation–Opportunity (AMO) provided the justification for the hypothesising of the relationship between HR policies and employee performance outcomes. This study was conducted in an Australian cinema chain, a standardised service environment, with a sample of 116 casual employees, in which supervisors rated the job performance of the casual employees. Supervisory rating of employee performance was gathered four months after employees' data was gathered. The researchers found that the experience of espoused HR practices and supportive management and supervisory styles related to employee performance via the mediating variables of compliance behaviour, and not via a customer-oriented behavioural pathway. The results indicated that (1) compliance behaviour rather than customer-oriented behaviour was positively related to higher supervisory ratings of performance in this context; (2) espoused HR practices and management styles also had an

indirect effect, via empowerment, on the affective commitment of employees and; (3) empowerment as an aggregated measure of job competence and autonomy had a non-significant relationship with customer-oriented behaviour and job performance.

Both of the above studies were conducted in the service sector using a sample of lower-level employees. The study findings do show differences, with Peccei and Rosenthal (2001) finding that "even within the realtively routinized and low-skill context" (p.850), empowerment practices of job autonomy and job competence enhanced customer-oriented behaviour. Some of the empowerment initiatives and job autonomy practices adopted for frontline workers in this context were the granting of authority to handle exchange or credit for unsatisfactory products and to remove unsatisfactory products from the selling floor without referring to supervisors, and allowing frontline workers to have "wider latitude in how they interacted with customers" (Peccei & Rosenthal, 2001; p.835). Their findings indicated that relaxing 'script mandating' allowed employees to engage in more customer-oriented behaviour. In contrast, Boxall et al.'s (2011) study findings showed employees are following script mandating and efficiency-oriented work processes. Therefore, higher job performance was positively related to compliance behaviour and negatively associated with customer-oriented behaviour.

Also, both studies found that HR practices and management and supervisory styles were either directly or indirectly positively related to empowerment. Peccei and Rosenthal (2001) conceptualised empowerment as two distinct measures of job competence and job autonomy, and their findings indicated that both dimensions were positively related to customer-oriented behaviour. Boxall et al. (2011) and Peccei and Rosenthal (2001) both provide valuable theoretical arguments, and the AMO theoretical framework provides a sound basis for

building the conceptual model of this study. The next sections expand more on AMO and introduce empowerment theory and the associated research.

2.7 The AMO theoretical framework

The AMO theoretical framework is useful for understanding individual job performance, and many scholars in the field of HRM have used this theory in developing HRM models (Boselie, Dietz, & Boon, 2005; Boxall & Purcell, 2011). An early emphasis on job performance focused on ability and motivation. Ability represents the capacity to work, where "capacity refers to the physiological and cognitive capabilities that enable an individual to perform a task effectively" (Blumberg & Pringle, 1982, p. 563). Motivation, or the individual's willingness to work, represents "the psychological and emotional characteristics" that inspire the individual's performance of the given task (Blumberg & Pringle, 1982, p. 563). Willingness to work depends on characteristics such as personality, values, attitudes, task characteristics, and perceived role expectations (Blumberg & Pringle, 1982). However, the job performance of an individual is a function not only of ability and motivation but also of environmental variables or opportunities to perform. Hence, an individual's job performance is a function of individual ability (A), motivation (M) and the opportunity to perform (O) (Blumberg & Pringle, 1982).

Both the ability dimension and the motivation dimension are internal states of an employee, while the 'opportunity' is related to the contextual and situational constraints that are present in the environment, relevant to the behaviour and performance of an individual (Blumberg & Pringle, 1982). There can be different mechanisms that give the 'opportunity' for employee voice to be heard, such as employee involvement in the organisation's decision-making process, the sharing of information, and the increasing of job discretion. Even though an employee has the ability and motivation to perform, without the opportunity to perform the

employee may not be able to succeed, and performance may be hindered (Blumberg & Pringle, 1982; Hughes 2002).

An HR system can enhance employees' skills, knowledge, abilities and opportunities to contribute and can directly and indirectly influence their "motivation to perform" by affecting the organisational climate, worker incentives and rewards (Lepak et al., 2006). Lepak et al. (2006) proposed a theoretical framework to explain the linkage between HR systems and organisational performance based on the theoratical framework of Ability Motivation and Opportunity (AMO) (Figure 3). However, Boxall, Guthrie and Paauwe (2016) have argued that the AMO framework focuses on the achievement of the goals of the organisation rather than on employee well-being, and also presents a broad analytical structure. They also suggest that the variable "O" (i.e. the opportunity to perform) is under-researched. The opportunity aspect is linked with the workplace environment, which presents an opportunity to perform. Similarly to this concept, in the theory of psychological empowerment the dimensions of job autonomy and job impact are about the fact that employees can influence or make a difference in their work environment. This is discussed in the next section.
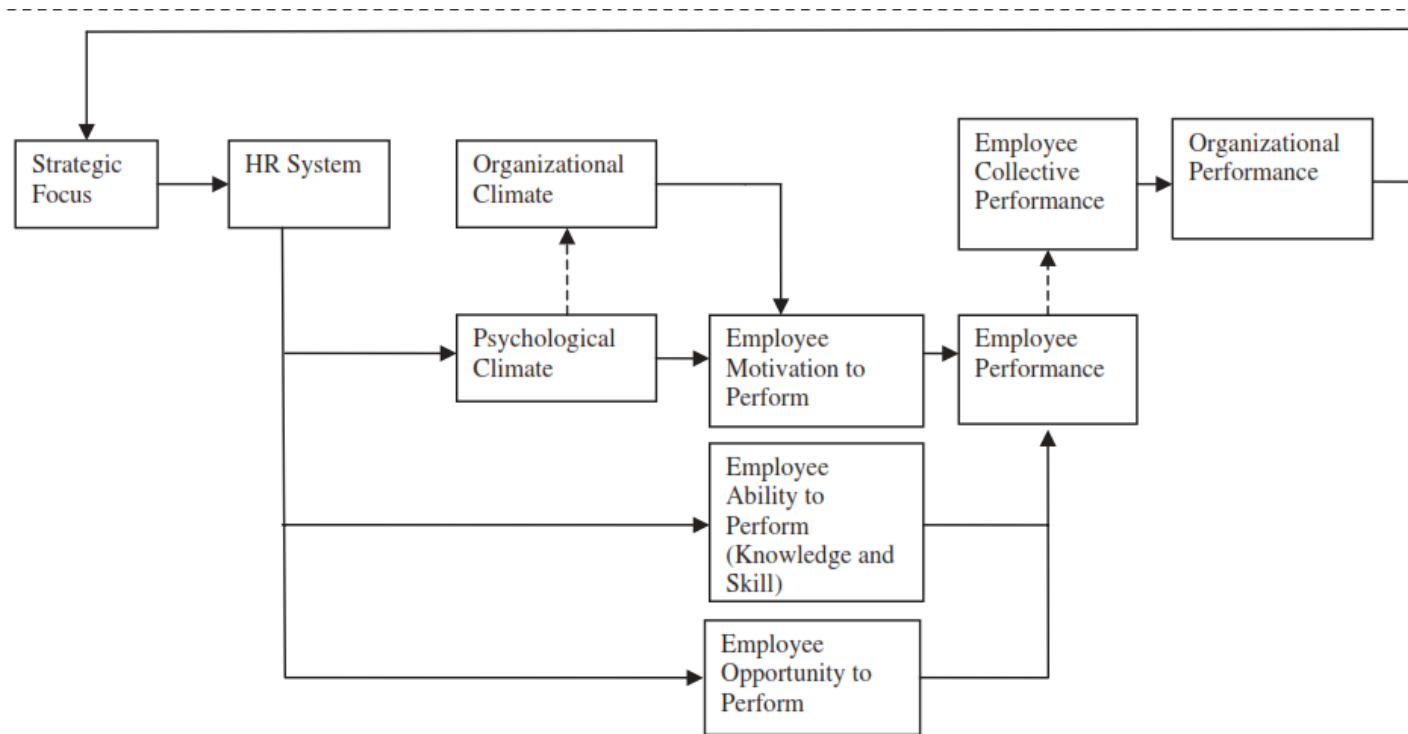
Figure 3 An integrated model linking HR system, HR system mechanisms, and organisational performance

(Lepak, Liao, Chung, & Harden, 2006, p. 231)

2.8 Empowerment theory

Empowerment involves delegating decision making from the higher to the lower levels of an organisation (Bowen & Lawler, 1995; Bowen & Schneider, 2014). The concept of empowerment has evolved from several theoretical perspectives including the job characteristics model (Hackman & Oldham, 1975) and Bandura's (1989, 2001) theories of self-efficacy. These theoretical frameworks have established a foundation for the two branches of empowerment: structural empowerment and psychological empowerment (Maynard, Gilson, & Mathieu, 2012). The concept of structural empowerment was developed out of job characteriestics research. The job characteristics model presents the five core dimensions of a job, namely: "skill variety, task identity, task significance, autonomy, and feedback", and explains how these job characteristics influence "the motivating potential" of a job (Hackman & Oldham, 1975, p.160).

Structural empowerment emphasises "the transition of authority and responsibility from upper management to employees" (Maynard et al., 2012, p. 1234). Organisational conditions such as appropriate job design, formal authority for decsion-making, access to information and resources need to be in place to facilitate structural empowerment (Maynard et al., 2012). Early researchers regarded strcutural empowerment as a set of structures, practices and policies facilitating the decentralisation of power and authority throughout an organisation, allowing employees at lower levels to take appropriate action (Seibert et al., 2011).

Bandura's work (1989) on self-efficacy laid the foundation for the concept of psychological empowerment. Thomas and Velthouse (1990) expanded the notion of empowerment by incorporating cognitive and motivation theories and identified the four aspects of meaning, choice, competence, and impact. An increased intrinsic task motivation develops from the

positive experience that an individual gets directly from the task itself, and is related to the context of the task, and to rewards and punishments (Thomas & Velthouse, 1990). Therefore, psychological empowerment is conceptualised as a "motivational construct" (Conger & Kanungo, 1988; Spreitzer, 1995) and is associated with "increased intrinsic task motivation" (Thomas & Velthouse, 1990, p. 666).

Empowerment is based on an experienced psychological state or cognition (Spreitzer, 1995). That is, an individual feels or experiences empowerment, and power and control are internal states or needs of an individual (Thomas & Velthouse, 1990). Therefore, psychological empowerment is both a cognitive state and a motivational construct related to how individuals and teams perceive control over their work (Spreitzer, 1995). Based on the conceptualisations of Conger and Kanungo (1988) and Thomas and Velthouse (1990), Spreitzer (1996) defines psychological empowerment as "intrinsic motivation manifested in four cognitions reflecting an individual's orientation to his or her work role. The four cognitions are meaning, competence, self-determination and impact" (Spretizer, 1996, p. 484).

Spreitzer (1995) argues that psychological empowerment cannot be generalised to different roles and life situations, and is specific to the work setting. Psychological empowerment is not a personality trait that can be generalised across situations (Spreitzer, 1995; Thomas & Velthouse, 1990). Therefore, psychological empowerment reflects how organisational members perceive themselves in terms of their work environment; as a result of which they may perceive themselves to be more or less empowered (Spreitzer, 1995).

2.8.1 Dimensions of empowerment

According to Spreitzer (1995), the concept of psychological empowerment has four aspects. The first dimension (meaning), shares similar thematic concerns to those inherent in Hackman and Oldham's (1975) use of the term; work itself is meaningful where skill variety, task identity, and task significance exist. Meaningfulness relates to the value of the task and its goal or purpose (Spreitzer, 1995).

The second dimension (competence) denotes an individual's belief in his/her capabilities to perform work duties successfully (Bandura, 1989; Seibert et al., 2011). The competence dimension has close ties to Bandura's work theory (1989) on self-efficacy. According to self-efficacy theory, belief in one's ability and competence to complete a given task is related to the desired level of performance. An employee feels empowered when he/she has a strong sense of confidence in higher ability, a "can do" attitude (Spreitzer, 1995).

The third dimension of self-determination can be explained as a sense of choice, which initiates or regulates an individual's actions. It is a reflection of whether an individual can make decisions concerning work methods, effort and pace (Spreitzer, 1995). Self-determination is similar to job autonomy, as explained in the job characteristics model. By adapting the items from Hackman and Oldham's (1975) autonomy scale, Spreitzer (1995) constructed the dimension of self-determination (Liden, Wayne, & Sparrowe, 2000; Spreitzer, 1995). In the case of routinsed and scripted tasks, employees may feel that they are merely adhering to work procedure and following the orders of a manager higher up in the heirarchy; thus, they may not feel empowered (Spreitzer, 1995).

The fourth dimension of 'impact' refers to "the degree to which behaviour is seen as 'making a difference' in terms of accomplishing the purpose of a task, that is, producing the intended effects in one's task environment" (Thomas & Velthouse, 1990, p. 672). According to Spreitzer (1995), impact and "locus of control" are different concepts: impact can be "influenced by work context" (p. 1444), however locus of control can be viewed as a personality characteristic, which is sustained across situations. Impact can also be explained as the extent to which individuals can influence the end result in terms of strategic, administrative or operational outcomes in their work place (Seibert et al., 2011; Spreitzer, 1995). Spreitzer (1996) argues that psychological empowerment is based on the conceptualisation that individuals are expected to contribute their "voice" in influencing and shaping the activities of their work unit.

Spreitzer (1995) emphasised that these four dimensions mirror an active orientation rather than a passive orientation to a work role. What Spreitzer meant by active orientation is that the "individual wishes and feels able to shape his or her work role and context" (p. 23). Spreitzer (1995, 1997) further refined this construct and developed a multidimensional instrument to measure psychological empowerment in the workplace setting.

Even though an extensive amount of research has been carried out on empowerment, there is still a lack of theoretically-driven measures of empowerment in the workplace (Seibert et al., 2011). Spreitzer's (1995) multidimensional measure is still popular among researchers and a large number of studies have used this scale. In a pioneering study, Spreitzer (1997) examined the four dimensions of empowerment, in relation to lower-level and mid-level managers, considering how each dimension contributed to work satisfaction, work effectiveness and work strain. Spreitzer's findings show that each dimension relates differently to the work

outcomes of satisfaction, strain and stress in the two different employee groups, and that no single dimension is associated with all three work outcomes. These results evidence the multidimensional perspective of empowerment.

In line with this argument, Kraimer, Seibert, and Liden's (1999) findings indicate that job characteristics positively relate to empowerment, and that empowerment dimensions relate differently to organisational commitment and career intentions. The study design was of a longitudinal nature and had as its sample nursing staff in two different time periods. The findings of Liden et al. (2000) confirm that the empowerment dimensions of a feeling of meaning and a sense of self-determination are positively related to job characteristics and work satisfaction. The study had a sample of 337 employees and their immediate supervisors in a large-scale organisation in the USA.

By analysing each aspect separately, these studies have provided evidence for psychological empowerment as a multidimensional construct (e.g. Kraimer et al., 1999; Liden, Wayne, & Sparrow, 2000; Peccei & Rosenthal 2001, Seibert et al., 2011; Spreitzer, 1997). Their findings indicate that the dimensions of psychological empowerment relate differently to different work outcomes, such as stress, job satisfaction, or service behaviour.

2.8.2 Organisational conditions for empowerment

Consistent with Bandura's (1989) self-efficacy theory, Conger and Kanungo (1988) argue that to empower is to 'enable', which involves creating work conditions and increased task motivation to achieve task accomplishment through developing a strong feeling of self-efficacy. In line with this argument, Thomas & Velthouse (1990) suggested that the nature of the organisational environment places a significant influence on cognitions or perceptions of

empowerment. There are constraints or opportunities present for an individual in his or her work environment. Conger and Kanungo (1988) identified primary contextual factors that can be impede self-efficacy and foster dependency and powerlessness among organisational members. These are: (1) authoritative supervisory styles; (2) organisation factors such as bureaucratic climate, poor communication, centralised organisational resources; (3) reward systems with low incentives, lack of competency-based rewards, and arbitrary rewarding methods; and (4) job design with lack of role clarity, lack of training, lack of discretion, unrealistic goals, and high rule structure.

The aspects of job design such as delegation of authority and decision-making power, need to be in place for employees to achieve the desired work outcomes. The empowerment dimensions of job autonomy and job impact are particularly about authority and influence; the extent to which employees can influence strategic, administrative or operational level work outcomes (Spreitzer, 1997). Therefore, empowerment is an enabling process (self-efficacy) as well as a job autonomy and job impact may also be necessary to empower subordinates to achieve the desired level of work outcomes (Spreitzer, 1997; Seibert et al., 2011).

2.8.3 Empowerment and job level

Several studies show that psychological empowerment is positively related to job level or job status (e.g. Seibert et al., 2011; Ergeneli, Arı, and Metin, 2007; Denmark 1993) and to individual characteristics such as age, gender, and tenure. However, the relationship between these individual characteristics and psychological empowerment differs with the study context. From meta-analytic findings, Seibert et al. (2011) show that job level is positively related with psychological empowerment, although there is no significant difference on empowerment between men and women. A similar finding reported by Denmark (1993)

supports the argument that, irrespective of gender, empowerment varies with job level. With a sample of 220 study participants from 84 bank branches in Turkey, Ergeneli et al. (2007) show that managerial position and empowerment have a positive relationship, where those higher up the hierarchy have more autonomy and power, and therefore feel more empowered than lower-level employees.

2.8.4 Why empowerment in service and hospitality operations?

The employee empowerment approach to service gained attention in the 1990s as a means to reduce customer complaints and to improve the efficiency of operations (Bowen & Lawler, 1995). Bowen and Lawler (1995) argued that employee empowerment is best fitted to many service firms because the customer is often physically present during service creation and consumption. Empowerment can be viewed as a non-bureaucratic and participation-oriented approach and involves getting the input and suggestions of lower-level employees, particularly in improving the service operations, as in many cases these employees are providing firsthand information to the customer, and are directly dealing with their clients (Bowen & Lawler, 1995; Gazzoli et al., 2012).

The literature provides evidence for two broad arguments as to why empowerment is exercised in contemporary organisations. First, the evolution of democratic principles in modern society has paved the way to the alienation resulting from the extremes of scientific management principles (Wilkinson, 1998). Job design conditions such as repetitive tasks, limted job discretion, adherence to strict controls and closer supervision can result in high employee turnover, absenteeism, boredom and conflicts (Wilkinson, 1998). Second, there are pragmatic economic reasons for empowerment, such as the fact that workers who are closer to work operations are in a better position to provide suggestions for improvements in the system than

are members of the managerial staff at a higher level in the hierarchy. Therefore, allowing employee voice in decision-making and flexibility in work structures can result, for employees, in improved service quality, wellbeing and job satisfaction (Bowen and Lawler, 1995; Wilkinson, 1998).

Employee empowerment is emphasised by Lashley (2000a) as being particularly relevant for hospitality operations, involving a shift in perception from control to commitment. He argues that this shift does not mean that empowerment results in less control. Rather, it is concerned with a change in the locus of control towards generating self-control among the employees. He argues that "empowerment is located towards this more intrinsic source of control" (Lashley, 2000a, p. 28), and emphasises that empowerment is about providing the opportunity for employees to participate in work-related decisions. Empowerment does not restrict decision making to the top level of an organisation but allows for the involvement of employees at a lower levels.

The work of Lashley (1995, 1999, 2000a) shows that in hospitality operations empowerment can be practised in different ways. For instance, empowerment through participation can be initiated through job enrichment, autonomous work groups, and works councils. Furthermore, Lashley's empirical evidence has suggested that empowerment through involvement can be encouraged by contributions to quality circles, suggestion schemes, and by team briefing; whereas empowerment through commitment can be implemented through job rotation and job enlargement (Lashley, 1999). Lashley also contends that empowerment could be achieved through de-layering, which involves a smaller number of levels in the hierarchy of an organisation.

Employee empowerment initiatives can be particularly relevant for service failure and recovery situations in hospitality operations. First, empowerment will lead to more responsive service. Complaints are likely to be dealt with immediately, and this may result in greater customer satisfaction and loyalty (Lashely 1995;1996). In situations where there is limited authority to meet service demands, for example where there is a service failure, a slow response can create even more frustration between the customer and the employee. The empowerment of frontline staff suggests that there is a need for flexibility in the internal procedures that permits frontline staff to move from a problem to a solution quickly and efficiently (Battaglia et al., 2012). Second, empowerment results in greater employee support for promoting commitment to the service recovery process (Michel et al., 2009), as well as to finding solutions for service failures (Battaglia et al. 2012). As a result, employees can use this freedom to make customised and swifter decisions in service organisations in order to rectify an error, and thus can better fulfil customer needs. Empowerment provides greater autonomy for employees to perform their job in restaurant services, without having to experience a long chain of command (Gazzoli, Hancer, & Park, 2012). Third, empowerment enables staff members to excercise creativity and initiative to find solutions for their work-related problems (Bowen & Lawler, 1995; Hancer & George, 2003).

2.8.5. Does empowerment suit all contexts?

Michailova (2002) argues that the empowerment and participation concepts are Western-oriented practices and their applicability in different societal contexts should be assessed. For instance, Michailova's (2002) qualitative study found that empowerment is not a good fit in the post-socialist Russian cultural and political context. This is due to an authoritative formal culture which tends to position power in a single individual, a culture of anti-individualism and dependence, a hierarchical structure within organisations, and a lack of knowledge-

sharing and openness (Michailova, 2002). Michailova's findings were based on two Russian companies in the gas, oil and materials industries where company managers maintain a hierarchical and formal working culture based on status and power.

Freedom for individual decision-making by employees is an aspect of empowerment (Michailova, 2002). However, in socialist collectivist Russian organisations the individualist nature of empowerment practices was not encouraged. Russian managers cultivated a paternalistic mentality that required obedience and the following of orders. On the other hand, organisations with both Russian and Western managers showed that Western managers supported employees taking the initiative and learning from their mistakes. Therefore, employees received mixed signals and messages from these two different manager groups, which led to them being caught up in a double-bind. Interestingly, Michailova (2002) notes that as more Western expatriates work within Russian organisations these traditions are being challenged, reducing the traditional barriers to empowerment.

Power distance profoundly affects individual psychological processes (Hofstede, 1984). For example, in high power-distance cultures an unequal distribution of power exists between leaders and followers. Therefore, researchers argue that the Western concept of psychological empowerment will not suit a culture where there is a high power distance and collectivism (Forrester, 2000; Michailova, 2002). A recent cross-cultural study conducted in Canada and India, with a sample of 496 restaurant workers, suggests that the relatively low power-distance culture in Canada result in a higher employee desire for empowerment compared with restaurant workers in India (Gill, Fitzgerald, Bhutani, Mand, & Sharma, 2010). Their findings indicate that employee desire for empowerment is particularly low in Indian workers and cultural power distance is cited as a reason for this.

There have been relatively very few studies conducted in the Sri Lankan context. One study by Chandrakumara and Sparrow (2004), with a sample of 184 employees domestic and foreign firms, examined the impact of Sri Lankan cultural values on work orientation in HRM policy design. The authors suggest that managers maintain power distance and that collectivist traits are visible in organisations. A more recent study by Dissanayake and Semasinghe (2014) also confirmed that power distance is particularly high in Sri Lanka and that there is a culture of collectivism and uncertainty avoidance. Both studies emphasise the unequal distribution of power, the prevalence of hierarchical power structures, and bureaucracy within the organisational context, and the consequences of these cultural values on empowerment cannot be ignored.

Psychological empowerment in different cultural settings requires more attention from researchers (Michailova, 2002). For example, when high power distance informs an individual's attitudes, how would they react to empowerment? There is also a need to examine the impact of standardisation and customisation aspects of service in relation to empowerment in the context of international hotels (Jones, Taylor, & Nickson, 1997). When service operations are repetitive tasks with mandated scripts and require low-level skills, the jobs involved may not need a high level of empowerment. Hospitality offers a service that is individualised and provided in the presence of the guest, and from this perspective the challenge is to balance the element of empowerment necessary to add the imprecise "quality" aspect to these social interactions (Jones et al., 1997). The Western-based literature suggests that there is a strong consensus that employees in the hospitality sector should be empowered (given discretion and latitude) to take action in the case of service failure in order to achieve a satisfactory level of service recovery (Bowen & Lawler, 1995; Gazzoli et al., 2012; Lashley, 1995). It is clear that

the complexity of cultural aspects and empowerment gives opportunities for detailed research in the HRM area.

2.8.6 Empowerment and job satisfaction

The relationship between psychological empowerment and job satisfaction has been researched in some studies in the hospitality context. In the US, a study by Gazzoli et al., (2012) examined empowerment in a restaurant using a sample of 308 workers. The findings indicated that empowerment gave more power and autonomy to employees to perform their jobs in restaurant services (Gazzoli et al., 2012). Empowerment resulted in a higher level of customer orientation by restaurant workers who, in turn, displayed higher levels of job satisfaction, organisational commitment, and job involvement.

Snipes and et al.'s (2005) findings, based on a sample of 351 employees and 8667 customers in service industries in the US, indicated that psychological empowerment is positively and significantly linked to job satisfaction. They stated that a feeling of empowerment positively affected employee well-being, represented through job satisfaction. Many studies have reported that job satisfaction is a measure of psychological wellbeing in an organisational context (e.g. Paauwe & Van Veldhoven, 2012; Taris & Schreurs, 2009). Employees' feelings of empowerment can have a significant influence on employee attitudes and behaviour and can lead to a positive feeling about the job (Snipes et al., 2005). Therefore, empowerment and job satisfaction may have a positive relationship and it is important to study these two aspects, particularly in relation to HRM and service recovery.

There is a variety of conceptualisations of job satisfaction. A general definition of job satisfaction is "how people feel about their jobs and different aspects of their jobs" (Spector,

1997, p. 2). Job satisfaction is what an individual likes or dislikes about their job, and it is an attitudinal variable (Spector, 1997). Oshagbemi (1999) defines job satisfaction as the employee's overall attitude towards the job, and it is the "individual's positive emotional reactions" and "affective reactions" to a job that result from comparing the actual outcome with the desired or anticipated outcomes (p. 388).

For many years, research on job satisfaction has mainly been conducted in the fields of organisational and industrial psychology as well as organisational behaviour (Locke, 1976; Oshagbemi, 1999; Spector, 1997; Wright & Cropanzano, 2000; Bowling, 2010). There are many reasons for conducting research on job satisfaction. On humanitarian grounds, employees deserve to be treated fairly and with respect and poor job satisfaction may be a reflection of the fact that workers are being treated unjustly (Spector, 1997). Employees spend most of their time in their work organisations. Therefore, in a work setting, job satisfaction is relevant as it is essential to the mental well-being of employees (Bowling & Hammond, 2008). Also, many studies have taken job satisfaction as an indicator of the emotional well-being of employees (Reb, Narayanan, & Chaturvedi, 2014; Wright, & Cropanzano, 2000). In addition, Spector (1997) contends that managers have used job satisfaction as a yardstick to measure the happiness and well-being of their employees.

Research has been conducted in both work and non-work-related settings on the causes and antecedents of job satisfaction and how it is linked to job performance (Bowling & Hammond, 2008). Due to the popularity of such research, it is interesting to note that there are a number of measures used for job satisfaction. For instance, the "Job Diagnostic Index" (JDI) includes many descriptions such as job characteristics and feelings of responsibility covering 72 items (Bowling & Hammond, 2008). The JDI has been criticised, however, for not adequately

assessing the affective component of job satisfaction (Brief & Roberson, 1989). The "Michigan Organizational Assessment Questionnaire job satisfaction Subscale" (MOAQ-JSS; Cammann, Fichman, Jenkins, & Klesh, 1979, as cited in Bowling & Hammond, 2008; p.63) was constructed as an alternative to the JDI. Bowling and Hammond (2008) proposed a shorter version of this scale and was developed through meta-analyses, which is used in this study. An advantage of this scale is that it has only three items.

Bowling and Hammond (2008) used a nomological network of interest to establish the construct validity of the MOAQ-JSS measure of job satisfaction. A nomological network is a comprehensive review of the literature to examine the construct validity of this measure. Three types of hypothesised relationships were considered to be important in establishing the network: causes, correlates, and consequences of job satisfaction (Bowling & Hammond, 2008). The job characteristic variables of "skill variety, task identity, task significance, autonomy, and feedback" represent antecedents to job satisfaction and show a direct positive relationship with job satisfaction (Bowling & Hammond, 2008, p.66). On the other hand, studies provide evidence that work stressors, such as role overload, role conflict, role ambiguity, organisational constraints, interpersonal conflicts and work-family conflicts are negatively linked to job satisfaction (Bowling, Beehr, & Lepisto, 2006; Bowling & Hammond, 2008). Social and organisational support such as support from a supervisor, co-worker, and perceived organisational support, show positive associations with job satisfaction (Rhoades & Eisenberger, 2002). Bowling and Hammond (2008) show that the MOAQ-JSS measure has an satisfactory level of validity and reliability, and is therefore a valid measure of global job satisfaction.

The association between empowerment and job satisfaction can be further explained by referring to the self-determination theory (SDT) (Ryan and Deci, 2000). An individual's desire for personal growth and the innate psychological needs are the basis for self-motivation and intrinsic satisfaction. According to SDT, the need for competence, autonomy and relatedness are three such needs that can lead to intrinsic satisfaction (Ryan and Deci, 2000). A sense of self-efficacy (competence) and self-determination (job autonomy) are linked to an individual's innate need for growth. According to SDT theory, extrinsic motivation or "performance of activity in order to attain some separable outcome" (Ryan and Deci, 2000, p.71) can depend on its relative autonomy. Therefore, SDT theory has relevance in examining the relationship between empowerment and job satisfaction.

2.8.7 Job satisfaction and job performance

The happy-productive worker hypothesis is conceptualised as the link between employee-perceived job satisfaction and supervisor-rated job performance. Wright and Staw (1999) argue that many researchers often fail to establish a close link between these two aspects and ask the question: Are happy workers productive? They argue that the positive effect on job satisfaction can lead to greater self-efficacy, which can lead to succeeding in their jobs. The psychological literature indicates that job satisfaction can be influenced by many factors such as social support, helping others and creativity, but it is not necessarily because of the job.

In his meta-analysis, Judge et al. (2001) suggested that the relationship between job satisfaction and job performance can be hypothesised in different ways and the most common way of hypothesising is that job satisfaction causes job performance. However, an alternative form of explaining this relationship is that job performance can cause job satisfaction, job satisfaction and job performance are reciprocally related, or other variables can moderate this relationship.

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Therefore, the results can often vary between the relationship of satisfaction and performance. A narrow definition of either job performance or job satisfaction could be a reason for failure to establish this relationship. In their meta-analytical review, Judge et al. (2001) found a positive correlation (0.30) between job satisfaction and job performance. Their findings also suggest that job complexity moderates this relationship, indicating that stronger positive relationship among satisfaction-performance between high-complexity jobs than low-complexity jobs. This thesis examines the relationship between job satisfaction and SRP, and prior researchers have indicated both a positive relationship (e.g. Babakus et al. 2003) and a non-significant relationship (e.g. Ashill et al., 2006; Ashill et al., 2010).

2.9 Summary

The concepts of services, service quality and service recovery originated in the service marketing literature, and interdisciplinary views of service recovery offer a rich source of material for conceptualising as well as researching this concept. Service recovery has been studied in relation to three different perspectives: customer recovery, process recovery, and employee recovery. The HRM literature focuses on service workers who are responsible for service delivery and execution. This thesis is concerned with how service workers deal with service recovery situations in the hotel sector, and this chapter provides the theoretical background relating to service, HRM and empowerment. The AMO theoretical framework and empowerment theory underpin the hypothesised relationships of this study, which examines how the variables of HR practices, psychological empowerment and SRP are connected. The AMO framework provides a useful theoretical rationale in explaining the relationship between HR practices and employee SRP. HR policy and practice influence employees' ability, motivation and opportunity to perform, and through their impact are

related to employee service recovery performance. The relationship between empowerment

and job satisfaction is also a key element of the thesis.

Chapter 3

Human resource management in the hotel industry

This chapter presents a systematic review of the literature on human resource management in the hotel sector. The literature review is structured into four main sections. Section 1 elaborates on the definition of hospitality and then addresses the context of hotel work. Section 2 discusses the strategies of HRM in the hotel sector. Section 3 outlines the methodology adopted to review the articles, and then discusses the most consistently studied HR practices in the hotel sector in different hotel contexts. Lastly, section 4 concludes the chapter by discussing the challenges faced by the hotel industry in relation to HRM and also includes suggestions for future research in the area and reflects on the limitations of this review. An earlier form of this chapter was published in the Proceedings of 2015 Australian and New Zealand Academy of Management Conference.

3.1 Hospitality and the context of hotel work

Because "variety is the reality in HRM" (Boxall et al., 2011; p.2), understanding diversity in human resource management and how it is managed in different contexts is challenging. This review focuses on HRM in the hotel sector, a topic of particular importance because of the intensity of human resource use in this industry. Frontline employees in the hotel sector are important for the creation and provision of excellent service quality (Chand, 2010b; Tsaur & Lin, 2004). Human interaction in service delivery is typically seen as critical for customer satisfaction (Michel et al., 2009; Schneider, 2004; Tsaur & Lin, 2004).

Research on HRM in the hospitality industry in general covers a wide variety of sectors such as restaurants, leisure facilities, attractions, and travel management, and the findings of such

studies are not necessarily generalizable to the hotel industry (Lucas, 2002). The purpose of this review is, therefore, to explore the research questions of which HR practices and strategies exist in the hotel industry, and why they exist. A comprehensive review of the literature was undertaken by examining empirical studies conducted in the hotel industry. The analysis identified the most consistently studied HR practices and the most commonly adopted HR strategies in the hotel sector, in order to deepen our understanding of why such practices exist.

"Tourism" and "hospitality" are broad terms, and this discussion mainly focuses on the hotel industry as a subfield within the hospitality segment. The term "hospitality" has not been clearly defined from a research perspective, and there is a lack of clarity concerning its boundaries and its separation from other service industries (Ottenbacher et al., 2009). The lack of clarity of the concept of   the "hospitality" domain can give rise to many research issues, such as the external validity of the findings, the likelihood of misleading research observations and managerial implications, as well as misinterpretation of research outcomes (Ottenbacher et al., 2009). Owing to the diverse nature of the hospitality industry and the heterogenity of services (Lashley, 2000b), a succinct definition is difficult to achieve.

Ottenbacher et al. (2009) argue that hospitality industries are the providers of "food, beverages, accommodation, entertainment, leisure, attractions, or some combination of those" (p. 273). They suggest that hospitality operations cover the sectors of lodging (hotels, motels), food service (restaurants, catering), leisure, conventions, travel, and attractions. Lodging operators are "providers of accommodation and other amenities for the travelers and other desiring customers" (p. 276). Accommodation is the main service provided by the lodging sector, which is further subdivided into luxury hotels, resorts, inns, budget hotels, motels, lodges, hostels, and other accommodations (Ottenbacher et al., 2009). The basis of this

division is the nature of the accommodation provided and the level of service offered to the customer. In the hotel industry, the star rating system (ranging from one to five) is a universally recognized standard of quality of service and range of service options (Hoque, 2013). Larger hotels tend to provide a wider range of facilities to their customers and are therefore, more likely to get a higher star rating than small-scale hotels (Hoque, 2013).

A hotel's performance is said to depend to a large extent on its employees (Crick & Spencer, 2011). The career of a hotel employee is often advanced by moving from one hotel to another, which is a common practice in large and luxury hotels (Ahmad & Scott, 2013). Frontline employees with direct contact with customers are also known as a customer service employees/workers and are important for the provision of excellent service quality (Chand, 2010b; Tsaur & Lin, 2004). Human interaction in service delivery is typically seen as critical for customer satisfaction (Michel et al., 2009; Schneider, 2004; Tsaur & Lin, 2004).

The hotel industry mainly focuses on customer service. Customer demand (tourist arrivals) is an influential factor for the hotel business and seasonal variations in tourist demand impact on approaches to HRM within hotels (Hoque, 2013). Customer demand in the hotel industry fluctuates, and therefore, employing too few or too many permanent (full-time) employees for hotel operations is a significant risk (Knox & Walsh, 2005). Having inadequate staff numbers may impair service quality, whereas a large number of permanent employees increases operating costs. Fluctuation in demand conditions are mainly dealt with by employing short-term contract or temporary employees in hotels, thus reflecting the practice of running a 'tight-ship' to meet demand variations (Hoque, 2013). Temporary and part-time employment and shift work are common and necessary characteristics of the hotel sector (Haynes & Fryer, 1999; Hoque, 1999a, 1999b; Knox & Walsh, 2005; Luo & Milne, 2014). It is in response to

the fluctuating demands of the sector that Australian hotel managers, for example have adopted the cost-reduction strategy of employing a significant proportion of part-time, temporary and casual staff (Knox & Walsh, 2005).

3.2 HR strategies in the hotel industry

This section surveys three different HR strategies found in the hotel industry. The first relates to the soft-hard dichotomy of HRM (Guest, 1987), which consists of two opposing goals: commitment versus control. This typology is mainly present in normative models of HRM. As epitomized by Guest (1987) the distinction is usually based on whether the primary emphasis is placed on "human" or "resource". He describes the soft version as considering the human aspect of HRM, and treating employees as a valuable asset. HRM typically builds a view of individuals from the organisation's perspective (Boxall, 2013). In the soft version, emphasis is placed on gaining employee commitment through which organisations can achieve higher performance (Guest, 1987).

In contrast, the hard version of HRM focuses on control rather than commitment and implies that human resources are a cost that needs to be minimized. Employees are therefore managed in a more rational and instrumental way (Legge, 1995). Within the hotel sector, Worsfold (1999) contends that a soft version of HRM focused on commitment is more appropriate to luxury hotels. In his conceptual paper, he explains that in luxury hotels the quality aspect of service predominates. Hence, when adopting HRM, these hotels need to focus on engendering employee commitment to service delivery. By contrast, budget hotels are more likely to advocate a hard version of HRM and give more consideration to cost control.

Lashley (1998) argues that the soft-hard dichotomy does not provide an adequate view of HRM in service organisations. He proposes that HRM should be influenced by the nature of the service delivered. In particular, in service organisations the continua of tangibles/intangibles and customization/standardization are influential factors in determining approaches to HRM (Lashley, 1998). Based on these factors, management in a service organisation may determine the degree of discretion that employees can exercise in service delivery. Lashley proposes a matrix of four HRM archetypes for different service organisations. The four approaches are the involvement style, the command-and-control style, the professional style, and the participative style. In a standardized service employees have less discretion in performing services, perform simple routine tasks, and are subject to control-oriented management (Lashley, 1998). Conversely, if the service offer can be highly customized, such as in law firms and professional services, then employees have more discretion and autonomy, which leads to either a professional or a participative approach to HRM (Lashley, 1998). Hence, Lashley concludes that HRM policy and practice need to be compatible with the nature of the service provided.

In line with this, Boxall (2003) proposes that different service markets require different strategies for the management of work and people. Boxall classifies the hotel sector as a mass market with a higher-value-added segment in which there is the possibility of targeting higher-value-added customers and greater variation in customer preferences. Hence, luxury hotels compete through quality as well as costs. Boxall claims that jobs in this segment require a mix of skill levels and a moderate level of discretion, and there is clearly potential for job enrichment.

The third HR typology in the hotel sector relates to organisational flexibility and the debate between "high-road HRM" and "low-road HRM". Organisational flexibility can be exercised using two different methods: functional flexibility – emphasizing multi-skilling – and numerical flexibility – stressing a tight cost-control policy (Chen & Wallace, 2011; Knox & Walsh, 2005). The objective of functional flexibility is to enable employees to move between tasks through the development of multiple skills (Knox & Walsh, 2005). High-road HRM combines functional flexibility with high-commitment management practices, which share related goals. High-commitment management practices aim at developing a dedicated and flexible workforce, enabling hotels to respond quickly to changes in the competitive market environment (Knox & Walsh, 2005). Functional flexibility can be achieved through the HRM practices of training, career development, and participative decision-making activities (Knox & Walsh, 2005). In contrast, low-road HRM involves reducing costs and a more restrictive approach to HRM characterized by numerical flexibility. Numerical flexibility is focused on externalized forms of labour such as casual or fixed-term contracts or on outsourcing labour to achieve an optimum cost structure (Kalleberg, 2003).

These two distinctive approaches are argued to have different consequences for employees as well as for firms. The negative consequences of tight cost-control practices are low levels of job training and skill utilization and a lack of functional flexibility (Knox & Walsh, 2005). Numerical flexibility may result in inferior employment conditions and pay, along with high staff turnover rates and absenteeism (Lucas, 2002). Numerical flexibility has been criticized for promoting a lack of interest in HRM and utilizing more informal and control-focused management practices (Hoque, 1999b). On the other hand, commitment-based HRM is focused on achieving employee commitment to organisational objectives (Knox & Walsh, 2005). In many countries, tight cost-control practices have been identified in the hotel sector

in general; for example in the United Kingdom (Hoque, 1999b), Australia (Davidson & Wang, 2005), New Zealand (Luo & Milne, 2014), Malaysia (Ahmad & Scott, 2013), and Taiwan (Yang & Cherry, 2008). Yet, in studies in the UK and Australia, high-commitment HRM practices such as extensive training, multi-skilling, flexible job design, more comprehensive communication, and consultation have been widely seen in large-scale hotels that had adopted a greater level of formal HRM practices (e.g. Hoque, 1999b, Knox & Walsh, 2005).

There is a considerable debate as to which strategic approach to HRM is more suitable to achieve higher service quality and customer care in the hotel sector. Lucas and Deery (2004) reviewed 100 papers on HRM in the hospitality sector. They claim that even though soft HRM policies are relevant in theory for achieving service quality and customer care, in reality priority is given to hard, cost-driven HRM policies. The authors identify a number of critical issues that HRM hospitality researchers need to address, including the effect of a 24/7 work environment, the impact of shift work on employee health, safety and well-being, and career development.

In summary, the main strategic approaches to HRM advanced in the literature on the hotel sector are: the soft-hard dichotomy (Guest, 1987, Worsfold 1999); Lashley's (1998) four HRM archetypes; typical approaches to HR strategy (Boxall, 2003) and the notion of high-road versus low-road HRM (Knox & Walsh, 2005). Fluctuating demand, the nature of the service offer, organisational flexibility goals (numerical vs. functional), and the business strategy that the hotel is pursuing are often seen as the decisive factors that determine HRM approaches. The next section outlines the methodology adopted for this review and presents the findings from the analysis.

3.3 Methodology: search criteria and review sample

The literature search was conducted in two phases. In the first phase, similar to the search strategy adopted in the review article by Tang (2014), three primary online databases were identified: Business Source Premier (EBSCO), Pro Quest Business, and Science Direct. Next, eight tourism and hospitality management journals included in these databases were chosen on the basis of previous review studies (Tang, 2014). The selected journals were *Anatolia, Asia Pacific Journal of Tourism Research, International Journal of Contemporary Hospitality Management, International Journal of Hospitality and Tourism Administration, International Journal of Hospitality Management, Journal of Human Resources in Hospitality and Tourism, Managing Leisure* and *Tourism Management*. A systematic search was conducted using the keywords "Human Resource Management (HRM)", "Human Resource Practices", "Human Resource Strategy" and "Hotel/s" within these journals. The keywords were identified based on the research questions.

The initial search results provided an inadequate sample for the review to be meaningful and, therefore, the second phase involved extending the search to include HRM journals in the same databases. These journals included *Human Resource Management Journal, British Journal of Industrial Relations,* and *Asia Pacific Journal of Human Resources* which have published relevant articles. The same keywords were searched for in different combinations which returned a sample of 102 papers published between 1998 and 2014. The papers were filtered first by reading the abstract and then by reading the full article. The inclusion criterion was that the article had to be an empirical study that discussed HRM in hotels. Empirical studies on restaurants and the fast-food industry were excluded. The filtering resulted in 27 papers that fitted the criteria. Content analysis was then used to classify the remaining papers. The empirical studies were classified according to research context, sample, method, evidence of

HRM practices, and outcome variables (see Table 1). Of the 27 hotel sector articles, 6 adopted a qualitative interview method while the remaining 21 used survey methods. The empirical studies were conducted in 12 different countries including the United Kingdom, the United States, Australia, New Zealand, China, India, Malaysia, and Taiwan.

When considering the research populations, two types of samples can be identified. Some studies sampled at the individual level and had employees and/or managers as the units of analysis (16 studies). Others used hotels for the study sample and set their unit of analysis at the organisational level (11 studies). The studies defined frontline employees as those who had direct contact with customers and handled service delivery and execution (Ahmad & Scott, 2013; Chen & Tseng, 2012; Karatepe, 2013a, 2013b; Li, Sanders, & Frenkel, 2012). Frontline employee roles varied with the nature of their jobs such as front-desk agents, waiters, waitresses, chefs, bell attendants, butlers, guest relation's representatives, bartenders, door attendants, housekeepers and frontline supervisors.

Table 1 **Analysis of the search articles on HRM in the hotel sector**

	Author and the year	Context	Sample	Method	W	S	TD	P	PA	E	H	Outcome variables
1	Luo and Milne (2014)	New Zealand	47 hotels	Quantitative	✓	✓	✓	✓	✓	✓		HR practices
2	Reynolds, Rahman, and Bradetich (2014)	USA	242 managers of 96 hotels	Quantitative			✓					Diversity-training
3	Karatepe (2013b)	Iran	174 full-time hotel employees	Quantitative	✓		✓	✓				Work social support, turnover intention
4	Karatepe (2013a)	Romania	110 hotel employees and their managers	Quantitative	✓		✓	✓				Job performance, work engagement, extra-role customer service
5	Crawford (2013)	USA	11 hotel managers	Qualitative		✓	✓	✓				Service quality
6	Ahmad and Scott (2013)	Malaysia	14 front-office managers	Qualitative		✓	✓	✓				Front Office department
7	Tang and Tang (2012)	Taiwan	1133 employees & 119 HR managers	Quantitative	✓	✓	✓	✓	✓			Organisational citizenship behaviour, justice and service climate
8	Tavitiyaman, Zhang, and Qu (2012)	USA	317 hotels	Quantitative		✓	✓					Organisational structure, hotel performance
9	Li, Sanders, and Frenkel (2012)	China	298 employees and 54 supervisors	Quantitative	✓		✓					Leader-member exchange, work engagement
10	Chen and Tseng (2012)	Taiwan	102 hotel staff	Quantitative			✓	✓				Cross-functional training service quality, job satisfaction, and career development
11	Davidson and Wang (2011)	Australia	64 five-star hotels	Quantitative		✓	✓					Employee turnover
12	Chang, Gong, and Shum (2011)	China	196 hotels & restaurants	Quantitative		✓	✓	✓				Innovation
13	Chand (2010a)	India	57 hotel managers	Quantitative		✓	✓					HR practices
14	Chand (2010b)	India	52 HR managers 260 employees, 260 customers	Quantitative	✓	✓	✓	✓	✓			Service quality, customer satisfaction and organisational performance
15	Maroudas, Kyriakidou, and Vacharis (2008)	Athens	06 multinational hotels	Quantitative	✓	✓	✓		✓	✓		Organisational incentives

	Author and the year	Context	Sample	Method	HR variables W	S	TD	P	PA	E	H	Outcome variables
16	Yang and Cherry (2008)	Taiwan	14 hotels with hotel managers	Qualitative	✓	✓	✓					HRM challenges
17	Sun, Aryee, and Law (2007)	China	81 HR managers and 405 supervisors in 81 hotels	Quantitative	✓	✓	✓	✓	✓			Service-oriented citizenship behaviour, turnover, productivity
18	Connolly and McGing (2007)	Ireland	40 hotels	Quantitative	✓	✓	✓	✓	✓			Empowerment, participation
19	Tsaur and Lin (2004)	Taiwan	203 hotel employees and 272 customers	Quantitative		✓	✓	✓	✓			Service behaviour and service quality
20	Chow, Haddad, and Singh (2007)	USA	46 hotels	Quantitative		✓	✓	✓	✓			Job Satisfaction, Morale, Optimism
21	Lucas (2002)	UK	1198 Workplace employment relations survey	Quantitative		✓	✓	✓		✓		Employee Relations
22	Knox and Walsh (2005)	Australia	IAWIR Survey data (1995)- Luxury hotels	Quantitative	✓	✓	✓	✓	✓		✓	Organisational flexibility
23	Lockyer and Scholarios (2004)	Scotland	81 hotels	Qualitative		✓				✓		Recruitment and selection
24	Hoque (1999a)	UK	232 hotels-209 used	Quantitative	✓	✓	✓	✓	✓	✓		HRM linked with service quality
25	Hoque (1999b)	UK	230 hotels and 314 manufacturing firms	Quantitative	✓	✓	✓	✓	✓	✓		HR practices
26	Haynes and Fryer (1999)	New Zealand	Hotel managers and union officials	Qualitative	✓	✓	✓	✓	✓	✓	✓	HRM practices
27	Lashley (1998)	UK	Hotels and restaurants	Qualitative	✓	✓	✓		✓			HRM archetypes

W- Work Organisations (Job design, quality circles, teams, and empowerment) / S- Staffing (recruitment and selection) / TD- Training and career development / P- Pay and Rewards PA- Performance appraisals / E- Employee voice, terms and conditions of employment, unions, communication, and consultation / H- Occupational health, safety and welfare

3.4 Description and discussion of studies

This section presents an overview of the findings of the empirical studies that fit the selection criteria. As noted in the previous section, HRM practices have been investigated at both the individual and organisational levels. The individual level relates to how individual employees and managers perceive HRM practices, while the organisational level relates to a firm's "HRM systems" and often takes into account a "bundle" or cluster of HRM practices (Boxall et al., 2011). However, most empirical studies under review examined HRM practices separately rather than combining these practices as an HRM system. Table 1 shows that the most commonly studied HRM practices were training, staffing, pay and rewards, performance appraisals, and work organisation. Work organisation includes job design, planned team briefings, quality circles and teamwork. Examining the HRM practices in 46 hotels in the United States, Chow et al. (2007) found a significant relationship between hotel size and the implementation of HRM practices. They also showed that in larger firms HRM practices were more formalised and greater in number.

Analysis of the empirical studies revealed that training is the most consistently studied HRM practice. Knox and Walsh (2005) reported that HRM practices in the Australian luxury hotel sector are geared towards training and skills development and achieving functional flexibility. Further, new employees in a hotel typically receive initial induction training and then on-the-job training. Functional flexibility initiatives such as multi-skilling and cross-functional training programmes are also common in the sector. Multi-skilling initiatives involve expanding the role of the employee, enabling him/her to work in various departments such as restaurants, bars or even housekeeping (Knox & Walsh, 2005). Managers in the Australian context emphasized that multi-skilling initiatives had led to greater job variety, thereby increasing staff retention and service quality.

In a study of 70 international hotels in Taiwan, Chen and Tseng (2012) examined the benefits of cross-functional training using a sample of multi-skilled frontline supervisors and a control group of non-multi-skilled supervisors. The findings suggest that functional flexibility through cross-functional training can improve service quality and reduce staff turnover, and that cross-functional training is positively related to the job satisfaction and career development of employees. Chen and Tseng argue that cross-functional training can make employees' skills more flexible and facilitate functional flexibility. Thus, training is helpful for enhancing employees' ability to perform a variety of tasks in different departments, and focuses on moving employees easily from one task to another. In this way, hotels can better cope with the cyclical variation in customer demand by filling vacancies via the movement of flexible workers across and between departments. Cross-functional training is, therefore, one way that hotels can increase their functional flexibility (Crawford, 2013; Knox & Walsh, 2005). Benefits include improving cross-departmental communication and understanding as well as providing better customer service, reduced turnover, and enhanced internal promotions (Chen & Tseng, 2012; Crawford, 2013).

Most of the research on HRM in the hotel sector also focuses on staffing in terms of recruitment and selection. Due to seasonal demand, staffing policies in many countries are dominated by numerical flexibility and contingent workforces (Davidson & Wang, 2011; Knox & Walsh, 2005). Large-scale hotels are more likely to have specialized HR departments to handle recruitment and selection (Hoque, 1999b; Knox & Walsh, 2005; Lockyer & Scholarios, 2004). Lockyer and Scholarios (2004) investigated the staffing practices of 81 Scottish hotels and found that compared to small-scale hotels the large hotels tended to place more value on structured staffing procedures. The large hotels utilized multiple recruitment sources such as referrals from existing staff, government agencies, and advertising. Widely

used selection methods included one-on-one interviews and application forms. Further, large-scale chain hotels tended to have centralized staffing practices controlled by head office, and a more holistic approach to employee selection. This holistic approach included the integration of the quality objectives of the hotel and the involvement in the selection process of the HR manager and other heads of department. It is worth noting that dedicated assessment centers and psychometric personality testing are not common in the hotel sector (Hoque, 1999b; Lockyer & Scholarios, 2004).

In the New Zealand and Australian contexts, multiple selection methods are used in the staffing process, including realistic job previews, trainability assessments and "multi-hiring" (Knox & Walsh, 2005; Luo & Milne, 2014). Knox and Walsh (2005) describe multi-hiring as a "distinctively novel HR practice" whereby "permanent employees [are] able to work on a temporary basis in a different department of the hotel" (p. 69). For example, a permanent hotel restaurant employee could do temporary work in the banqueting department when demand is high. The concept of multi-hiring is similar to the concept of job rotation, and due to seasonal fluctuations in demand, which require more contigent labour, is particularly relevant to hotel sector employees. Knox and Walsh (2005) state that the benefits of multi-hiring to the hotel are that employees become more familiar with work procedures, and that standards of quality are raised while recruitment costs are lowered. Furthermore, employees can receive additional income through multi-hiring.

Earlier research on the hotel sector found that hotels tended to adopt a Taylorist form of work organisation, with little evidence of attempts to empower operational-level staff. For example, a study by Haynes and Fryer (1999) in 14 large New Zealand hotels showed that work was organised according to traditional Taylorism and characterized by tight control, hierarchical

structure, specialization, and low discretion. A more recent study by Luo and Milne (2014) examined the use of 21 HRM practices in 47 New Zealand hotels. The findings identified that some of the attributes of the formal HRM process were flexible job descriptions, and work organized around teamwork, quality circles or quality improvement teams. Also, hotels provided regular training for their staff.

In the Australian context, Knox and Walsh (2005) found that compared to the hotel sector in general "luxury hotels placed much greater emphasis on enabling flexibility initiatives and the application of high commitment HRM practices" (p. 71). Large hotels placed more emphasis on formal training, staff appraisals, team building, formal systems of grievance handling, health and safety procedures, communication systems, and policies for equal opportunity employment. In addition, the authors noted that multi-skilling and flexible job design are increasingly being seen in the hotel sector (Hoque, 1999b; Knox & Walsh, 2005).

In terms of pay and benefits, from a web-based survey of 64 hotels Davidson and Wang (2011) found that in the Australian context low pay was common and was associated with skill shortages. In line with this, Ahmad and Scott (2013) showed that in the Malaysian hotel sector wages account for a high proportion of the operating costs and that managements try to curtail them as much as possible. In the Malaysian context, skill shortages are a critical issue and the industry is highly reliant on part-time and casual staff. Casual employment is associated with numerical flexibility which focuses on controlling staff numbers and reducing wage costs. However, poor pay tends to result in high employee turnover (Davidson & Wang, 2011) and to impede functional flexibility (Knox & Walsh, 2005).

As presented in Table 3.1, the analysis of the research articles on HRM in the hotel sector reveals that many studies explained the linkage between HR practices and other variables such as job performance, service behaviour, turnover, work engagement, job satisfaction, service quality and citizenship behaviour. Tsaur and Lin (2004) show that HRM practices have a direct effect on employees' service behaviour in the hotel sector in Taiwan. Their findings show that HRM practices of training and development, recruitment and selection, and compensation and benefits, significantly relate to the service behaviours of employees.

Based on their findings they suggest that employee perceptions of training and development, recruitment and selection, and compensation and benefits affect employees' service behaviour, and therefore, indirectly affect customer perceptions of service quality. Sun, Aryee and Law (2007) investigate the effect of human resource practices on service-oriented organizational citizenship behaviour (OCB) hotels in China. From a literature review followed by several interviews with HR managers of hotels in four Chinese cities, the authors identify the following HR practices: "selective staffing, training, internal mobility, employment security, clear job description, results-oriented appraisal, incentive reward, and participation" (Sun et al., 2007, p. 560). The results indicate that HR practices significantly relate to OCB. A study by Chand (2010) in the Indian hotel industry investigates how HRM practices function as an antecedent to organizational performance, service quality and customer satisfaction. The HRM practices explored in this study are recruitment and selection, workforce planning, job design, training and development, and employee rewards. The results indicated that HRM practices perceived by the employees positively affect hotel performance, leading Chand (2010) to conclude that HRM practices improve service quality and performance. These studies presented in Table 1 provide theoretical and empirical insights into how this thesis variables –were selected and conceptulaised.

In sum, these studies provide empirical insights into the diverse nature of HRM in the hotel sector and the most common HR practices adopted to overcome its particular challenges. Two key insights can be derived from these studies. First, fluctuating demand is a core characteristic of the sector, and a large number of hotels adopt temporal labour strategies to meet this challenge. As mentioned above, relying on contingent labour may have negative consequences for hotels and employees. However, it is unlikely that hotels will move away from contingent labour due to the fluctuations in demand and the high labour turnover that characterise the sector. Furthermore, findings indicate that to provide solutions to these issues there is a tendency in the luxury hotel sector to adopt both temporal labour strategies and high-commitment HRM simultaneously. The studies suggested that luxury hotels do not pursue an unequivocally low-road approach to HRM. In fact, large-scale luxury hotels are increasingly experimenting with high-commitment HRM practices such as extensive training, multi-skilling and flexible job design, formal staffing procedures, and more comprehensive communication and consultation (Hoque, 1999a, 1999b; Knox & Walsh, 2005; Luo & Milne, 2014)

Secondly, hotels vary in terms of size, location, ownership, services offered, and business strategy (competing on price vs. competing on quality), and therefore employment practices tend to vary according to the context (Haynes and Fryer 1999; Hoque 1999a; Knox and Walsh 2005). Further research work is needed on the relationship between these variables and consistently adopted HRM practices, such as training, pay and rewards, performance management, staffing and career development. Significant differentiation exists among the diverse contexts and in the hotel industry as well as the service sector in general (Lucas, 2002; Lucas & Deery, 2004). It is, therefore, important that hotel sector studies contextualize themselves within a specific study context.

3.5 HRM challenges in the hotel industry

The examination of the literature has revealed that labour turnover and skill shortages are common issues in the hotel sector in many countries. The fact that labour turnover and skill shortages are critical problems in the hotel sector is evidenced by studies conducted in the United Kingdom (Lashley, 2009), the United States (Hinkin & Tracey, 2000), Australia (Davidson & Wang, 2011), Malaysia (Ahmad & Scott, 2013) and Taiwan (Yang & Cherry, 2008). Hinkin and Tracey (2000) explain that there are several types of costs involved in labour turnover in the hotel industry including separation costs (exit interviews, paper processing, severance pay), recruitment and attracting costs (advertising, recruiter time, administrative cost), selection costs (HR interviews, applicant trials, reference checks, medical exams), hiring costs and on-the-job training costs. A more recent study by Davidson and Wang (2011) with a sample of 64 Australian hotels shows that the training costs of new hires were 4% of total payroll cost. Ahmad and Scott (2013) note that in Malaysian hotels staff shortages are a critical issue in front-office departments. Significant consequences of staff turnover include replacement and training costs, decline in productivity, and impaired service quality (Yang & Cherry, 2008).

Numerical and temporal labour strategies are one way to maintain a supply of mobile workers at low cost. However, temporal labour strategies may hinder functional flexibility (Knox & Walsh, 2005). Compared to the permanent employees, casual workers usually receive lower wages and limited training opportunities and career development (Davidson & Wang, 2011). Their commitment to the hotel is low, and lack of training may result in low service quality. The hospitality literature identifies some of the primary challenges in the hotel sector in the areas of service quality, training and staffing (Davidson & Wang, 2011; Knox & Walsh, 2005; Yang & Cherry, 2008). Employee training and development have a positive impact on service

quality, and this practice reinforces the behaviour, skills and attitudes of service employees (Tsaur & Lin, 2004). The findings of Chen and Tseng (2012) provide evidence that multi-skilling and cross-functional training improves service quality and functional flexibility, and mitigates turnover. Due to high employee turnover, training new employees becomes an additional cost for hotels (Davidson & Wang, 2011). All these issues will either directly or indirectly impact the quality of the service provided to the customer.

In general, the budget hotel sector applies a cost-minimization strategy and adopts numerical flexibility to a considerable extent. However, it is also apparent that large-scale luxury hotels are adopting more formalized, systematic HRM practices and policies. Developing multi-skilled staff is one strategy that hotels use to overcome fluctuations in customer demand and reduce the high employee turnover issue. Flexibility in hotel operations is also maintained through job rotation, job enrichment, cross-functional training, and multi-skilling. Investment in training activities helps employees in their career progression and can result in better service quality (Tsaur & Lin, 2004).

On the other hand, the hotel sector is highly susceptible to fluctuating demand and, therefore, cannot ignore staffing strategies based on numerical flexibility. The empirical evidence shows that even large hotels adopt temporal labour strategies and use contingent labour to counter fluctuating demand (Davidson & Wang, 2011; Knox & Walsh, 2005; Lucas 2002). This suggests that a blend of HR strategies combining functional and temporal/numerical flexibility practices would be most effective in the hotel sector. Also, for this sector a more refined typology than high-road versus low-road HRM may be required.

The main limitation of this systematic review is its small sample size – only 27 empirical studies were found that had been conducted in the hotel sector internationally, mainly in large-scale hotels. However, future research can build on the insights revealed here by investigating variations in HRM across hotel star ratings, size, and ownership, and by exploring to what extent these factors affect the HR practices and overall HR strategies employed.

3.6 Summary

Customer demand in the hotel industry fluctuates. Therefore, employing too few or too many permanent employees is a risk. Labour turnover and skill shortages are common issues facing the hotel industry in many countries. 'Low-road HRM' focuses on contingent labour such as casual or fixed-term contracts or on outsourcing labour to achieve an optimum cost structure, also known as numerical flexibility. 'High-road HRM' is focused on functional flexibility and high commitment HRM. Functional flexibility is concerned with multiskilling, i.e. employees can move between tasks through the development of multiple skills, which can be achieved through cross-functional training, career development, and participative decision-making activities. The findings reveal that there is evidently a mix of HR strategies in the sector, with hotels blending numerical flexibility with externalized forms of labour, and functional flexibility to some degree.

Chapter 4

Research Design and Contextualisation

This chapter describes the research design of the study. In various fields of research, the relevance of context to theory, methods, analysis and findings has been discussed (Michailova, 2011). In the field of human resource management, it is important to contextualize the study (Boxall et al., 2011; Boxall & Macky, 2009). Therefore, initial interviews were conducted in order to develop context-relevant scales for the HR practices specific to this study. This chapter outlines (1) the research design decisions; (2) the context and contextualisation; (3) the planning of the qualitative and quantitative studies; (4) the qualitative fieldwork; (5) the preliminary interview analysis; and (6) the formulating of the HR practices and managerial behaviour scales for the survey.

4.1 Research design decisions: research question and prior studies

In the design of this study, methodological fit was taken into account. "Methodological fit" refers to the internal consistency among the four main elements of a research project: "research question, prior work, research design, and contribution to the literature" (Edmondson & McManus, 2007, p. 1156). Mutual reinforcement and consistency between these elements is expected for good field research. A viable research project requires a research question that can be answered via an empirical investigation, in a topic area that has been narrowed down and is manageable in size (Edmondson & McManus, 2007). The research context of this study is three- to five-star hotels in Sri Lanka; and the overarching research question developed for this study is:

How do HR practices and management and supervisory styles influence the service recovery performance of frontline employees in the hotel sector?

In order to determine a good 'methodological fit', it is important to review prior literature in the field (Edmondson & McManus, 2007). This study reviewed methodological approaches in the field of HRM, and the approach adopted in this study was in particular influenced by those of Boxall et al. (2011) and Peccei and Rosenthal (2001), studies which were conducted in the service sector in relation to frontline service employees. These researchers developed their research designs by carrying out initial interviews with management, then examining context-relevant HR practices and management behaviours. Based on qualitative interview data, the authors specifically developed scales for HR practices. In Peccei and Rosenthal's (2001) study the scales of "perceived management and perceived supervisor commitment to customer service" were specifically developed using the qualitative interview data (Peccei & Rosenthal, 2001, p. 844). In both studies, the authors' hypotheses and instrument development and quantitative analyses were based on initial qualitative insights. As indicated in these studies, prior qualitative data collection and analysis is important for developing context-relevant measures. Both these studies' designs utilized qualitative and quantitative approaches to data collection.

4.1.1 Research design and philosophical paradigms

Research has an inherent philosophical foundation, which influences the process of a research design (Guba & Lincoln, 1994). The researcher's decision making and the basis for the study are guided by these philosophical assumptions (Creswell & Clark, 2007). Of particular relevance is the insight that researchers need a "network of coherent ideas about the nature of the world" and this should "condition their thinking and underpin their research actions"

(Bassey, 1990, p. 37). The philosophical perspectives of qualitative and quantitative research approaches are rooted in different assumptions in research.

Quantitative research often articulates assumptions consistent with the positivist paradigm, and "quantitative purists maintain that social science inquiry should be objective" (Johnson & Onwuegbuzi, 2004, p.14). They support the view that time- and context-free generalisation and scientific results can be analysed reliably and validly (Guba & Lincoln, 1994). Positivist research adopts the hypothetic-deductive testability of theories and specific hypotheses testing. According to the positivist school of thought, a researcher should eliminate biases and be emotionally detached from the object of the study, and should empirically justify the hypotheses of the study (Johnson & Onwuegbuzi, 2004). Quantitative approaches tend to adopt a single approach to reality, that is, they assme that there exists an objective and definitive reality.

On the other hand, qualitative researchers question the time- and context-free generalisation, argue for the importance of taking into account multiple-constructed realities and advocate the use of interpretivism or constructivist approaches as underlying paradigms in qualitative research (Guba & Lincoln, 1994). Qualitative inquiry begins with inductive reasoning, that is, conclusions are derived from the data inductively and conclusions are not definitive. Rather, an inductive approach indicates that there is a probability of the conclusion and suggests truth but does not guarantee it, because absolute certainty is impossible when examining the complexities and contradictions inherent in real-world situations. Therefore, there is a possibility of not only making general statements but also acknowledging individual instances, which means that the researcher has the flexibility of acknowledging variations (Guba & Lincoln, 1994; Johnson & Onwuegbuzie, 2004; Clark, 1998). Also, qualitative research is value

bound, and therefore definitively differentiating 'cause and effect' is not possible (Johnson & Onwuegbuzie, 2004).

Mixed-method research advances the notion of blending both qualitative and quantitative data in the same study (Creswell & Clark, 2007). Sieber (1973) argues that "social research either utilises only a single method of investigation, or assigns a second to an extremely weak role" (p.1334) and recommends the integration of qualitative and quantitative techniques. Mixed-method research is also termed as "integrated" or "combined" research. According to Creswell and Clark (2007), the main purpose of mixed-method research is that "the use of qualitative and quantitative approaches, in combination, provides a better understanding of research problems than either approach alone" (p.5). Both qualitative and quantitative methods are relevant and useful, although the purpose of mixed-method research is to minimise the weakness in a single method approach and utilise the strengths of both approaches (Johnson & Onwuegbuzi, 2004). There are a number of benefits of mixed-method research, such as triangulation of data through the utilisation of different methods, which enables convergence and collaboration of results. Also, mixed-method studies help to clarify results from one method to the other. The results from one method will contribute to developing the subsequent method, leading to new instruments, frameworks and initiatives (Greene, Caracelli, & Graham, 1989). The quantitative approach can be described as a "context stripping" situation (Guba & Lincoln, 1994). This imbalance can be addressed by incorporating qualitative research, which "can describe, in rich detail, [how] phenomena are situated and embedded in local contexts" (Johnson & Onwuegbuzi, 2004, p.20).

This thesis is influenced by the philosophical assumptions that underpin mixed-method research, in particular the post-positivist paradigm. The philosophy of post-positivism is

increasingly adopted by many studies that use mixed-methods designs (Clark, 1998; Clark & Creswell, 2011; Johnson & Onwuegbuzie, 2004). The post-positivist paradigm is often associated with testing hypotheses, conducting the research in a natural setting and collecting more situational or context-relevant information (Guba & Lincoln, 1994). The post-positivist philosophical stance influences this study because prior researchers such as Boxall et al. (2011) and Peccei and Rosenthal (2001) adopted a contextualised approach to HRM research, utilising both qualitative interviews and quantitative surveys. Hence, this study follows the theoretical arguments and methods of these prior studies by adopting a mixed-method research design, and utilises both qualitative interviews and the quantitative survey method.

In this study, the qualitative interview phase provided an exploratory investigation of the specific research context and identified the context-relevant HR practices and management styles. Adopting a post-positivist stance can influence the initial qualitative phase as well as hypothesis testing, theory verification and model development (Clark, 1998). Studies that utilise a context-relevant approach to understanding the study phenomenon meaningfully facilitate a realisation of a greater approximation to the truth (Clark, 1998). Characteristics of post-positivistic inquiry, as noted by Clark (1998), are that "the contextually bounded nature of research findings, consequential acknowledgement of the researcher and theoretical biases, warrant that knowledge deemed to be 'truthful'[....] [however] is not universally generalizable to all cases and all situations" (p.1246). The positivistic researcher is ambitious to achieve a generalisation of findings, Conversely, adopting a contextual approach through post-positivistic inquiry may have "a less ambitious aim attached to inquiry than the positivists, that of gaining a greater approximation of truth" (Clark, 1998, p.1246).

4.1.2 The research design of HRM

It can be argued that to address the research questions and relationships in HRM a stronger engagement between qualitative and quantitative methods is necessary (Boxall, Guthrie, and Paauwe, 2016). There are three reasons for combining qualitative and quantitative data.

First, the initial phase of qualitative data gathering is to understand the nature of HRM in a specific context; such understanding can then inform instrument development (e.g. Boxall et al., 2011; Peccei & Rosenthal, 2001). HRM researchers have fostered instrument development either because there were no existing measures: for instance, Nishii, Lepak, and Schneider (2008) developed a scale to measure "HR Attribution" due to the non-availability of instruments. Scale development can be due to the fact that "there is no single agreed, or fixed, list of HR practices or systems of practices that are used to define or measure human resource management" (Paauwe, 2009, p.136). An analysis of 104 empirical studies by Boselie, Dietz, and Boon (2005) showed that HR practices vary with the study context, and identified 26 practices. The four most popular sets of HR practices studied in different contexts were: training and development, pay and rewards schemes, performance management and recruitment and selection.

Second, this approach supports choosing appropriate respondents. Several authors in the field of HRM (Boselie et al., 2005; Boxall, Guthrie Guthrie, & Paauwe, 2016; Wright, Gardner, Moynihan, & Allen, 2005) have recommended that the selection of participants should be based on the research question, arguing that, when studying reponses to HR practices the best respondents are employees. As emphasised by Boxall, Guthrie, and Paauwe (2016), "the variables concerned with what is experienced in HRM must be reported by employees" (p.108). In this study, initial interviews were first conducted with management to identify the HR

practices and develop scales for the survey, then suvery questionnaires were tested on employees, thus combining qualitative and quatitative data.

Third, it is important to minimise common method bias when all the study variables are reported by a single source (Boxall, Guthrie, & Paauwe, 2016). To prevent such bias, HRM-performance studies increasingly utilise multi-source data. Examples of a dependent variable are the performance of employees as evaluated by managers, and performance variables based on secondary data such as productivity, financial performance data, and employee turnover. The present study utilises multi-source data, as the employees evaluated HR practices and the managers evaluated employee performance. The steps mentioned above were adopted in the research design and data collection of this study.

4.2 Role of contextualization

Research field work is always influenced by organizational properties such as size, location, structure and choice; historical characteristic such as experience, benchmarks and traditions; and personal properties such as competencies and relationships (Buchanan & Bryman, 2007). The research method chosen can heavily depend on these contextual factors, and inflexible generalized research methods are therefore inappropriate where organizational context is subject to changes (Buchanan & Bryman, 2007). Internal organisational characteristics provide context for the members of the organization, whereas the external environment provides the context for the organization as a whole (Johns, 2006).

Context should be considered when a researcher is selecting and justifying his or her method (Michailova, 2011). Contextualization is "linking observation to a set of relevant facts, events,

or points of view that make possible research and theory that form part of a larger whole" (Rousseau & Fried, 2001, p. 1). As indicated by Rousseau and Fried (2001) contextualization can take place at any stage in the research process: in question formulation, research site choice, measures and data analysis, interpreting results, as well as in communicating findings. Contextualization is critical, and in contextualized research, model interpretation and results are more robust and accurate. Ignoring the context severely limits the quality of research and analysis. Research findings can vary from study to study due to the variation across settings such as cultural assumptions, workplace behaviours, and different industrial settings. In this study, the context is three- to five-star hotels in Sri Lanka, and contextualisation was particularly considered in relation to this hotel context. Since contextualized research design is more appropriate in answering the research questions that are mainly HRM related, this study utilises a contextually-informed research design.

4.2.1 *A contextual approach to HRM: the necessity of scale development for HR practices*

Management's choice of HR practices is widely based on the context in which the practices will be applied (e.g. Paauwe, 2009). A contextually based approach takes into account the institutional setting and its related actors such as government, trade unions, interest groups, and customers, and as well as other factors. Also, a contextual approach can focus on interactions both between individuals and between and within teams at the organizational level, while also including the wider societal context (Paauwe, 2009). HR systems and practices are context-dependent and therefore, there is considerable variability of HR practices and policies across different HR systems (Lepak et al., 2006). It is also evident that the objectives of HR practices vary, as evidenced across different studies (Lepak et al., 2006).

An organization's policy-makers design and implement HR practices to manage employees, and these practices typically differ across different employee groups, organizations, occupations, industries and societies (Boxall & Macky, 2009). Boxall and Macky (2009) argue that "approaches to constructing the independent variable in HPWSs [high-performance work systems] in which researchers aggregate their perceptions of best practice, without regard to a specific context, are therefore fundamentally contentious" (p. 6). They argue that sociocultural variations in the study context need to be accounted for. For instance, in the US context the grievance settlement procedure for employees is considered by Huselid (1995) to be a high-performance HR practice. However, as this is a legal requirement in the United Kingdom, it can hardly be considered a practice for superior performance there. Further, Boxall and Macky (2009) argue that the cultural assumptions in society add another layer of complexity, and that some practices can be understood very differently in individualist cultures compared to less individualist and more collectivist cultures.

4.2.2. Contextually-informed Survey

Following Boxall et al. (2011), this study uses a contextually informed survey. Boxall et al. (2011) collected data from the management of a cinema chain in Australia to identify official HR practices through semi-structured interviews. Employee job performance in their study was evaluated via manager-rated performance evaluation of employees, while HR practices and behaviours were measured via an employee-administered survey. The items in the employee-administered survey were formulated after initial interviews with the management, which implemented the HR goals and practices (Boxall et al., 2011). It is appropriate to assess these HR practices and managerial behaviours through employee responses (Bowen & Ostroff, 2004). In other words, employee perceptions of a firm's HR system indicate "how the firm's 'HRM theory' for these workers operates in practice" (Boxall et al., 2011, p. 8).

Hence a combination of qualitative and quantitative data collection – in the form of semi-structured interviews and a survey – helps to contextualize the study setting and to understand the HR goals as well as the existing practices of the management of workers within an organization. The challenge is to understand the diversity in HRM and how it is managed in different contexts (Boxall et al., 2011).

Given the critical significance of context-relevant HR practices and management behaviours, this study conducted preliminary interviews with hotel management. The information gathered from these interviews assisted in developing a study questionnaire on HR practices and managerial behaviours. Also, specifically, the preliminary interviews were helpful in understanding service failure incidents and recovery situations in the hotel sector.

4.3 Testing the conceptual framework with mediators

Theories can explain "why a set of variables are related" (Bono & McNamara, 2011, p. 659). There can be mediators that affect the relationship between predictor and criterion variables, and it is important to test the mediating process empirically. The question of which mediators should be included in a theoretical model has to be addressed at the research design stage (Bono & McNamara, 2011). In this specific area of HRM research and theory, the relationship between HRM and performance has been studied using multiple mediators at different levels. For instance, Liao and Chuang (2004) proposed a model incorporating both macro and micro perspectives by developing a multilevel framework to explain employee performance in the service context. Becker and Gerhart (1996) meanwhile point out that without intervening variables it is hard to explain how HRM influences employee outcomes and firm performance. The key point here is that to understand the process whereby HR systems are linked to performance, rather than reporting simply the presence of practices (Guest, 2011).

In studying the HRM-performance linkage, a key focus in HRM is what mediators affect this relationship and the impact of mediating variables (Boxall et al., 2016). As noted by Boxall et al. (2016) there is a range of mediation process and interactions that exist between HRM and performance outcomes. In studying the mediation effects of HR practices and distal organisational outcomes, the Ability Motivation and Opportunity (AMO) framework provides a useful theoretical rationale (Jiang et al., 2012). This study uses an exploratory and confirmatory analysis to determine the mediators that affect the HRM-performance linkage. It empirically investigates the effect of HR practices and management styles on the service recovery performance of hotel employees through the mediators of psychological empowerment and job satisfaction.

4.4 Planning the qualitative and quantitative studies

The research involved two sequential phases starting with qualitative data collection. The intention of the qualitative data collection was to explore the study context and to develop instruments based on the interview results. The study variables, that is, the HR practices and management styles, were unknown in this specific hotel context and needed to be identified through the initial qualitative study with measurement instruments being developed based on the results. This type of exploratory research design is predominantly useful, "when the researcher does not know what constructs are important to study, and relevant quantitative instruments are not available" (Clark & Creswell, 2011; p.86). Building on the qualitative study, the subsequent phase of quantitative data collection was developed.

The flow chart depicted in Figure 4 shows the steps in the research design. In the following sections each step is explained.

Figure 4 Flow chart of study design

Phase I: Design and implement the qualitative study

- Selection of the study site: the specific context
- Identification of qualitative sample (23 participants)
- Design and pre-test of semi-structured interview questions
- Obtaining of ethics approval for both data collection phases
- Interviewing and data collection
- Testing of validity and reliability

Instrument Development and Pilot study

- Analysis of the qualitative interviews: qualitative content analysis
- Questionnaire item generation based on qualitative results
- Questionnaire translation and forward-backward translation
- Design of pilot study to test the survey data collection instruments
- Obtaining of ethics approval for survey questionnaires: original English version and translated Sinhalese version

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Phase II: Design and Implement quantitate study

- Survey sample: two-stage cluster sampling
- Survey data collection: 30 hotels, 625 employees and 104 managers
- Testing of validity and reliability of measures
- Survey data analysis

4.5 The specific context: international hotels in Sri Lanka

This study focuses on one segment of the service sector, the hospitality industry of the small island nation of Sri Lanka, specifically three- to five-star hotels. There are several reasons for the selection of the Sri Lankan tourism sector as the study context. Sri Lanka is a tropical island that has many tourist sites within a small area, making it a very attractive destination for tourists. With the recent cessation of a nearly three-decade war, tourist numbers have increased, with 2014 seeing over 1.5 million tourist arrivals (Sri Lanka Tourism Development Authority [SLTDA], 2014). The Sri Lankan government envisages that by the end of 2016 tourist arrivals was more than 2 million. Most of the star-class hotels in the country belong to large and diversified groups of hotels. These hotel groups are either owned by large conglomerates or by local family-owned companies.

Tourist hotels dominate the tourist accommodation offering in Sri Lanka. According to the SLTDA statistical report for 2014, the total number of hotels registered with the Sri Lankan Tourist Board (SLTB) is 334 (see Table 2). These hotels can be divided into star-class hotels (113), small luxury hotels (24) and unclassified hotels (197). The room capacity of these 334 hotels is 18,510, which accounts for 65% of the room capacity of total tourist accommodation in Sri Lanka. These tourist hotels had registered under the Tourism Regulations Act to obtain their tourist hotels licenses. They were required to adhere to the regulations specified under the Tourism Act, No. 38, of 2005 in Sri Lanka, to reach a particular star classification. These star grading requirements are defined in accordance with the standards set by the United Nations World Tourism Organization (UNWTO) and star category hotels range from one to five stars. Unclassified hotels or those with no star rating are less expensive budget hotels that cater to budget-conscious tourists and provide overflow capacity. This study focuses on tourist hotels with three, four or five stars.

*Table 2 **Number and type of tourist hotels in Sri Lanka (2014)***

Class of accommodation	No. of hotels	No. of rooms
Total number of tourist hotels	334	18,510
5 Star	14	3152
4 Star	18	2084
3 Star	14	1061
2 Star	33	1725
1 Star	34	1333
Small luxury hotels (boutique hotels)	24	432
Unclassified	197	8723

Source: SLTDA (2014)

4.6 The two main phases of fieldwork

Data collection was carried out in two different phases. In Phase I, in January and February 2014, qualitative interviews were conducted, and in Phase II, during June and July 2014, a quantitative survey was administered.

4.6.1 Participants and data collection

Data was collected from star-class hotels with three, four and five stars and the total number of hotels in these segments is 46 (SLTDA, 2014), and all these hotels were invited to participate in this study. The study focused on the process of managing the frontline workers by the hotels. When considering the research population, two types of informant were identified. In Phase I, hotel management, including senior, and middle-level management, participated in semi-structured interviews that explored each management's perspective on HR goals and "official" HR practices. This illuminated each organization's espoused "HRM theory" for their frontline employees and also identified consistently espoused HR practices and managerial behaviours in the Sri Lankan hotel industry. Following the method utilized by

Boxall et al. (2011), content analysis was used to analyse the interview data. Questionnaire items concerning HR practices and managerial behaviours were then developed.

Phase II focused on frontline employees, and to facilitate access and compliance, data collection was conducted during the off-season months for the tourist industry in Sri Lanka. The study was planned to be conducted in the months of June and July 2014. Initially, a pilot study was conducted to refine the questionnaires and to test the research instrument. Data was collected by administering two survey instruments: one questionnaire was developed for customer service employees in relation to HR practices, managerial behaviours, empowerment, and job satisfaction. The second questionnaire was developed for the employees' immediate superiors who were asked to rate each employee's service recovery performance (dependent variable). These two separate survey questionnaires, one for employees and one for their superiors, were administered over 2–3 weeks. In a similar study by Karatepe (2012), who used a one-month time lag in measuring the service recovery performance of customer service employees in the hospitality industry.

4.6.2 Qualitative fieldwork: Formulating interview questions

One of the main purposes of conducting qualitative interviews is to develop survey instruments within the study context. The interviews followed a semi-structured format that allowed the researcher to ask follow-up questions based on the information provided by the participants (Creswell & Clark, 2007). The interview schedule included 10 open-ended questions and was designed to elicit informative data rather than yes or no answers. Understanding the HR system in relation to management intentions and the context has been shown to be a better way to conceptualize the HR systems than simply listing HR practices (Boxall & Macky, 2009). The two main underlying questions of the interviews were:

1. What HR practices are adopted in the industry?

2. What kind of management styles does the hotel management favour?

Prior to finalizing the interview schedule, the semi-structured interview questions were prepared and refined over a period of time. Question-wording ambiguity was resolved, and the questions were revised to ensure clarity. I conducted two mock interviews with two PhD students to further test clarity, simplicity and timing. The interviews were planned to last approximately 30 minutes and the finalized interview questions were then submitted for ethics approval.

4.6.3 Ethics approval

The University of Auckland Human Participants Ethics Committee (UAHPEC) approved the study before data collection began. The UAHPEC requires research participants to be treated with respect and dignity and their privacy, safety, health, and personal and cultural sensitivity to be protected. Two kinds of primary document were prepared according to the ethics requirements, namely a Participant Information Sheet (PIS) and Consent Forms (CFs) for the three types of participants: CEO or senior management; interviewees; and survey participants. The PIS clearly explained the purpose of the research and the method of participation in the study and ensured the confidentiality of responses so that participants could make an informed decision about taking part in the research (see Appendix 2).

4.6.4 Phase I data collection procedure

The first phase of the field study involved conducting semi-structured interviews to identify the context-relevant HR practices. As indicated in table 2, 46 hotels meeting the study criteria were invited to participate in the study. I was able to get the email addresses of hotel HR

departments and public relations officers of the hotels through the websites of the SLTB and SLTDA and by contacting SLTB officers by telephone. Two methods were used to contact hotels initially: (1) sending an invitation email inviting them to participate in the research; and (2) directly contacting the hotels via telephone calls. The response rate was very low at first – only four hotels responded to emails, and all declined my request to participate. During the phone discussions, some hotel staff gave me the contact details of their head offices and informed me that the best way to secure permission was via head office. As noted above, the star-class hotels in Sri Lanka operate within large and diversified groups. Therefore, getting permission from the head offices was necessary to gain access to hotels. Since distant data collection was not possible through online forms or video communication such as Skype, I travelled to Sri Lanka in January 2014 to conduct interviews and secure permission to do so.

When targeting the head offices of the hotels, I used a convenience sampling method, which is appropriate when the target population is difficult to access (Goodman, 2011). With over 10 years of experience as an industry practitioner and academic in Sri Lanka, I was able to use my personal contacts to access the head offices as the target hotels were not readily accessible without a proper introduction. I was introduced to five senior-level managers in five hotel groups through personal contacts, and these respectively held the positions of Managing Director, Head of Group HR, Deputy General Manager Corporate Communication and Public Relations and Promotions, Vice President HR, and General Manager. All head offices were located in Colombo, while, the hotels were spread across the country. After face-to-face discussions with these managers to explain the purpose of the study, they all agreed to participate, and to administer the surveys (Phase II), although they requested the survey questionnaires for approval. The PIS and CFs were handed over during the discussions. In both documents, it was clearly stated that participation was on a voluntary basis. The five

hotel groups represented by the managers ran a total of 25 hotels, and a senior manager from each of these signed a CF or gave approval via email. Of the five hotel groups, three agreed to participate in both the interviews and surveys (17 hotels). The other two groups (eight hotels) participated only in the surveys.

The second strategy was to target hotel general managers. Again based on personal contacts, five senior managers were contacted in five individual hotels owned by different hotel groups. Four of these managers accepted the invitation to participate in the interviews and surveys while one manager agreed only to the surveys. Therefore, altogether, 30 hotels agreed to take part in the surveys. Approvals for the surveys and interviews were obtained at either the group level or individual hotel level.

Twenty-five of the 30 hotels belonged to one of five hotel groups:

Group 1: 3 hotels

Group 2: 8 hotels

Group 3: 6 hotels

Group 4: 6 hotels

Group 5: 2 hotels

Total: 25 hotels from 5 Groups

In addition, five individual hotels agreed to participate.

Three head office senior managers (Head of Group HR, Managing Director, and Assistant Vice President HR) participated in the first round of interviews. After the discussions with these senior managers regarding the availability of hotel staff, six hotels were chosen to represent three groups for the initial interviews. Out of the five individual hotels, four agreed

to both the interviews and surveys. Hence, the interview sample consisted of 10 hotels. All 30 hotels participated in the surveys and were sent the questionnaires in June 2014.

4.6.5 Interview sample selection and data collection

The interview participants were chosen using the purposeful sampling method. Puposeful sampling occurs when "the researchers intentionally select (or recruit) participants who have experienced the key concepts being explored in the study" (Creswell & Clark, 2011, p.173). The research participants need to be choosen according to criteria that are relevant to the study objectives (Guest, Bunce, & Johnson, 2006). The sample was restricted to the management-level employees.

Purposeful sampling involves the selection of "information-rich" participants who are particularly knowledgeable or experienced in the phenomena being studied (Creswell & Clark, 2007). Participants were selected to achieve a sample covering segments including: HR, training, front office, food and beverages (F&B), housekeeping, and general managers. From the head offices of the three groups, three senior managers participated in the interviews. Hotel managers were chosen after discussions with the head office as well as their respective hotels. Two managers at each of 10 hotels were each contacted for the interviews and these interviews were conducted in their respective hotels. Altogether 23 interviews were conducted. After participants had been selected for the interviews, the PIS and CFs were sent via their head offices or directly to their email. Nine senior-level managers and 14 middle-level managers participated in the initial interviews.

A brief outline of participants is given below (Table 3). Three interviews were conducted initially at the head offices of the three groups as it was important to obtain the interviewees'

approval for interviews before conducting them at the hotel level. With the head-office

approval 20 interviews were conducted at hotel level.

*Table 3 **Qualitative interview participants***

The description of the management level	Number of participants and their designations
General management level	2 General Managers
	3 Resident Managers
HR and Training	1 HR Director
	2 HR Managers
	2 HR Executives
	1 Training and Development Manager
Front Office	2 Front-Office Managers
	2 Assistant Front-Office Managers
Food and Beverages Department	2 Food and Beverages Managers and
	1 Restaurant and Bar Manager
House Keeping	2 Executive Housekeepers

4.6.6 Interview procedure

Semi-structured interviews were conducted with senior hotel management representatives. Interview duration varied from 30 to 50 minutes. The interviews were conducted in hotels, which were the participants' work environments except the three interviews at each head office. At the beginning of an interview, the participant was reminded that it would be audio-recorded (this had been specified in the CF). Interviews were audio-recorded using a smartphone app (Smart Voice Recorder). Participants were not required to give any demographic information. Before the interviews started, participants were given time to ask any questions relating to the study. Field notes were taken during interviews as well as during site visits. All interviews were conducted in English as this was the participants' preferred

medium. These participants represented international star-class hotels, where the customers are mostly foreigners. The managerial staff members were able to converse in English and sometimes in other languages as well, and bilingual ability was a common characteristic among managers. During the interviews, I enquired about participants' training and all had had exposure to foreign countries for either training or education.

4.6.7 Testing the Validity and Reliability

In qualitative inquiry, the researcher seeks to comprehend the study phenomena in a context-specific way. Qualitative validity can be explained as assessing the accuracy of the information obtained through qualitative data collection (Clark & Creswell, 2011). Credibility is often tested using the strategy of "member checks", that is, summarising the interview findings and referring it back to participants to ensure that these findings are an accurate reflection of their experience (Guba, 1981). Member checks were conducted for five participants due to their availability to review summaries to ensure the accuracy of transcribing. However, carrying out member checks for all participants was not feasible because some managers were not willing to allocate extra time to read summaries. External validity was ensured by gathering data from several managers in different areas of hotel work. The interview participants were from drawn from various departments (Table 3). Having a diverse group of participants and building the evidence from several sources enhances external validity (Guba, 1981). Regarding the reliability of interview data, Guba, (1981, p. 81) stated that "reliability is thus not so much essential in its own right as it is a precondition for validity". The objectivity of the analysis is important, which means that the biases of the researcher should be minimised (Guba and Lincoln, 1994). In the formulation of the semi-structured questionnaire items and the formulation of the survey instrument items of this

study, the involvement of the primary supervisor helped to ensure face-validity and minimise biases.

4.7 Interview analysis

All 23 interviews were transcribed and NVivo 10 software (QSR International Pvt Ltd, UK) was used for the content analysis. Content analysis was used to classify the texts systematically into categories or themes. This involved summarizing a large amount of text to identify underlying patterns and classify qualitative data. Referring to existing theory and practice helps to identify the key concepts and variables, and this is described as "initial coding".

The purpose of the content analysis was to determine and categorize HR practices and managerial behaviours used across the hotel industry. First, I read through the transcripts completely and made notes on my first impressions. Then HR practices were identified based on what had been repeated several times in the transcripts; on what the interviewee explicitly stated was important; and on what in particular was relevant to theory and to the research question. Finally, these practices were grouped into three commonly adopted categories of practices by these hotels: (1) training and orientation; (2) performance evaluation; and (3) rewards. The interview data were also used to contextualize the scale of "managerial behaviour".

From the content analysis emerged the most consistently adopted HR practices as well as a clearer picture of the underlying management intentions regarding their HR systems. The desired culture for all hotels was one of striving for excellent customer service, and the HR policies and practices focused on achieving this. Employees were therefore given regular

training, with an emphasis on multitasking, and were instructed to attend to service failure situations immediately.

4.8 Brief content analysis of interview data

Temporary and part-time employment, shift work, and employment based on seasonal demand are common employment conditions in the Sri Lankan hotel sector (SLTDA, 2014). This is partly due to the fact that many trained staff use their Sri Lankan five-star hotel sector employment as a training ground and thus as a springboard to move on to other more financially beneficial employment opportunities, often overseas. In fact, during my interviews, six senior managers mentioned that the Sri Lankan hotel sector is seen by employees as a training ground for work in other countries. Therefore, the biggest challenge that the hotel sector faces in Sri Lanka is high employee turnover, especially of experienced chefs and front-office managers, who are perceived to be critical employees with respect to maintaining service standards. There is also a general shortage of experienced staff in other facets of the hotel industry. This suggests that the labour market conditions of the hotel sector are competitive, and confers a degree of bargaining power on potential and current hotel sector employees, particularly at the managerial level. The staffing strategy of hotels can be complex but, generally, hotels have a fixed number of permanent staff positions and hire temporary, casual and fixed-term employees to fill daily and seasonally driven needs (Annexure 03).

The hotel sector is comprised of two categories of employees: executives and non-executives. Non-executives include guest relations officers, housekeeping supervisors, restaurant supervisors, waiters, housekeepers, and room reservation staff, and many of these employees are frontline staff members who interact with customers directly. The food and beverages department includes banquet and restaurant staff; banquet functions include weddings,

conferences, and seminars. In both banquet and restaurant settings, waiters, waitresses, and bar attendants deal directly with customers. In the front office, the guest relations' officer, lobby managers, bell desk, recreation employees and door attendants are also in direct contact with hotel clients. Butler service is a dedicated or individualized service that is provided for some of the guests. Sometimes housekeepers play the butler's role. Both butlers and housekeepers are trained to provide information to customers.

Most hotels consider chefs as frontline staff because they often directly serve and interact with customers by serving at buffets and operating grills, which are front-of-house. The interviewed food and beverages managers and executives emphasised that chefs have a particular sense of satisfaction and pride regarding the food they serve and are directly responsible for the quality of the offering, whereas waiters and waitresses are mainly serving the meal. This was also evident from the interview with an HR executive in a five-star hotel who mentioned that, in his hotel, the chefs play a more significant role in maintaining customer satisfaction. As mentioned by a food and beverage manager, chefs are increasingly identified and marketed with the food they create, and many guests love to see the chef front-of-house to meet the person responsible for the "magic behind the taste". This is particularly important in Sri Lanka where, in five-star hotels, part of the experience guests enjoy is tasting local specialised foods, which may not be available in their home countries. In the BBC television series and the accompanying cook book *Far Eastern Odyssey* by Rick Stein (2009), there is an interview with Chef T. Publis Silva, the head chef of Mount Lavinia Hotel in Colombo, where he is seen cooking at the beach restaurant in front of the hotel; the book also features a recipe specifically attributed to the chef. Food tourism is increasingly important, and chefs are playing a vital role in promoting it.

4.8.1 Recruitment

The interviewed HR managers and executives, argued that in Sri Lanka a negative image is attached to the hotel sector compared to other service sectors such as banking or telecommunications, making it difficult to recruit quality employees. In general, jobs in the banking and telecommunication sectors are perceived as highly respected, and there is also a perception that financial remuneration and benefits are better than in the hotel industry. Also, the hotel industry is not popular among female employees. Regarding the employment of women in Sri Lanka, there are significant cultural barriers to overcome. One general manager in a five-star hotel commented: "Unfortunately, a lot of female employees don't want to come to the hotel. They think the hotels . . . have a very bad reputation"[1]. The main reason for this is that Sri Lankans are culturally conservative about women working in a public service role, particularly in hotels where they may have more independence and potentially very open interactions with guests and other hotel staff members. In addition, hotel work is primarily shift work, which is particularly problematic for women as they are responsible for many aspects of life within the home, and may not have the flexibility to share these tasks. The Central Bank Annual Report (2014) indicates that many females choose to leave their jobs or find it difficult to be employed due to household responsibilities, child care, difficulties in shift work and the absence of secure transportation to and from work or the unavailability of accommodation near the workplace. Annual survey statistics of the Sri Lankan labour force for 2014 indicate that the female participation in the labour force is 34.7%, while the male participation rate is 74.6%, meaning the majority of the female population are economically inactive (Sri Lanka Labour Force Survey, 2014). Industries such as banking and telecommunications, employ proportionally more female employees who tend to work in specific roles within fixed working hours, and have more formal public interactions. Even

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[1] Please refer the Annexure 03 for selected quotes from the interviewed managers

though women's participation in these sectors is higher than the hotel sector, women remain a minority.

Despite the fact that tourism is a highly competitive business in Sri Lanka, and customer service is a critical factor in success, there are several barriers to recruitment, such as skill shortages in experienced staff and low levels of women's participation, especially for frontline staff. Although in the international star-class hotels HR policies are regulated and standardised by the head offices, the organisations are flexible in the recruitment of operational-level employees at the hotel level. It was evident in many hotels that operational-level staff had been trained for multitasking, and expected to go beyond the standardized procedures to improve customer satisfaction. Staff were expected to be responsive at all levels of the organisation. It was considered every employee's duty to provide excellent customer service.

From these discussions, it emerged that the general objective of the hotels' HR practices and management behaviours was to develop an organizational culture that focused on service. This involved communicating company values, management roles, ongoing customer service training, and rewarding customer service. It was apparent from the interviews that the Sri Lankan hotel sector exercised standard customer service practices. The intention of managements was to create a strong organisational culture to enhance customer service and meet customer needs. Therefore, the emphasis was on assessing employee service performance, and management constantly monitored and guided employees to provide optimal service.

According to the interview data, the level of education of hotel employees varied with the job role and hotel recruitment policy. However, in most hotels, service workers need to have a

minimum qualification of having passed either the 10th grade or 12th Grade of school education, that is, receiving the General Certificate of Education at Ordinary Level (G.C.E. O/L) or Advanced level (G.C.E. A/L). Apart from this, hotels prefer to recruit trainees directly from hotel schools or vocational training institutes, in other words, they seek those who have undergone an initial education and training in hotel operations.

4.8.2 Customer service training and orientation

Most of the managers interviewed held daily meetings to update staff knowledge of new customer service techniques as well as hotel requirements and standards. Sometimes regular classes were organised for employees on soft-skill training in areas such as telephone etiquette, English language, handling customer complaints, and standard operating procedures. Different kinds of training modes were available, such as on-the-job training, multitasking, training via quality circles and service improvement teams. Furthermore, food and beverage staff training was given on culinary. A training manager said that "training is important to refresh their mind", and also mentioned that at department level there were departmental trainers and that on-the-job training was given. All 10 hotels interviewed had a training manager or training executive. Some hotels even allocated a separate department for this. Training was taken very seriously, as revealed in the following comment by a housekeeping executive in a five star hotel: "We give training as in the military". These hotels practised standardised work procedures and the above reference to the military reflects the rigorous and structured nature of training for operational-level staff. Also, the service staff were required to wear their uniforms, which also reinforced formality and structure.

One of the most important parts of training is customer complaint handling. For example, a housekeeping executive said: "To say sorry for a service failure situation, my staff do not need

prior approval. We have trained our staff to act in these situations immediately. I can't go and meet each and every customer. There is etiquette in complaint handling. First, you must listen to the customer". Most hotels kept a record of service failure incidents and tried to be proactive and train both new and existing staff to avoid service failures. The hotels also maintained a record of customers' likes and dislikes, their allergies, and any service-related issues. This meant that if the client visited again, the hotel had individualized information about the guest and could provide a better-tailored service. Every hotel also maintained a record of service evaluation by customers.

In most hotels, customer service orientation was under the training and development department, and a comprehensive orientation programme was carried out. Usually, new hires were given at least two days of general orientation about the hotel and customer service handling. Each hotel department also ran a half-day mini-orientation, and hotels had employee handbooks that were provided during orientation. The employee handbook of most hotels provided information on the mission statement, the company's core values, and the required standards of customer service as well as rules and regulations, leave details, and other HR-related information. In most hotels, the orientation programme was compulsory for new recruits to complete before they directly interacted with guests. During orientation, customer service etiquette was stressed and employees were familiarized with the social and physical environment of the hotel and with the hotel's service culture. Many managers emphasized that customer service was one of the critical factors for successful service. In the hospitality industry, 'emotional labour' is inherent and required (Hochschild, 1979; 1990). Employees are required to not show negative emotions and are expected to be very tolerant and patient, even if they are unhappy or stressed. Many managers interviewed had the view that an employee's service attitude had a significant impact on customer service. A general manager

stated that "this is an industry where you need to smile always, you have to have patience, listen to people. Attitude is something that we care about in this industry".

4.8.3 Performance evaluation for customer service

All the hotels had a performance evaluation system. The interview results identified diverse performance appraisal methods, objectives and practices. Also, the objectives and practices varied with different employee groups. In some hotels, employee appraisals were generally conducted every six months. Most of the operational-level employees, including trainees, were given six-month contracts during which their performance was evaluated. The performance evaluation criteria for service workers varied between hotels. For instance, some of the performance evaluation criteria were an employee's attitude towards customer service, quality of communication, punctuality, participation in quality improvement teams, loyalty, honesty, teamwork in general and their relationship with co-workers and managers. The common theme as understood during many interviews was that the emphasis was on the importance of customer service. Department heads conducted performance appraisals in many hotels and informed the HR department about employees' training needs. This system of regular appraisal also helped to identify employees suitable for promotion. In fact, substantial evidence was found during the interviews that employees who had begun their career as an operational-level employee, housekeeping employee or front-office employee had been subsequently promoted to executive housekeeper or front office management.

4.8.4 Rewarding customer service

In the Sri Lankan hotel sector, hotel employees are covered by minimum wage regulations. Since the hotels in this study were star-class hotels, remuneration was above the minimum wage rate, around SL Rs. 16,000-20,000/- (USD 110 – 135) per month as stated by the interviewed HR managers. However, in Sri Lanka this pay rate is considered to be low

compared to other service industry firms such as those in banking, finance and telecommunications. Most interviewees mentioned the use of reward packages to encourage good customer service and these included distributions of service charges, an employee of the month award, and annual increments. Welfare-based rewards included annual trips, free meals, and scholarships for children and welfare donations. Having a low level of breakages is another way that employee gets a payment for efficient handling of equipment. It is a common practice in the hotel sector to charge a standardised service fee to customers, which is then redistributed to the employees at the end of the month along with their salaries. Annual salary increments and service charges are very influential rewards for employees, and are directly linked with their base salary.

The standardized service charge is a customer service-based reward, which is a payment added to the employee's base salary. It was interesting to note that service charges represented a significant proportion of the monthly salary for employees and this directly incentivized quality customer service. A resident manager mentioned that during peak times with a high volume of customers, employees received service charges around three times their salary. Service charges can be a very significant source of income for the employee, and higher than their wages. Although paying a service charge is common in all hotels, the amount and distribution calculations differ from hotel to hotel. In most hotels, differential rates of service charges were paid to the employees based on their seniority. For example, trainees received the lowest percentage, and permanent senior workers a higher amount, paid on a monthly basis. An HR manager explained that trainees and contract staff got around 25–50% of each service charge that related to the full-service charges the hotel received on a monthly basis, while permanent employees and senior staff got 100%. This service charge is associated with employee performance. Further, employees who perform better get promotions to permanent

positions or to the next level in their job, which results in a higher amount of service charges. If the employee moves from one level to the next level in the hierarchical structure of the hotel through promotions, not only income but also job security is ensured. This is because promotion leads to a permanent job, and reduced likelihood of being laid off due to seasonal fluctuations leading to a steady income.

Due to the standardized service charges being passed on to employees as an additional payment, some hotels had banned tipping. Although tipping is discouraged in the Sri Lankan context, the hotel management preferred to control this payment by charging a standardised service fee from customers, and then re-redistributing it to employees. Also, if tipping is allowed, then front-office or restaurant workers receive extra income, and some categories of employees who are working in the back office will not have opportunity to get an extra income through tips.

Summary

Some broad categories of HR practices such as training and orientation, pay and rewards, performance evaluation are consistently adopted in the hotel industry and the most relevant HR practices to address the primary research question. Within these broad categories of HR practices differences exist from firm to firm. For example, how performance evaluation is conducted can be vary between different firms. These differences can be found both in objectives and methods. Recruitment was challenging in the hotel context; it was found to be a more centralised function mainly operated through head office and heavily depend on the external factor such as labour market conditions, the competition of other industries, general perception about hotel work. As indicated by the prior researchers' (e.g. Boxall et al. (2011)

and Peccei and Rosenthal (2001)) HR practices and management styles both need to be researched in a contextualised approach.

4.8.5 Management styles

What kind of management styles does hotel management want to practise with its employees? Overall, what is seen here is a more directive and authoritative management style. Nearly all the service workers come from local areas. From the interviews, it is understood that, in general, many hotels recruit trainees or semi-skilled workers who already have a few years' experience in the hospitality sector. The level of education among the operational level workers is low. Supervisory or team-leader-level employees tend to hold positions that are more permanent than those at worker levels, and it seems that there may be different management strategies adopted for these two groups. Supervisory-level employees tend to have more service experience than service workers.

In many hotels, trade unions are not encouraged because they promote employee voice mechanisms such as workers' councils, quality circles and informal meetings and discussions. However, participation in decision making for lower-level employees is encouraged through quality circles, problem-solving groups and welfare committees. Employees at supervisory level have more authority and discretion compared to service workers. Most managers conduct regular meetings and provide formal and informal feedback to employees on their daily duties in customer service. They also motivate and guide them towards achieving quality standards, and provide them with regular training to enable them to meet customer service standards. In Group 1, the Group HR manager mentioned that in their group they had "standard operating procedures (SOPs)" which were the minimum standard requirements that

an employee should follow. However, he further mentioned that these are only minimum standards and that service workers can always do better.

Hotel work is structured and regulated according to standard operating procedures except in cases of service failure and recovery, as these are highly unpredictable. From the interview findings, it was evident that authority and decision-making power was of a hierarchical nature, where there is greater power at managerial level. The authority was hierarchical, passing from top to bottom, hence an authoritative management style can be observed. The service workers who were at the lowest level of the hierarchy had very limited discretion to act on service failures. This will be discussed in the next section.

4.8.6 Service failure, service recovery and empowerment

The following two questions were asked of the respondents relating to service failure and recovery: (1) What are typical incidents of service failure? (2) How frontline staff handle these service failure incidents?

Service failures are inevitable and different types of service failure occur in the hotel sector. Primarily, two types of service failure were discussed, that is, service lapses due to employee actions and core service issues, for example, the quality of the food/room. The most common recovery strategy discussed was to apologise to the guest, the next was to offer them complimentary gifts, and the final step was to compensate them with a cash discount. The recovery strategy varied with the severity of the service failure, and the recovery action that an employee could take also varied according to their job level. From the interviews, it was evident that there is a hierarchy of decision-making, in which there are the managers with the

most power and autonomy, followed by employees at supervisory level who also have a certain level of authority in decision-making.

Unpredictability is inherent in service failure, and hotel employees are expected to react appropriately to solve problems. A resident manager mentioned that even though there are standard operating procedures, planning service recovery in hotel operations is not practical and when things go wrong employees must react appropriately. In the hotel industry, time delay should be minimal, and corrective actions and service should be performed in the presence of customers. This imposes the biggest challenge for employees and managers. It is customary in all hotels that if a guest makes a complaint to a service worker, they need to apologise, then inform either the supervisor or the manager. For minor issues, if service workers can handle the situation themselves, they can take independent action to avoid customer delays. These service workers had been trained to handle customer complaints, and hotel management encouraged them to take corrective action then and there within the scope of their job role.

A restaurant manager said: "if a guest is not happy with a meal then the waiter informs the floor supervisor. Then the waiter reports to the chef and can offer the guest another dish. If the meal has to be replaced from the 'a la carte menu', this may take a time of about 20 to 30 minutes. So, to compensate for this delay and to make the guest 'happy', the waiter can "offer a free drink". Further, the restaurant manager added: "the waiter can offer a guest an alternative dish from the buffet". However, when it is a question of a monetary discount, he said: "if we provide discounts, then the restaurant manager has the authority to give such a discount". Further, he also mentioned that in the absence of the restaurant manager, the shift supervisor may be able to authorise a discount to a certain amount to avoid delays for

customers, but then the supervisor needs to notify this later to the restaurant manager and get his/her approval.

The nature and severity of the failure also matter when taking corrective action for service recovery. Some complaints relate to more severe service lapses. For instance, one of the food and beverage managers interviewed mentioned, "if a guest complains about a meal; for example, that the food is cold, then it is a major complaint because food served to a guest should be at the right temperature. If a guest complains about the food temperature or quality, then the chef has to offer an explanation for it. However, guests can complain that '…the chicken curry does not suit my palate. It is spicier than I expected.' This is not a major complaint." The service recovery in such an instance would be offering a complimentary meal as per customer preference.

The front desk of a hotel has a high degree of interaction with both employees and guests, and therefore this interaction potentially provides increased opportunities for service failure to occur. A service failure and recovery that had happened 'in front of house', was mentioned during an interview with a front-office manager: "A guest had booked the room, but the reservation system had not been updated to include this. In this case, the fault was on the hotel's side. This incident happened because the person who was doing the job had not done it properly". In this situation, the front-office supervisor involved in handling the service failure apologised to the guest and booked a room in another hotel as per the guest's preference, since their hotel had full occupancy.

Also, another interviewee from the front office mentioned that: "a guest did not like the view and the level of the room, and requested a room facing the sea on a higher-level floor. The

front-office supervisory level employees can make such decisions" According to the availability of rooms in the hotel such changes can be accommodated. Front-office personnel are required to record all complaints in a logbook maintained in the front-office.

A front-office manager mentioned that "To give a free room upgrade to a customer, the reception desk staff have to notify the lobby manager and get his approval." However, in a typical day, the lobby reception can handle such issues such as transactions with guests to change a room with the same room charge, or upgrading rooms where a guest is paying the bill. In the case of monetary discounts the hotel's policy on waiving room charges or the free upgrading of rooms, was that only staff at managerial level had the authority to act.

One of the important quality attributes for guests staying in a star class hotel is the quality and cleanliness of the room. The role of the room attendant ("room boy" as this role is referred to in the Sri Lankan context) is of particular importance. A housekeeping executive mentioned that in order to make an effort to provide a personalised service the hotel recorded regular customers' likes and dislikes. Examples of this were the provision of flowers, chocolates, extra water or coffee, as per the guest's preference.

Many managers hold the view that empowerment is particularly important in service failure and recovery situations. However, the question is: To what extent do service workers need to be empowered and what is real empowerment? A housekeeping executive mentioned: "If a guest complains, 'I did not get a newspaper yesterday…', the room boy is able to provide a newspaper". He also mentioned: " …the room boy is able to provide extra water bottles or extra tea/coffee for that particular guest's room. Also, room boys can arrange floral decorations according to customer preference. The room boy is able make this type of a

decision. I have given clear instructions on empowerment since I can't be involved in everything". From these comments, it seems that there is a high expectation of staff taking action within a very restricted set of parameters, a system of a very authoritative and hierarchical nature with a low-level of empowerment for lower level employees.

A housekeeping executive expressed the following: "A guest asked for four bottles of water and our room boy had forgotten and left only two. Another guest was a coffee lover and asked for more coffee to be left in the room, but the room boy forgot to do this. These kind of service failures can happen." In this hotel, the room attendant has the authority to issue extra water bottles or coffee as the customer requests, and room attendants need to update their issuing records. What we see here is that the operational-level employees have limited autonomy to take decisions, and in most cases, they are required to consult either the supervisor or manager in order to take action.

However, there are excellent examples to show that, even at a lower level, an employee can make an impact and can assist in an exceptional service recovery. A front-office manager related a classic example of service recovery at the worker level in a five-star hotel: "There was an incident where a non-smoking guest had complained that he was given a smoking room. This room was located on a non-smoking level (floor). This complaint was made to the room boy, and when the room boy inspected the room he immediately understood that a guest who was a smoker had previously stayed in that room. He apologised to the guest and straightaway informed the front desk and organised a room change". Further, the manager mentioned that they appreciated the room boy's concerns about customer service and commended his thoughtful act. Also, they recognised that, on a previous occasion, the front-desk staff had made a mistake by giving this room to a guest who was a smoker. In this

situation, the "room boy" was from the housekeeping department and he could not change rooms, but in taking the right action, he convinced the front-desk staff to change the room and solve the issue without delay, thus solve the problem.

Some clients are difficult to handle, as mentioned by a few of the interviewees, although the general rule is not to argue with the customers: they "…should not say something against the guest" but should first listen to the guest, and let him or her calm down. The staff member should endeavour to understand the guest's point of view and apologise on behalf of the hotel, and if the employee cannot handle the situation, he/she should immediately inform the floor supervisor or manager. Additional complimentary gifts such as boxes of chocolates, bottles of wine, free meals, boat rides or birthday cakes can be issued to guests to satisfy them. More significant monetary reimbursements such as the waiving of charges (e.g. hotel room bill) or the offering of discounts must be approved by a higher level of management.

From the interview data, it was evident that in instances of service failure and service recovery the immediacy of taking actions is critical. Therefore, some autonomy for decision making is necessary, although it is apparent that employees do not necessarily have the authority to act on service recovery situations. Compared to lower-level operational workers, supervisors/ team leaders have more power and influence in decision making. The management level is more powerful and is very influential in hotel operations.

Management also holds the view that social media sites are critical to maintaining a hotel's reputation. Social media sites such as "Trip Advisor" or "Holiday Check" offer free promotion of business. Therefore, they do not want a guest to write negative comments on the social media sites. A General Manager said during his interview that: "We need to ensure that

whatever complaints that a client has to make during his stay, we want him to leave the hotel with positive memories. We don't want our guests to go back and make complaints on Trip Adviser or Holiday Check". Clearly, this is not possible all of the time, and guests do write negative comments on social media if the service does not meet their expectations.

In a competitive industry like tourist hotels, repeated customer visits are highly critical. The hotel service continues to be labour-intensive despite technological advancements in booking and reservation. This aspect of service remains important because the experience of visiting a hotel requires engagement with hotel employees, and this cannot be replaced with technology. If reservations are made on the internet, most likely the first actual engagement the guest has with staff will occur when the guest enters the hotel. Therefore, this moment is even more critical in establishing a positive service experience as fewer personal contacts are occurring during direct bookings. In fact, hotels work very hard to create very controlled environments where guests can expect a high degree of personalised and tailored customer service and feel welcomed at a personal level from the first moment of contact and throughout their stay. Excellent customer service can persist as a valued memory, which is an important aspect of return visits, and hotels highly value and encourage repeated business. In summary, a hotel's performance, to a large extent, depends on its employees.

4.9 Item generation for the independent variables in the employee survey

The interview data were used in scale development for the second phase of data collection through a survey. The first step in scale development is to generate items to assess the constructs that are under examination (Hinkin, 1998). As explained previously, following the initial interviews with hotel management and the conducting of content analysis, orientation, training, performance evaluation, and rewards were identified as the main categories of HR

practices for scale development. There are two approaches to scale development: deductive and inductive approaches. The deductive approach involves understanding the phenomenon through a literature review and the development of a theoretical definition, which is used as a guide for item development (Hinkin, 1998). The inductive approach involves making enquiries of a sample of respondents as to how they feel about their organization and then to describe the behaviours of the respondents (Hinkin, 1998). For instance, in this study, semi-structured interviews were conducted, and examples of the interview questions are "What do you consider as good performance?" and "What are the incentives given to encourage good performance?" Questionnaire items relating to HR practices were developed using the results of the content analysis of the interview data and by making reference to prior literature. Therefore, this study used a mixed method approach for its scale development.

The formulation of the questionnaire items followed the structure of the existing measures developed by Boxall et al. (2011). In addtion, scale development was informed by the prior HRM literature (e.g. Lepak et al., 2006) and SRP literaure (e.g. Boshoff & Allen, 2000). Special attention was paid to including HR items related to customer service, for instance how training, rewards and performance evaluation actually help to improve customer service.

In the composition of questionnaires, statements should be short and simple; they should also be expressed in language that is likely to be familiar to the target respondents (Hinkin, 1998; Clark & Watson, 1995). Hinkin (2005) note the importance of reducing item ambiguity and improving scale items. Therefore, at the questionnaire design stage technical words were avoided and the questions were kept simple. Double-barrelled questions were eliminated. Further, leading questions and negatively worded questions were avoided. Several scale revisions were done to refine the questionnaire itmes. Finally, 26 items representing the four

previously mentioned categories of HR practices were included in the frontline employee questionnaire. Orientation practice comes under the broad HR category of training, hence the items developed did not uses in the analysis did not consist any customer related items. In developing the scale for "management style and behaviour", five questions were adopted from Boxall et al.'s (2011) and Peccei and Rosenthal (2001)'s managerial style and supervisor behaviour scales and seven questions were developed from the interview data, making 12 items in total. Altogether 38 question items were included to cover the HR practices and management style scales. Further, four items were added to the exisiting service recovery scale (e.g. Boshoff & Allen, 2000) to contexualise it to measure the construct more meaningfully. More information is given in the chapter 06. All items were measured using a 7-point Likert scale where 1 = strongly disagree and 7 = strongly agree.

4.9.1 How measures are contextualised

As indicated in section 4.1.2 and 4.2, I have reviewed methodological approaches in the field of HRM. There is no one set list of agreed or fixed HR practices which is used to define HRM (Paauwe, 2009). Therefore, HRM systems are context-dependent. My thesis was mainly influenced by the studies of Boxall et al. (2011) and Peccei and Rosenthal (2001), who adopted a contextual approach to HRM. Consistent with these studies, the items in the employee-administered survey were formulated after initial interviews with the management and by referring to the prior literature. Section 4.7 presented the interview analysis and identifies the HR practices followed by a direct content analysis of interview data in section 4.8.

4.9.2 How do the measures differ from prior literature?

Item generation: Training

As indicated in section 4.8.2, in all hotels managers conduct regular meetings and provide formal and informal feedback to employees on their daily duties in customer service. They also motivate and guide them towards achieving quality standards. The hotel industry is constantly evolving, and employee knowledge of new changes/standards is essential for hotels to be competitive. In the hotel industry, different kinds of training modes are available, such as on-the-job training, multi-tasking, training via quality circles and service improvement teams.

An important part of training is customer complaints handling. Hotels usually identify training needs based on customer feedback or complaints. 25 hotels studied in this survey belong to a chain of hotels controlled by their head office. Therefore, training was provided with job rotation among different hotels. Most of the operational-level employees, including trainees, were given six-month contracts during which their performance was evaluated. Four managers interviewed mentioned that they started at an entry-level job (as an operational level employee) in the hotel and were promoted to a managerial position, which is evidence of career progression in these hotels. Based on the interview findings, the following survey items were formulated for customer service training:

- I receive continuous training on customer service
- My hotel identifies its training needs by examining customer complaints
- Rotating in different hotels within the group helps me to improve my customer service
- Training helps me to progress in my career.

As noted in Boxall et al. (2011), on-the-job training is a useful method of providing the new recruits with regular support and feedback in their jobs. Boshoff and Allen (2000) used the interview method to develop scales for their study, which investigate the factors affecting service recovery performance. They emphasized that employees need to be trained to handle dissatisfied customers, and their complaints, where the customer service employees' reaction to the customer complaint positively impacts on their service recovery performance. They also mentioned that "employees should be trained in both technical and functional skills" (p.68). By referring to the prior scales of Boxall et al. (2011) and Boshoff and Allen (2000) and interview findings as mentioned above, the following items were developed to measure customer service training:

- I have been trained to handle customer complaints

- My supervisor gave me on-the-job training during my first six months in the hotel

- I had received customer service training before I came into contact with customers.

Survey Item generation: Rewards

In the Sri Lankan hotel sector, hotel employees are covered by minimum wage regulations. Since the hotels in this study were star-class hotels, remuneration was above the minimum wage rate, around Sri Lankan Rupees (LKR) 16,000/--20,000/- (USD 110 – 135) per month as stated by the HR managers interviewed. It is a common practice in Sri Lankan hotels to charge a standardised service fee to customers, which is then redistributed to the employees at the end of the month along with their salaries. Service charges are a customer service-based reward and represent a significant proportion of the monthly salary for employees. This directly incentivizes quality customer service. Eight managers interviewed mentioned the service charges function as a very influential reward for employees and a direct link to exceptional

customer service. The following items were formulated based on the interview findings for measuring customer service rewards:

- I think my salary is fair considering my duties and responsibilities
- The rewards I receive are linked to providing exceptional customer service
- I am satisfied with the way I am rewarded at my hotel.

Boshoff and Allen (2000) suggest that appropriate employee behaviours need to be rewarded to encourage and motivate employees to deliver excellent customer service. They also mentioned that "dealing with angry customers is a thankless task and employees who perform the task well should be recognized and rewarded" (p.66). By referring to Boshoff and Allen's (2000) scale items and also referring to the interview findings, the following questions were added to the reward section of the survey.

- I am rewarded for serving customers well
- I am rewarded for handling customer complaints effectively.

Survey Item generation: Managerial Styles / Behaviours

I conducted 23 interviews with the senior management of ten hotels. All the interviews, as a whole, were used to understand the nature of the managerial style and to generate items for the survey scale. From my interviews with senior management, I perceived that they are helpful, supportive and encouraging of good customer service. They provide guidance, yet the style was an authoritative coaching style, where the relationship with the service worker is formal. In other words, the management behaviour is manifested as authoritative and having a formal

relationship with the service workers. A social distance and hierarchical structure is visible in this context.

As mentioned above in the training section, regardless of their hierarchical levels, line managers do provide direct coaching and guidance for employees. Managers provide training for employees. They offer new ideas to improve customer service. Most of the interviewed managers were of the opinion that they are highly committed to providing excellent customer service and being exemplary leaders. The guidance and support given by the management were taken into consideration in formulating the survey questions for management styles.

The management style scale in this thesis measures the individual employees' perception of their line managers. Management style is not equivalent to perceived organisational support, but it is about their boss, or the direct line manager. Employees have direct personal contacts with their line managers. I measured the employee perception of their line manager's support, more akin to perceived line manager support. Here I have asked the employees whether their boss supports them. These questions were formulated from the interview data:

- My boss shows me how to provide a good customer service

- My boss offers new ideas to improve customer service

- My boss recognises me for providing good service to customers

- My boss encourages me to take prompt action to solve customer problems

- My boss cares about my personal needs

- Managers have favourites in this organisation.

Studies by Boxall et al (2011) and Peccei and Rosenthal (2001) measured the management style/ behaviour as perceived support received from the frontline managers. As highlighted by

Peccei and Rosenthal (2001), "management behaviour was, in short, to act as a visible demonstration to employees of senior level commitment to service excellence" (p.835). They describe the management behaviour as a more supportive and coaching style of managing employees and providing leadership for improving service quality as well as implementing change and developments. By referring to the studies by both Boxall et al (2011) and Peccei and Rosenthal (2001), the following questions were also adopted:

- My boss praises me when I do a good job

- My boss encourages me to speak up when I disagree with a decision

- My boss is an example of good customer service in his/her daily job

- My boss is genuinely committed to customer service

- The management team in my hotel sets a personal example of good customer service

- My boss supports me in getting my job done.

Survey Item generation: Performance Evaluation

Performance evaluation scale items were formulated based on the interview finidings as mentioned in the section 4.8.3. The survey items relating to performance evaluation are given below:

- My performance evaluation helps me to understand what good customer service is

- The importance of customer service is emphasised in my performance evaluation

- My competencies in customer service are evaluated by my boss

- The hotel has a consistent performance evaluation policy, which applies to all employees equally

- My boss gives regular feedback on my performance

- My boss's regular feedback helps me to improve my service performance

- The hotel policy is to promote employees who are the best performers

- I have a good chance in my present organisation to progress in my career.

4.10 Summary

This chapter has presented the research design decisions and explained the item generation for the surveys. The research was designed by conducting initial interviews, following the methodological approach of Peccei and Rosenthal (2001) and Boxall et al. (2011). The independent variables – HR practices and managerial behaviours – were developed through exploratory interviews with the senior and middle-level management of ten Sri Lankan hotels. Based on the interview data, context-relevant questionnaire items were formulated, and questionnaire items were added to an existing scale for service recovery performance. The content analysis of the interview data revealed that the broad categories of HR practices of training, rewards and performance evaluation are consistently adopted by the hotels.

Chapter 5

Development of Hypotheses and Conceptual Framework

The overarching research question of this study is: How do HR practices and managerial styles influence the service performance of customer service employees in the hotel sector? This chapter consolidates the theory relevant to the development of the conceptual framework of this study and divides the main research question into six sub-questions before developing the hypotheses to be tested.

5.1 Theories relevant to this study's conceptual framework

A theory can be evaluated on the basis of two criteria: (1) falsifiability and (2) utility (Bacharach, 1989). One characteristic of a theoretical statement is that it can be empirically refuted (Sutton & Staw, 1995). Falsifiability determines whether the theory has been constructed in such a way that it can be refuted empirically (Bacharach, 1989). Utility can be viewed as the "usefulness" of a theory; in other words, a theory should be able to "explain and predict" (Bacharach, 1989, p. 501). Hypotheses can be derived based on theory and prior research. In this study, the foundations on which the hypotheses were developed were empowerment theory, the Ability, Motivation, and Opportunity (AMO) framework, and the findings of previous studies.

5.2 Research sub-questions and hypotheses

Context-relevant HR practices and management styles are the antecedents of empowerment and job satisfaction, and it was hypothesised that the latter variables mediate the relationships between HR practices and management styles and service recovery performance (SRP).

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Therefore, research sub-questions and hypotheses were developed to investigate the conceptual model developed for the study, and these are presented below.

5.2.1 Research sub-question 1: Do context-relevant HR practices and management styles predict empowerment in the hotel sector?

As explained in Chapter 2 (section 2.8.4), studies of empowerment theory have found that empowerment initiatives enhance individual capabilities and strengths, and that proactive behaviour is also connected with individual well-being (Maynard, Gilson, & Mathieu, 2012; Perkins & Zimmerman, 1995; Spreitzer, 1997). Organizations implement empowerment initiatives based on the premise that employee well-being, performance, and positive attitudes will be enhanced when employees are given the opportunity to participate in decision-making and share the responsibility for their work (Maynard et al., 2012).

In this thesis, three aspects of psychological empowerment, job competence, job autonomy and job impact, are studied in detail. As discussed in section 2.8.1, job competence is the individual's self-efficacy (can-do attitude), which can be related to their level of performance (Conger & Kanungo, 1988; Spreitzer, 1996). Job autonomy is the employee's freedom to make decisions about their work methods and pace of work, while job impact is the extent to which an employee can influence their work outcomes and is "influenced by the work context" (Spreitzer, 1995, p. 1443). Empowerment is a multidimensional construct, hence "defining empowerment unidimensionally is inadequate" (Spreitzer et al., 1997, p. 696). When considering dimensions independently, the "empowerment dimensions are differently related to the different outcomes" (Spreitzer et al., 1997, p. 696). Subsequent studies by Kraimer, Seibert and Liden (1999) and Liden, Wayne and Sparrowe (2000) also provided evidence for a multidimensional view of the empowerment construct. As explained in section

2.6.6, it is important to study the dimensions of job competence and job autonomy, which are directly related to the service behaviour of frontline employees (Peccei & Rosenthal, 2001).

Job competence is related to Bandura's (1989) theory of self-efficacy, and is the individual's belief in their capabilities and personal mastery, which is linked to fulfilling their job tasks. Based on their sense of self-efficacy, individuals form a can-do attitude and a belief in their abilities to accomplish the given task. Training is of particular importance to developing the necessary skills for job competence, and prior research shows a strong connection between training and job competence (e.g. Boxall et al., 2011; Peccei & Rosenthal, 2001).

A service worker's job is typically demanding because customer service in hotels cannot be entirely standardised and the service is performed in the presence of the customer. As indicated in the literature, service failures are unpredictable in nature and so hotel employees are required to take immediate actions and make personal judgements in their service recovery efforts. Job autonomy is the degree of freedom workers have in performing their jobs (Babakus et al., 2003; Bitneret al., 1990) and a challenge for management is effective delegation of power to employees to give them some autonomy in performing their tasks. Therefore, it is important to study the dimension of job autonomy and examine how it relates to service recovery efforts. The qualitative interview findings for this study showed that service workers in hotels of Sri Lanka had a low level of job autonomy. However, supervisors had more decision-making authority, which made it important to focus on the job autonomy dimension of empowerment.

Compared to other dimensions of empowerment, job impact has received less attention, with only a limited number of studies focused on it (Spreitzer et al., 1997). Job impact primarily

contributes to the performance domain, and is positively related to work effectiveness (Spreitzer et al., 1997). Spreitzer (1996) argued that "no element of the job characteristics framework is consistent with the impact dimension of empowerment" (p. 484).

The psychological empowerment concept extends empowerment theory by incorporating cognitions, such as a sense of job impact and job competence (Seibert et al., 2011). Empowerment is studied in relation to an individual's work environment and job impact reflects the individual's feeling that they contribute to the operational outcomes of their work unit (Spreitzer, 1996). Studies show that both job competence and job impact are positively related to task performance (Seibert et al., 2011; Spreitzer et al., 1997). Managers interviewed for this study mentioned that even the operational employees can make a difference in operational outcomes through dedicated customer service.

Based on the AMO framework and empowerment theory, this research argues that service employees' perception of HR practices is positively related to employee-perceived job competence, job impact and job autonomy, and is indirectly related to their SRP as rated by their managers. In the AMO conceptual framework, job performance is conceptualised as a function of an individual's ability, motivation and the opportunity to perform (Blumberg & Pringle, 1982). The job performance of an individual is therefore partly a function of environmental variables that affect opportunities to perform (Blumberg & Pringle, 1982). In this study, job competence is represented by the "ability" aspect of AMO, and job autonomy and job impact are directly related to the "opportunity to perform" dimension of AMO theoretical framework.

As indicated in Chapter 3 (section 3.4), two streams of HR research can be observed in hospitality literature (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010). The studies that examine the individual HR practices mainly examine context-relevant HR practices. This is the approach this thesis has taken. The second stream of HR research consists of bundling HR practices. In the early days of research of high-performance system, researchers added up practices, which they took from a common source and often they developed indexes. Many have criticised this approach. For instance, Boxall (2012) writes that "bundling is an issue of design within the components of an HR system: making training consistent with a change to self-directed teams, for example" (p.50). The issue is that different HR practices can have different effects. Therefore, consistent with Boxall et al. (2011) broad HR hypotheses were formulated initially and then factors that are most relevant in a specific study context were identified through exploratory factor analysis. In addition, I used the split-sample method and confirmatory factor analysis to validate these HR measures (Chapter 6, section 6.4.3). I have identified three different clusters of context-relevant HR practices after initial interviews: training, rewards and performance evaluation. These practices may have different effects on outcome variables of dimensions of empowerment, job satisfaction and SRP. Therefore, initially, I broadly hypothesised context-relevant HR practices as an overarching category of HR practices. These broad HR hypotheses were later converted into sub-hypotheses after the exploratory factor analysis in Chapter 6 (section 6.4.3).

As indicated by mainstream HR researchers (e.g. Boxall et al. (2011) and Peccei and Rosenthal (2001), HR practices have positive relationships with empowerment. Based on the above arguments, the following broad hypothesis was formulated:

Broad Hypothesis 1a: *Context-relevant HR practices are directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact*

There is a positive relationship between management style and employees' perceived degree of job autonomy, as indicated by Peccei and Rosenthal (2001). Boxall et al. (2011) also found that HR practices and management and supervisory styles have positive effects on psychological empowerment. Both these studies indicated that HR practices and management styles had positive effects on psychological empowerment. The management-style scale used in this thesis was contextualised using qualitative interview data as outlined in section 4.10. These interview findings indicated that line managers are committed to customer service in their daily jobs by setting a personal example and that they trained and coached employees to maintain as well as improve service standards. Line managers are involved in implementing HR practices, and their leadership style can have an effect on employee's job performance. The positive relationship indicated in the previous literature between management style and empowerment led to the formulation of the following hypothesis:

> *Hypothesis 1b: Management style has a significant positive relationship with employee-perceived (a) job competence, (b) job autonomy and (c) job impact*

5.2.2 Research sub-question 2: Does employee-perceived job competence, job autonomy and job impact predict job satisfaction in the hotel sector?

Consistent with empowerment theory, empowerment will enhance the employee's workplace well-being, and job satisfaction is a measure of employee workplace well-being (Seibert et al., 2011; Thomas & Velthouse, 1990; Wilkinson, 1998). A study by Boxall, Hutchison and Wassenaar (2015) showed that employees experiencing a greater level of power positively

increases their intrinsic job satisfaction. Boxall et al.'s findings were from a sample of core operating workers in a large-scale New Zealand distribution company. When Gazzoli, Hancer and Park (2010) studied restaurant customer contact employees in the United States, they reported a strong positive relationship between empowerment and job satisfaction; they measured empowerment based on the work of Spreitzer (1992).

A study by Spreitzer (1997) also conducted in the United States with two independent samples of middle-level managers and operational-level employees reported different results, however. Their findings indicated that, among middle-level managers, self-determination (job autonomy) predicts work satisfaction, but, for lower-level employees, a non-significant relationship was reported. Among lower-level employees, job competence was positively related to job satisfaction. In addition, job impact was found to be non-significantly related with work satisfaction in both samples.

In summary, the relationship between job competence, job autonomy, job impact and job satisfaction is not clearly defined. The research suggests that this relationship is likely to be dependent on the study, context and study sample. Therefore, the following hypotheses were developed to investigate this relationship further:

Hypothesis 2a: Employee-perceived job competence has a direct and positive influence on job satisfaction

Hypothesis 2b: Employee-perceived job autonomy has a direct and positive influence on job satisfaction

Hypothesis 2c: Employee-perceived job impact has a direct and positive effect on their job satisfaction

In their meta-analytic examination of job satisfaction, Bowling and Hammond (2008) found that support received from one's supervisors is a predictor of job satisfaction. The qualitative interview findings of the current study showed that managers do provide training, feedback and coaching of employees to fulfil their jobs. Therefore, I expected to find the same relationship, and the following hypothesis was proposed:

Hypothesis 2d: Management style is positively linked to job satisfaction

5.2.3 Research sub-question 3: Does employee-perceived job competence, job autonomy and job impact predict SRP in the hotel sector?

Service organisations need to empower their frontline employees to recover service failure, an idea referred to as "empower to recover" (Bowen & Lawler, 1995, p. 80). This argument suggests that there is a need in service organisations to empower frontline staff to enable them to move from a problem to a solution quickly and efficiently (Bowen & Lawler, 1992; Michel, Bowen, & Johnston, 2009). Empowerment may have an indirect effect on service recovery through job satisfaction and organisational commitment, as seen in a study of frontline banking staff in Turkey (Babakus et al., 2003). Using the methodological approach of Babakus et al. (2003), Ashill et al. (2006) and Michel and Ashill (2010) subsequently studied the healthcare sector in New Zealand and reported that empowerment had an indirect positive effect on SRP. Although these prior studies conceptualise empowerment in a way that is different from this study, the argument of Bowen and Lawler (1995) that an "employee empowerment approach to service . . . [is] the remedy for problems of poor customer service and inefficient operations" (p. 73) is relevant for the hospitality context of this research. Based on the above literature, the following hypotheses were formulated:

Hypothesis 3a: Employee-perceived job competence is positively and directly related to manager-rated SRP

Hypothesis 3b: Employee-perceived job autonomy is positively and directly related to manager-rated SRP

Hypothesis 3c: Employee-perceived job impact is positively and directly related to manager-rated SRP

5.2.4 Research sub-question 4: Does employee-perceived job satisfaction predict manager-rated SRP in the hotel sector?

The seminal Hawthorne experiment intrigued the researchers, showing that "happy-productive workers" exhibit a higher level of job performance (Spector, 1997). This happy-productive worker hypothesis is typically operationalised by means of self-ratings of employee job satisfaction and supervisory ratings of job performance (Wright & Cropanzano, 2000). However, there are conflicting viewpoints in regard to job satisfaction and job performance research, with organisational scholars arguing either for a "positive relationship" or "no relationship" (Wright & Cropanzano, 2000). Iaffaldano and Muchinsky (1985) reported the results of a meta-analysis showing the average correlation between job performance and job satisfaction was relatively small, at 0.17. However, the meta-analytic study of Judge, Thoresen, Bono and Patton (2001) reported a higher correlation between job satisfaction and performance (mean-corrected 0.30). Two field research studies on human service workers in the United States indicated that job satisfaction did not significantly relate to manager-rated job performance (see Wright & Cropanzano, 2000). Overall, these findings suggest that there may be disconnects between perceived job satisfaction and reported job performance.

As indicated in Chapter 2 (section 2.5), research on the relationship between job satisfaction and SRP has shown either a positive link between job satisfaction and SRP (Babakus et al., 2003) or a non-significant relationship (Ashill et al., 2006; Michel & Ashill, 2010). These conflicting findings suggest that this relationship may be context- and sample-dependent. By considering the above findings, the following hypothesis was formulated:

Hypothesis 4: Job satisfaction has a positive relationship with manager-rated SRP

Mediation effects (indirect effects)

In studying the HRM-performance as well as HRM-wellbeing relationships, mediating relationships are of particular importance. HR practices are implemented at the organisational level and affect the behaviour and attitudes of employees at the individual level (e.g. Paauwe, 2009). Research findings often indicate that employee perception of HR practices is positively related to their job satisfaction (e.g. Kooij, Jansen, Dikkers, & De Lange, 2010; Ma, Silva, Callan, & Trigo, 2016). Therefore, my study aims to investigate the indirect effects of HR practices on SRP and job satisfaction through the mediators of job competence, job autonomy and job impact. Also, it intends to study the serial mediation effect on HR practices and SRP through the multiple mediators of job competence, job impact, job autonomy and job satisfaction.

5.2.5 Research sub-question 5: How do HR practices influence job satisfaction in the hotel context?

As demonstrated in Chapter 2 (section 2.8.6), employee empowerment and job satisfaction are recognised as being linked in the hospitality industry (Gazzoli et al., 2010; Gazzoli et al., 2012; He, Murrmann, & Perdue, 2010; Snipes et al., 2005). HR practices and supportive customer-oriented management can give frontline workers more discretion over their work

decisions, and these practices positively relate to their job autonomy (Peccei & Rosenthal, 2001). According to empowerment theory, employees' perception of psychological empowerment has a positive influence on their job satisfaction (Snipes et al., 2005). Ma et al. (2016), using a study sample of 311 educational professionals in China, showed that HR practices are positively correlated with job satisfaction. Also, Babakus et al. (2003) reported that training and rewards were related to job satisfaction. Therefore, in line with these arguments, it is hypothesised broadly that HR practices are related to job satisfaction through the mediators of job competence, job autonomy and job impact:

> *Broad Hypothesis 5: Context-relevant HR practices have a specific indirect effect on employee job satisfaction via the mediating variable of employee-perceived (a) job competence (b) job autonomy and (b) job impact.*

5.2.6 Research sub-question 6: How do HR practices and management styles influence the manager-rated SRP in the hotel context?

Improving service quality and customer satisfaction depends on investing in HR activities such as training, rewards and job design (Batt, 2009; Batt, 2002). Batt (2009) proposes an integrated approach to service management, and argues that "there is a unique challenge to managing service activities and effective performance depends importantly on coordination of marketing and operations and human resource management in order to create a coherent approach to customer" (p. 11). Batt (2009) also points out that training will enable employee skill development and that motivating staff with rewards should be a high priority in service organisations.

As indicated in Chapter 3 (section 3.4), empirical research suggests that training and rewards are highly relevant HR practices for improving customer care and service quality (Hoque, 1999a; Knox & Walsh, 2005; Lucas, Marinova, Kucerova, & Vetrokova, 2004; Tsaur & Lin, 2004). Customer service rewards are inducements for frontline employees to achieve better SRP (Babakus et al., 2003). Bitner et al. (1990) reported that 40% of unsatisfactory service encounters were caused by the employee's inability or unwillingness to handle service failure incidents. Babakus et al. (2003) argues that one of the major reasons for an employee's inability to handle service failure incidents is lack of training. On the other hand, unwillingness can be also due to lack of motivation. The studies by Ashill et al. (2006), Babakus et al. (2003) and Michel and Ashill (2010) suggest that both training and rewards have a positive impact on SRP.

The AMO theoretical framework provides a justification to hypothesise that training enhances employee competencies and that rewards are associated with employee opportunity to perform (the empowerment aspects of job autonomy and job impact). Therefore, HR practices could lead to improved employee SRP via the empowerment aspects of job competence, job autonomy and job impact. Based on the above arguments the following broad hypothesis was formulated:

> *Broad Hypothesis 6: Context-relevant HR practices have a specific indirect effect on manager-rated SRP via the mediating variables of employee-perceived (a) job competence, (b) job autonomy and (b) job impact.*

In line with the above arguments, it is hypothesised that HR practices are related to manager-rated SRP through the mediators of job competence, job autonomy, job impact and job satisfaction. Therefore, this study's broad hypotheses relating to serial mediation effects are:

Broad Hypothesis 7a: Context-relevant HR practices have a multiple indirect effect on manager-rated SRP via the mediators of job competence and job satisfaction.

Broad Hypothesis 7b: Context-relevant HR practices have a multiple indirect effect on manager-rated SRP via the mediators of job autonomy and job satisfaction.

Broad Hypothesis 7c: Context-relevant HR practices have a serial multiple effect on manager-rated SRP via the mediators of job impact and job satisfaction

Figure 5 presents, in summary, the initial conceptual framework of the study as well as the study hypotheses.

Figure 5 **Initial conceptual framework of this study**

(Note: Hypotheses relating to mediating relationships are not indicated in the diagram)
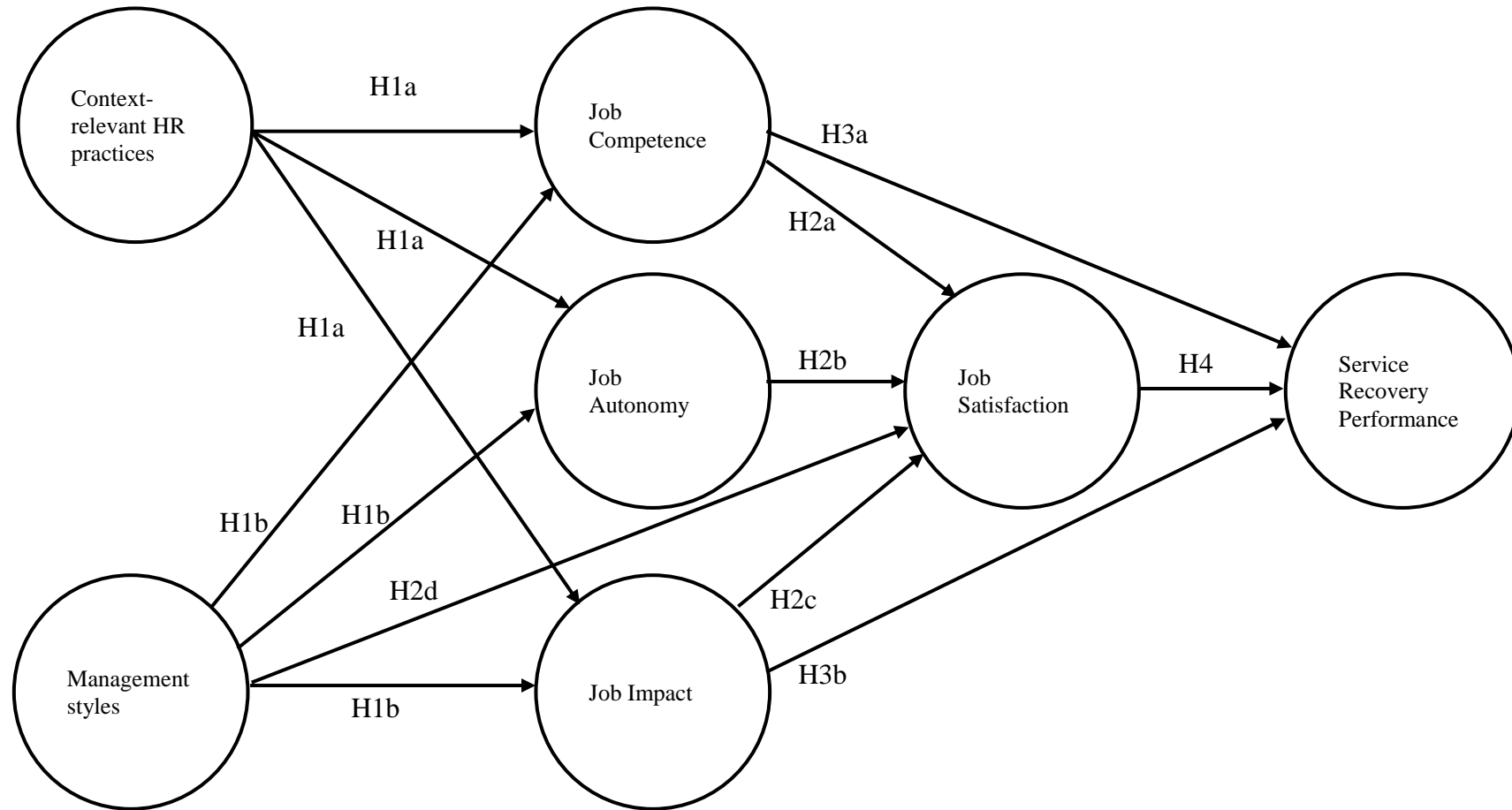
Chapter 6

Quantitative Methods

This chapter presents the quantitative methods adopted in this study. The research method can be understood as the bridge between the theory and the empirical evidence. The method can be seen as a "central support for the trustworthiness and significance of claims made in scholarly work" and brings us close to what we are trying to understand (Huff, 2008, p. 181). The first three sections of this chapter discuss, respectively, the study population and survey participants; the survey procedure; and the analytical methods. The final section outlines the measures used in this study.

6.1 The population and survey participants

The target population for this study consisted of three-to-five-star tourist hotels in Sri Lanka. According to the available statistics, the total number of tourist hotels registered with the Sri Lankan Tourist Board (SLTB) at the time of this research was 334, out of which 113 were star-class hotels (1–5). Data was collected from 30 three-to-five-star-category hotels and almost all had more than 50 rooms, with the largest having 426. Two hotels had fewer than 50 rooms; one was a world-class luxury eco-resort with 32 dwellings, and the other was a beach resort. The size of the employee cadres of the hotels primarily depended on the number of rooms and the facilities provided. The survey participants were hotel employees and their immediate superiors at the managerial level. Hotel employees consisted of both service workers and team leaders/supervisors, and most of these employees come into direct contact with guests and handled service delivery and execution.

6.1.1 Sampling strategy

The study sample consisted of a mix of employees from 30 hotels to represent the population, and a cluster sampling strategy was used. Cluster sampling is defined as "multistage sampling in which natural groups (clusters) are sampled initially, with the members of each selected group being sub-sampled afterward" (Babbie, 2007, p.209). This study used two-level cluster sampling, first to recruit hotels, and then to generate random samples within each hotel. Employee samples were selected on a random basis to recruit 20–30 participants from each hotel, who were service workers/supervisors and their managers. The second level of clustering occurred when each manager evaluated the service performance of more than one employee. These employees' immediate superior was a managerial-level staff member – either a department assistant manager or a manager.

The general guideline for cluster sampling design is "to maximize the number of clusters selected while decreasing the number of elements within each cluster" (Babbie, 2007, p. 210). The registered star-class hotels in Sri Lanka number 113, out of which 46 were in the three-to-five-star category. Hence, choosing 30 three-to-five-star-category hotels from the first level of cluster sampling provided a fair representation of three-to-five-star category (65.2%), and also a reasonable representation of the total number of star-category hotels (26.5%) in the country. Accurate statistics on the numbers of hotel employees in Sri Lankan tourist hotels were not available. Because of this limitation, obtaining an accurate population size in terms of the number of employees in star-class hotels in Sri Lanka was not possible.

This study employed a cluster sampling strategy because cluster sampling techniques are an economical and fast way to reach a large population (Babbie, 2007). According to Babbie (2007), cluster sampling is highly efficient, as a researcher can select clusters rather than going

for an entire population using random sampling. There can be instances where it is impractical to have a complete list of elements comprising the target population. Instead, population elements can be grouped into sub-populations or clusters. The study sample consisted of 625 service workers and 104 managers in 30 hotels representing two stages of cluster levels: hotels and managers.

6.2 Survey procedure

6.2.1 Survey questionnaire and translation

Two separate surveys were designed: one questionnaire for service employees and one for their managers. Most of the service worker participants were operational-level employees with an adequate standard of Sinhalese literacy but insufficient English-language skills to complete the survey in English. Therefore, both questionnaires were translated into the participants' mother tongue (Sinhalese).

A questionnaire translation process needs to achieve conceptual equivalence rather than linguistic equivalence (Sun, 2009). For this reason, the use of the forward-backward-forward translation technique is essential. In the first step of this technique, the original English versions of the questionnaires were translated into the mother tongue of participants (Sinhalese) – the forward translation. Then, an independent professional bilingual translator was hired to translate the forward translation back into English – the backward translation. Then, together we reviewed and compared the backward translation with the original English questionnaire. The objective was to reconcile the translations of the questionnaire and arrive at the final forward translation (Sun, 2009).

6.2.2 Pilot study

Survey questionnaires need to be piloted to test the time required to complete the survey, the accuracy of the translation, and the understandability of the instructions; and to identify ambiguous survey items that need to be either removed or modified. The aim is to ensure that when the main survey is carried out, participants will experience minimum difficulty in completing the survey items, which will enhance the accuracy of responses.

For the pilot study, two hotels were selected and 20 employees were recruited to complete the frontline worker questionnaire. Four managers were asked via the manager questionnaire to rate their employees' service recovery performance. Since these hotels were visited during the preliminary interviews, the research procedure had already been explained to the hotel managers via telephone conversations, and this enhanced the response rate. From the pilot study, seven survey dyads were returned from one hotel and eight from the other, which resulted in 15 completed employee surveys and manager evaluations. After a review of the surveys, a few modifications were made to the wording of the frontline employee questionnaire to incorporate participants' suggestions. The timing for completion of that questionnaire was approximately 20–30 minutes and for the manager questionnaire around 8–10 minutes.

One of the critical decisions in designing a survey questionnaire is determining the optimal number of points on the rating scale. The number of points should closely match with the attitudes of the survey respondents because respondents are asked to choose one response on the rating scale. Five-point Likert (1932) scaling is often used. However, Krosnick and Presser (2010) argue that longer rating scales are preferable to improve reliability and validity. If the respondents are not given sufficient variation in the points of a rating scale, they may not be

able to rate items accurately. A dichotomous scale with "like" and "dislike" does not provide a midpoint, and someone with a neutral attitude may find it difficult to rate on such a scale. The 7-point scale is more suitable because respondents can differentiate the responses, such as strongly, moderately, or slightly agree or disagree (Krosnick & Presser, 2010). Therefore, it was decided to use a 7-point Likert scale for all questionnaire items excepting those relating to demographic data.

Negatively worded (reverse-coded) items have a tendency to produce inaccurate observations, and in some cases respondents fail to identify that such items are reversed-coded (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003). Podsakoff et al. (2003) argue that "negatively worded items may be a source of method bias" (p. 884). Therefore, during the pilot study all the items on the job satisfaction scale were positively worded and tested for reliability. The reliability of the job satisfaction scale was 0.907, which is satisfactory. Ethics approval was obtained for both English and Sinhalese versions of the questionnaires as indicated in chapter 4 (section 4.5).

6.2.3 Survey data collection

Data collection was carried out during June and July 2014 in 30 tourist hotels in Sri Lanka. In the Sri Lankan tourism industry the off-peak months are from April to July (SLTDA, 2013). Therefore, at the time of data collection the participating hotels were experiencing low occupancy, which enabled staff to find time to complete the surveys. As explained in Chapter 4 (section 4.6), most of the hotels and head offices were contacted during the initial interviews. Therefore, by contacting the same set of senior managers it was not difficult to get approval to conduct the surveys. Two additional head offices that did not participate in the initial interviews were contacted to get approval for the surveys to be distributed. Appointments

were organised with the senior management at those head offices during which a request for approval was made.

After an initial meeting with a senior manager at each head office, it was agreed that they would distribute the questionnaires via their head offices to a total of 25 hotels. I personally visited the remaining five hotels, which did not belong to one of the five groups, and the questionnaires were delivered to the HR managers with the consent of the general managers. The HR departments then distributed the surveys. Altogether 30 hotels participated for the survey. The respective head offices informed the hotels' general managers about the research via email and requested them to nominate a hotel executive-level employee to assist with the surveys. The delegated executive was directly contacted to explain the procedure. Instructions were given to distribute the set of frontline employee questionnaires first, and, after collecting them, to then distribute the manager questionnaires. The time lag between the two questionnaire distributions was 2 to 3 weeks. However, because the hotels did not allow the employees to fill in the questionnaires during work hours, employees were given a one-week period to return the questionnaires.

Twenty-one hotels agreed to distribute 30 questionnaires, and nine hotels decided to distribute 20 questionnaires, which resulted in a total of 810 distributed questionnaires. The hotel representatives were asked to distribute them to customer-contact employees and to keep a record (either name or employee number) of the employee. These customer-contact employees were mainly from three departments: front-office, food and beverages (restaurant and banqueting), and housekeeping. In some hotels, junior chefs (commis) were included. The primary criteria for selecting them were that they should be in contact with the customer in their day-to-day operations and should be selected on a random basis. The time given to

complete the employee questionnaire was one week. Permission was obtained to visit the hotels during collection of the questionnaires, and a collection date was scheduled through discussion with hotel representatives. These nominated hotel representatives were from either the HR or the training department and were executive-level employees of the hotel.

The surveys were not anonymous but they were confidential. Therefore, to encourage honest answers, the following steps were taken: each questionnaire was attached to a Participation Information Sheet (PIS) which explained the research and stated that participation was voluntary. The survey was accompanied by a sealed envelope addressed in my name (Appendix 02) into which the completed questionnaire was to be enclosed and then returned either to the HR department or mailed to me. I collected most of the questionnaires by meeting with the representative of each HR department, at which time the procedure of distributing the manager questionnaires was also explained.

After the collection of the employee questionnaires, the manager questionnaires were distributed with the assistance of the hotel representatives. These were single-page questionnaires and for identification purposes had the hotel employee's name or employee ID written at the top. Data were collected from each employee's immediate superior (manager) in the form of a rating of both the employee's service quality and SRP. The manager questionnaires were then matched with the repsective employee questionnaires via the names of the employees and their identification numbers. Then each set of questionnaires were given a specific code for data entering purpose and identification purpose. The code was numbered as follows: first the hotel, then the employee department and then questionnaire number. For example, hotel name (JS) department Front Office (FO), then questionnaire code was JSFO001, JSFO002, etc.

In total 625 employee questionnaires were entered into SPSS, along with the respective manager evaluations. The handling of missing values is explained in Chapter 7. The 625 completed questionnaires represented a response rate of 77.16% (Table 4). All managers evaluated more than one employee. The average employee cluster per hotel was 20.83, and the average employee cluster per manager for each individual hotel was 6.01 (625/104=6.01).

Table 4. Two-level cluster sample (N=625)

Hotels	No. of managers	No. of employees	Average employee cluster per manager for each individual hotel
1	5	30	6.00
2	4	29	7.25
3	4	16	4.00
4	3	13	4.33
5	3	30	10.00
6	4	29	7.25
7	3	30	10.00
8	3	27	9.00
9	4	29	7.25
10	4	30	7.50
11	4	28	7.00
12	4	19	4.75
13	3	19	6.33
14	4	20	5.00
15	4	20	5.00
16	4	20	5.00
17	3	19	6.33
18	4	28	7.00
19	4	24	6.00
20	5	24	4.80
21	3	15	5.00
22	4	22	5.50
23	3	14	4.67
24	4	15	3.75
25	3	18	6.00
26	4	17	4.25
27	4	17	4.25
28	1	4	4.00
29	1	9	9.00
30	1	10	10.00
30	**104**	**625**	**6.01**

6.2.4 Social desirability bias

The organizational research literature indicates that social desirability (SD) bias is a response style that should be eliminated or controlled by the researcher (Ganster, Daniel, Hennessey, & Luthans, 1983). Social desirability bias can be defined as "a tendency of an individual to present him or herself in a way that makes the person look positive with regard to culturally derived norms and standards" (Ganster et al., p. 109). Researchers have noted that obtaining the predictor and criterion variables from different sources will reduce the tendency for SD (Podsakoff, MacKenzie & Podsakoff, 2012). As noted above, this study employed two types of respondents, employees and their managers. The questions were not on sensitive topics. However, the questionnaires were not anonymous, but they were confidential. One approach to controlling SD bias is preserving participants' privacy (De Jong, Pieters, & Stremersch, 2012). To mitigate the SD bias, participants' confidentiality was ensured at all stages. As noted above, the PIS attached to all the questionnaires distributed stated that participation in the study was voluntary.

As per the ethics requirements, a statement was included in the PIS confirming that the CEO or senior management (or equivalent) of the participant's organization had given their assurance that the staff member's participation or non-participation in the research project would not affect their employment status. It also guaranteed the confidentiality of the responses, and indicated that the privacy of participants and their organisations would not be breached, and that participants and their responses would not be identified in publications resulting from this research. The employees could retain the PIS for their reference. The frontline employee questionnaires were distributed and collected first, followed by the distribution and collection of the manager questionnaires. This time lag between the data collection for the predictor and criterion variables enabled temporal separation of the

measurements. Keeping a time lag between criterion and predictor variable/s will ensure a temporal separation of measures and minimise social desirability biases (Podsakoff, et al., 2012).

6.3 Analytical methods

The research presented in this thesis endeavours to assist understanding of how context-relevant HR practices and management styles influence the SRP of frontline employees in three-to-five-star-category hotels in Sri Lanka. This research is non-experiential and attempts to investigate non-causal relationships in a natural setting.

6.3.1 Measures and scale validation

Theoretical constructs are often referred to as latent variables and are measured using a number of questionnaire items. The predictor variables, in this study – HR practices and managerial styles – were mainly developed using interview data. For the SRP scale, four items were added from interview data. Therefore, both exploratory factor analysis (EFA) and conformatory factor analysis (CFA) were utilized in this study for the scale validation process. Many authors have indicated the importance of factor analysis and internal consistency of items in the scale development process to ensure construct validity (Gerbing & Anderson, 1988; Hinkin, 1998; Xu-Hong & Xiaoya, 2015). The primary purposes of factor analysis are twofold: (1) to examine the stability of factor structure; and (2) to facilitate refining the scale (Hinkin, 1995). The commonly accepted standard is that an item loading exceeding 0.40 in both CFA and EFA indicates a satisfactory factor structure and supports construct validity (Hair, Black, Babin, Anderson, & Tatham, 2006; Hinkin, 1998). The recommended minimum alpha level for internal consistency is 0.70 (Hinkin, 1998). The number of factors retained

should be based on underlying theory and the results of the quantitative analysis (Hinkin, 2005).

In addition to CFA, exploratory structural equation modeling (ESEM) was used to establish the validity of the measures. The use of the CFA for evaluating the measurement scale enables the testing of unidimensionality and the assessment of the goodness of fit of the factor structure (Gerbing & Anderson, 1988; Hinkin, 1998). Using EFA allows the researcher to eliminate poorly loaded items. However, most researchers prefer CFA because it ensures accuracy in evaluating the measurement model (Gerbing & Anderson, 1988; Hinkin, 1995). The ESEM is a more flexible method which allows researchers to use both EFA and CFA. As described by Asparouhov and Muthén (2009), CFA fixes many or all cross-loadings at zero, which results in a more parsimonious model than in the case of actual data. The authors further state that fixing non-zero cross-loadings at zero tends to give distorted factors and can result in overestimated factor correlations and biased structural relationships. Therefore, they argue that it is important to follow a less restrictive measurement model such as exploratory structural equation modelling (ESEM), which is a multivariate statistical technique "where in addition to or instead of a CFA measurement model, an EFA measurement model with rotations can be used in a structural equation model" (Asparouhov & Muthén, 2009, p. 2). Asparouhov and Muthén (2009) argue that ESEM modeling provides more flexibility that is especially beneficial when the researcher has limited measurement knowledge. For complex measurement models, this method gets closer to reality. Therefore, ESEM and CFA were used to assess the factor structure of the multidimensional scale of SRP and the scales of HR practices and management style. In this study, Mplus software (version 7.3) was used to carry out ESEM and CFA with randomly split samples. When conducting ESEM, no rotation was

specified in the analysis command and the default "Oblique Geomin" rotation was used (Mplus User Guide, 2012).

6.3.2 Structural equation modelling (SEM)

The analysis technique used to test the hypotheses was SEM, a multivariate approach that combines techniques of factor analysis and multiple regression. SEM is primarily confirmatory, and a major application is the analysis of covariance structure or matrices. This technique allows the researcher to "simultaneously examine a series of interrelated dependence relationships among the measured variables and latent constructs as well as between several latent constructs" (Hair et al., 2006, p. 710).

According to Cheung and Lau (2007), SEM is a powerful statistical tool for use when examining variables with multiple indicators, while also controlling for the measurement errors when relationships between variables are examined. The research model for this study has multiple mediators and hence SEM was a suitable technique to use. SEM ensures that a confirmatory framework is adopted and that all paths in the model are tested.

As noted by Anderson and Gerbing (1988), within the confirmatory procedure for SEM the measurement model examines the relationship between the observed measures and latent factors, and the structural model confirms the causal connection between the latent factors. Having both the measurement and the structural models ensures a two-step approach to comprehensive model building. The SEM approach tests the "fit between the hypothesized model and the sample data" (Byrne, 2012; p.7). In other words, it tests whether the sample data adequately describe the hypothesized model (Byrne, 2012). Model fit indices provide the absolute cut-off values for the measurement and structural models. Model fit is an unbiased

estimation of a model's fit to the data (Byrne, 2012). The χ2 ratio is sensitive to the sample size and. therefore the alternative "goodness of fit" indices ensure a more pragmatic approach to testing model fit. However, by convention, χ2 is also reported. The most commonly used index in SEM is the comparative fit index (CFI), and a value of CFI>0.90 is required for an acceptable level of model fit (Hox, Moerbeek, & van de Schoot, 2010). The root mean square error of approximation (RMSEA) and the standardized root mean square residual (SRMR) are "absolute fit" indices; values less than 0.05 indicate a "good fit," while values up to 0.08 represent a reasonable approximation of the population (Byrne, 2012).

6.3.3 Mediation analysis

A procedure similar to that demonstrated in the teaching notes of Cheung and Lau (2010) was used to test the serial mediation effect. The mediation effect can be explained "as an indirect effect, where the effect of the independent variable X_1 on the dependent variable Y goes through a mediator X_2" (Cheung & Lau, 2007, p. 3). The mediation effect was tested using "MODEL INDIRCT" command in Mplus.

6.3.4 Multi-level analysis

As a result of the two-level cluster sampling, employees were clustered with managers within the hotel. This meant that each individual in the data was not necessarily independent – two randomly chosen individuals from the same hotel might have responses that were more similar than two randomly chosen individuals from different hotels. Therefore, the sample consisted of multilevel data within a hierarchical structure. The multi-level structural equation modeling tool was used to analyse data and used Mplus version 7.3 software for data analysis.

6.4 Measures

As explained section 6.2.3, the survey was administered using two sets of questionnaires for employees and their immediate managers in the selected hotels. The employee questionnaire included the measures for the predictor variables and those for the mediator variables. The manager questionnaire included the measures for the criterion variables. Specific items were developed for the criterion and predictor variables including new question items based on analysis of the qualitative interviews and contextualised study scales as explained in the chapter 4 (section 4.9). The mediator variables were measured using well-validated scales selected from prior research studies. Data for all the measures were collected at the individual level, and the respondent were: worker-level employees as well as supervisory-level employees and their managers, to avoid common method biases.

6.4.1 Criterion variable: Service recovery performance (SRP)

The latent criterion variable in this study was SRP, which is defined as "the effectiveness of employees dealing with customer complaints", and frontline employees' SRP was measured by their managers using the 5-item scale developed by Boshoff and Allen (2000, p. 71). This scale has been used to measure the SRP of customer contact employees in a variety of contexts such as banking, hospitality and healthcare (e.g. Ashill, Carruthers, & Krisjanous, 2006; Babakus, Yavas, Karatepe, & Avci, 2003; Karatepe, 2012; Karatepe & Karadas, 2012; Michel & Ashill, 2010). The original five-item SRP scale (*Table 5*) has been modified by subsequent researchers for different study contexts.

Table 5 Boshoff and Allen's (2000) SRP scale

Description	Questionnaire No.
This staff member handles dissatisfied customers well	SF1
This staff member doesn't mind dealing with complaining customers	SF2
I can't remember any instances where customers have left with problems unresolved when this staff member has been involved	SF5
Satisfying complaining customers is a thrill to him/her	SF6
Complaining customers this staff member has dealt with in the past are among today's most loyal customers	SF7

For instance, a study by Michel and Ashill (2010) in the New Zealand healthcare sector used three items from the Boshoff and Allen (2000) scale. Karatepe (2012) used four items to measure the SRP of frontline employees in the hotel sector in Cameroon. Karatepe and Karadas (2012) obtained data from frontline employees in the hotel sector of Romania and used three items of the original scale to measure SRP. Ashill, Carruthers and Krisjanous (2006) used a sample of frontline employees in public sector hospitals in New Zealand and used four items to measure the SRP. These studies made it clear that the original scale is usually modified to suit context-dependent data. After the initial interviews for this study four new items were added to the original SRP scale. The purpose of adding new items to the existing scale was to conceptualise the SRP construct clearly and thoroughly and to create a valid measure with multiple items relevant to the study context. The rationale behind adding more items was to have a more contextualised measure.

When items are deleted or added to a scale, it is appropriate to administer it to another sample to repeat the scale-testing process with the new scale (Gerbing & Anderson, 1988; Hinkin, 2005). The scale-testing process can be carried out with the split-sample method when an

initial sample is large enough (Hinkin, 2005). A minimum sample size of 200 is recommended to carry out CFA (Hinkins, 2005).

This study used a split sampling method to validate the SRP scale. Data was collected for nine items for the modified SRP scale. The full sample was randomly split into two halves. The first half (n=306) was used to carry out the ESEM and initial CFA. Then, the second half (n=319) was used to confirm the results of the CFA of the first half. All modifications were done with the first half of the sample and the second half of the sample was only used to confirm the findings. ESEM was carried out for the first half of the sample for the 9-item one-factor solution. This was a poor fit to the hypothesised one-factor model: χ^2 (27)=232.121, p<0.000; CIF=0.881; RMSEA=0.158; SRMR=0.05. Large modification indices (MI) were shown for two items (SF1 with SF2 [73.02] and SF3 with SF9 [24.88]). When interpreting MIs for a one-factor solution there are two possible options: delete the items suggested by MI or re-specify the model as a two-factor model (Cunninghman, 2014). Therefore, ESEM was carried out for a two-factor solution using the first half of the sample. SF1 and SF3 showed poor factor loadings and the largest MIs. In addition, item SF8 also reported high MIs. Hence, these three items were excluded from the analysis. While one item (SF1) from the original SRP scale was dropped in the scale validation process, the study by Karatepe and Karadas (2012) also deleted the same item from the scale due to poor factor loadings.

For the remaining six items, CFA was carried out using the full sample. These items loaded on to one factor with an acceptable model fit. The "Type=Two-level complex" command in Mplus was used, controlling for the clusters (hotels and managers) of six items for the SRP cale. It was found that the data were an excellent fit to the hypothesied one-factor model: χ^2 (9) =11.075, p<0.270; CFI=0.992; RMSEA=0.019; SRMR=0.032. All standardised factor

loadings for the 6-item scale were above 0.65, and all R^2 values were above 0.43. This research has used 6 items to measure SRP, and the 6-item contexualised scale was an improvement on the original 5-item scale and proved to have measurement invariance as inidcated in chapter 7 (section 7.6); this was another reason for the use of this scale. The final CFA factor loadings for the 6-item scale are given in Table 6.

In this study, managers rated the SRP of the employees in their respective department. Therefore, the original scale's wording of (for example) "I do not mind dealing with complaining customers" was changed to "This staff member does not mind dealing with complaining customers." The reliability (Cronbach's alpha) of this scale was α= .876.

Table 6 Items to measure SRP and standardized factor loadings (p<.000)

Item Number	6-item scale used in this study	Standardized factor loadings
	First 4 items from the Boshoff and Allen (2000) scale:	
1	This staff member doesn't mind dealing with complaining customers- SF2	0.812
2	I can't remember any instances where customers have left with problems unresolved when this staff member has been involved- SF5	0.656
3	Satisfying complaining customers is a thrill to him/her- SF6	0.709
4	Complaining customers this staff member has dealt with in the past are among today's most loyal customers- SF7	0.795
	Two items added after the interviews:	
5	This staff member apologizes to the customer for poor service- SF4	0.691
6	Overall I am satisfied with the way he/she handles customer complaints- SF9	0.829

6.4.2 Mediator variables

The mediator variables in this study were the latent variables of psychological empowerment and job satisfaction. The individual employees reported both empowerment and job satisfaction measures.

Empowerment

Spreitzer's (1995) scale was adopted to measure empowerment, which is a well-cited measure of psychological empowerment in workplace contexts. The studies by Spreitzer (1995, 1996) analysed the empowerment construct by aggregating four dimensions: meaning, competence, self-determination and impact. There have been some issues reported by scholars regarding the psychometric properties of the scale and its use as a single second-order construct loading onto a unidimensional construct (Kraimer, Seibert, & Liden, 1999).

A subsequent study conducted by Spreitzer et al. (1997) conducted a dimensional analysis of the four dimensions of psychological empowerment against work-related outcomes. These dimensions were differently related to the work outcomes of effectiveness, job-related strain, and work satisfaction, providing support for a multidimensional conceptualisation of empowerment. The findings of the study suggest that the unidimensional perspective is inadequate and that psychological empowerment is a multifaceted construct. The authors provided evidence of the construct validity of each factor.

Kraimer et al.'s (1999) findings indicate that studying the four dimensions separately provides more meaningful results and a better understanding of each dimension than a second-order factor model. Their sample consisted of non-managerial nursing staff, and they repeated the

administration of the survey to the same set of participants after one year to validate the findings. They reported that the four factors related differently to different job characteristics.

Many scholars have raised concerns about Spreitzer's (1995) empowerment scale in relation to the number of dimensions and their content. A study by Gazzoli, Hancer and Park (2010) deleted two items from the scale due to their low factor loadings. The study, using a sample of 474 restaurant employees in the United States, supported a two-factor structure for the empowerment scale, consisting of "task meaningfulness" and "freedom to perform". Gazzoli, Hancer and Park (2012) later used a three-factor structure for psychological empowerment scale, consisting of meaning, self-efficacy (job competence) and influence. That study was conducted in the hospitality sector using a sample of 308 restaurant staff.

The studies of Peccei and Rosenthal (2001) and Boxall et al. (2011) focused on two central concepts of empowerment, namely job competence and job autonomy. Both studies used samples of frontline employees in a service context. The objective of the Boxall et al. (2011) study was to examine only two dimensions of empowerment, and their study showed that job competence and job autonomy loaded as one factor.

Although Spreitzer (1995) measured psychological empowerment as a second-order construct with four first-order dimensions, the above studies provide evidence of alternative conceptualisations of the factor structure of this scale. As indicated, factor structure is a challenging issue in the use of Spreitzer's (1995) empowerment scale, since factor structure changes in different study contexts.

Based on the literature reviewed, empowerment has been conceptualised as a multidimensional construct. Data were therefore collected for psychological empowerment using 12 items adapted from Spreitzer's (1995) scale. The data did not support a four-factor structure of this construct. As indicated in chapter 5 (section 5.1) the objective was to study three dimensions of psychological empowerment: job competence, job autonomy and job impact. Therefore, using the full sample, CFA was performed to confirm the three-factor structure of the job competence, job impact and job autonomy dimensions. The results ($\chi2[24]=123.479$, $p<0.0001$; CFI=0.923; RMSEA=0.08; SRMR=0.05) indicated an acceptable model fit: all standardized factor loadings were above 0.52 and R^2 values for all items were above 0.27. Therefore, consistent with the CFA results, this research measured empowerment using the job competence, job impact and job autonomy dimensions. These three dimensions were tested as distinct latent factors in the final model. Sample items for the three dimensions and Cronbach's alpha of each scale were as follows: job competence (α= 0.554); job autonomy (α=0.704); job impact (α=0.778). Scale items and standardized factor loadings are given in Table 6.

In my study, job competence or self-efficacy dimension of empowerment showed a low-reliability coefficient. In a study of employee empowerment in the service industry, Chebat and Kollias (2000) reported low internal consistency (α=0.57 and 0.56) for self-efficacy scales based on self-reported data by the employees of six branches of a bank in North America. Previous studies have also reported similarly low reliability values for self-efficacy scales when this construct was measured using self-reported data. Examples of researchers who have reported low internal consistency values for the self-efficacy scale are Hartline and Ferrell (1996; α= .60); Corsun and Enz (1999; α= 0.68); and Sutton and Fall (1995; α= 0.65).

From a statistical viewpoint, Yang (2011) suggests that when a measure is multidimensional, Cronbach's alpha testing is inappropriate and that SEM is a better technique to examine the internal structure of the measure. All the factor loadings of the three dimensions of empowerment were above 0.52 with satisfactory CFA results. Further, the final model is tested as a latent factor model using SEM, which control the measurement error. Summated scores were not used in the final structural model and the issue of low reliability was therefore addressed by using SEM.

Table 7 Scale items for job competence, job autonomy and job impact, and the standardized factor loadings (p<.000)

Items	Factor loadings
Job competence	
I am confident about my abilities to do my job	0.602
I am self-assured about my capabilities to perform my work activities	0.640
I have mastered the skills necessary for my job	0.521
Job Autonomy	
I have significant autonomy in determining how I do my job	0.600
I can decide on my own how to go about doing my work	0.682
I have considerable opportunity for independence and freedom in how I do my job	0.725
Job Impact	
My impact on what happens in my department is large	0.593
I have a great deal of control over what happens in my department	0.829
I have significant influence over what happens in my department	0.779

Job satisfaction

As explained in the chapter 2 (section 2.8.6), the conceptualization of job satisfaction is based on the following definition: "an individual's positive emotional reactions to his or her job or a general attitude towards the job" (Oshagbemi, 1999, p. 388). A number of different measures have been used for job satisfaction. For instance, the Job Diagnostic Index (JDI) includes 72 items (Hackman & Oldham, 1975), whereas the Minnesota Satisfaction Questionnaire long form includes 100 items and the shorter version includes 20 (Bowling & Hammond, 2008). The JDI scale includes some descriptions such as job characteristics and feelings of responsibility, but has been criticized for not adequately assessing the affective component of job satisfaction (Bowling & Hammond, 2008).

The "Michigan Organizational Assessment Questionnaire Job Satisfaction Subscale" (MOAQ-JSS; Cammann, Fichman, Jenkins, & Klesh, 1979, 1983) was proposed as an alternative to the JDI (Bowling & Hammond, 2008; p.63). The MOAQ-JSS is superior to other job satisfaction scales for many reasons. First, by conducting a meta-analysis, Bowling and Hammond (2008) examined the psychometric properties of this measure, and their findings indicated that the MOAQ-JSS is reliable and has construct validity. Second, the MOAQ-JSS is exclusively focused on job satisfaction. This scale measures the affective and emotional component of job satisfaction and includes the words "satisfied" and "like" in order to resemble the affective or emotional aspects of job satisfaction (Bowling & Hammond, 2008). It assesses not only a person's thoughts about the job but how he or she feels about their job (Bowling & Hammond, 2008). Third, unlike other lengthier measures, the MOAQ-JSS consists of only three items. Therefore, the MOAQ-JSS was selected for use in this study. A sample item is: "All in all, I am satisfied with my job." The reliability for the job satisfaction scale was $\alpha=0.819$.

6.4.3. Predictor variables: HR practices and managerial styles

The predictor variables consisted of HR practices and managerial styles. Following Boxall et al. (2011), this study conceptualised HR practices and managerial behaviours from the initial interviews with hotel management. Scale development is a scientific and systematic process involving item generation, questionnaire administration, initial item reduction, CFA, and testing of discriminant validity (Hinkin, 1995, 1998). The first step, item generation for the predictor variables, was explained in Chapter 4 section 4.9, and the pilot study and questionnaire administration were explained in section 6.2.2 above. The remaining steps are explained here.

Content validity assessment of the items developed through interviews

Once the questionnaire statements had been generated, content validity assessment was required. This process results in the deletion of items that turn out to be conceptually inconsistent. Hinkin (1998) explains that there is "no generally accepted quantitative index of content validity of psychological measures, and judgment must be exercised in validating a measure" (p. 108). In this research, the criterion used for the selection of items was whether the items related to the customer service aspect. When including questionnaire items, particular attention was given to items relating to customer service; for instance how training, rewards, performance evaluation, and supervisory and managerial behaviour help to improve customer service. Based on the first criterion, 19 questionnaire statements were selected to cover the scales for customer service training, performance evaluation for customer service, rewarding customer service, and supervisory and management style to encourage customer service. All together 19 questionnaire items were retained for EFA (Table 7).

The number of items to be retained for each scale requires careful consideration. Hinkin (1998) emphasizes that there is no hard and fast rule, but recommends 3–6 items for each scale. Internal consistency can be adequately measured even with a three-item scale (Hinkin, 2005). The items selected for EFA were as follows: customer service training (5 items), performance evaluation for customer service (4 items), rewarding customer service (3 items), and supervisory and managerial behaviour (7 items). Generally speaking, half of all the items created need to be retained in questionnaire administration and scale validations (Hinkin, 1995).

Initial item reduction: ESEM

Hinkin (1995, 1998) provides guidelines for scale development and validation. For assessing construct validity and scale development, it is not appropriate to use the same sample due to the potential problems "caused by common source/common method variance" (Hinkin, 1995; p.980). It is appropriate to administer the items to an independent sample to repeat the scale-testing process with the new scale, as an independent sample can improve the generalizability of the new measure (Hinkin, 1995, 1998). If the initial sample is large enough, then the initial sample can be split randomly in half to perform parallel analyses for scale validation using EFA and CFA (Hinkin, 1998; Krzystofiak, Cardy, & Newman, 1988). Appropriate sample size is necessary to ensure sufficient variance in responses, and a minimum sample size that is recommended for confirmatory factor analysis is 200 (Hinkin, 1995).

In order to validate the HR practices and managerial behaviours a split-sampling method was used. Krzystofiak et al. (1988) used a similar method to develop an implicit personality measure. They emphasize that a split-sample method enables cross-validation to be performed to assess how the results of a statistical analysis could be generalized to an independent

sample. This method ensures that "sample-specific reliabilities would not appear" and that the scale can be generalized to an independent dataset (Krzystofiak et al., 1988).

EFA is a preliminary analysis technique that is useful for scale development and initial item reduction (Gerbing & Anderson, 1988). However, EFA does not provide a test of unidimensionality as "only a confirmatory factor analysis of a multiple indicator measurement model directly tests unidimensionality" (Gerbing & Anderson, 1988, p. 187). CFA ensures the goodness of fit of the resulting factor structure (Hinkins, 1998). Unidimensionality refers to items that are "strongly associated with each other and represent a single concept" (Haier et al., 2006). Hence, as the second step, a CFA was performed.

The sample was randomly split into two halves, and the first half (n=306) was used to carry out ESEM and the initial CFA. Then the second half (n=319) was used to confirm the results of the CFA of the first half. All modifications were done with the first half of the sample, and the second half was only used to confirm the findings. As mentioned above, 19 items were included in this measure for the ESEM analysis. Using the first half of the sample, the following steps were conducted. ESEM analysis was carried out for all the 19 items with a four-factor solution. Factor loadings less than 0.4 (Hair et al., 2006) and cross-loadings above 0.25 (Xu-Hong & Xiaoya, 2015) were removed from the analysis. The ESEM results for the four-factor solution and the model fit indices were χ^2 (101) =352.459, p<0.001; CFI=0.92; RMSEA=0.09; SRMR=0.036 for the preliminary analysis. These results were improved after removing cross-loaded items and poor factor loadings. All the items were retained in the rewards scales as all factor loadings were above 0.44. In the training and management styles scales, one item was removed from each scale, due to poor factor loadings (below 0.30) but all the other factor loadings were satisfactory. The most problematic scale was the

performance evaluation scale, where two items had factor cross-loadings of 0.35 and 0.42, respectively. Therefore, these cross-loaded items were removed and only two items were retained for the scale. Since there were too few items to represent the performance evaluation scale, it was decided to drop it.

Boxall et al. (2011) initially identified five dimensions of HR practices via interviews consisting of 33 items. However, some of these items were removed due to inter-item correlation and the rest of the items loaded into two factors namely: training, consisting of five items; and career development, consisting of three items. This item-reduction resulted removing certain HR practices. In my study the performance evaluation scale was eliminated after ESEM analysis due to item reduction and purification. It was noted during the interviews that the performance assessment criteria, methods, and policies differed between hotels. For instance, a statement like "my performance evaluation helps me to understand what good customer service is" may not be relevant to all hotels and to all categories of workers. Therefore, consistent with Boxall et al. (2011), this scale was removed after ESEM analysis.

Scales of training, rewards and management styles

The factors and items that were selected from the first round of ESEM were as follows: training scale, 4 items; rewards scale, 3 items; and management styles scale, 6 items. ESEM was performed for these three factors and resulted in a good factor structure where all factor loadings were above 0.40 and there was an acceptable model fit of $\chi^2(52) = 172.85$; $p<0.00$, CFI=0.95, RMSEA=0.087, SRMR=0.033. The second step was to conduct CFA for the three-factor model to ensure model fit using the same sample. The results showed an acceptable model fit, with $\chi^2 (62) = 231.37$; $p<0.05$, CFI=0.92, RMSEA=0.095, SRMR=0.07. All the

factor loadings of the CFA results were significant and above 0.56, and all the R^2 values were above 0.31.

Because no modifications were required, CFA was conducted for the second half of the sample (n=319). The three-factor model fitted the data well: χ^2 (62)=189.52; p<0.05, CFI=0.93, RMSEA=0.08, SRMR=0.063. All the standardised factor loadings were significant and above 0.55 and the R^2 values were above 0.30.

As a final step, CFA was performed on the full sample (N=625) using the "Type= Two-level complex" command in Mplus and controlling for the clusters (hotels and managers). The model fit information of the 13 measures of HR practices and management style showed that the data was a good fit to the hypothesd three-factor model: χ^2 (62) =126.451; p<0.001, CFI=0.95, RMSEA=0.04, SRMR=0.068. The standardised factor loadings ranged from a low of 0.57 to a high of 0.86. R^2 values were satisfactory, ranging from a low of 0.33 to high of 0.85. The CFA results provided evidence that prior analyses of scale development were conducted thoroughly and appropriately.

Since it is also necessary to determine the internal consistency reliability for a new scale or when adding new items to, or deleting items from, an existing measure (Hinkin, 1995, 1998), reliabilities were calculated for the full sample and were: training α=0.788, rewards α=0.827 and managerial behaviour α=0.874. Items for the four scales and their factor loadings are given in Table 8.

Table 8 Scale items for training, rewards and management style, and the standardised factor loadings (p<.000)

Items	Factor loadings
Training	
I received customer service training before I came into contact with customers	0.602
I receive continuous training on customer service	0.768
I have been trained to handle customer complaints	0.737
My hotel identifies its training needs by examining customer complaints	0.689
Rotating in different hotels with in the group helps me to improve my customer service (removed after EFA)	*
Rewards	
I am rewarded for serving customers well	0.825
I am rewarded for handling customer complaints effectively	0.922
The rewards I receive are linked to providing exceptional customer service	0.642
Management Style	
My boss recognises me for providing good service to customers	0.620
My boss shows me how to provide a good customer service	0.864
My boss offers new ideas to improve customer service	0.816
My boss is an example of good customer service in his/her daily job	0.819
My boss is genuinely committed to customer service	0.780
The management team in my hotel sets a personal example of good customer service (removed after EFA)	*
My boss encourages me to take prompt action to solve customer problems	0.573

6.5 Control variable

In the current study, "job level" was used as a control variable. This decision was based on a review of the relevant literature. Ergeneli, Arı and Metin (2007), when testing the relationship between each of the psychological empowerment dimensions of meaning, self-determination, competence and impact (the independent variables) and cognition- and affect-based trust in managers (the dependent variable), controlled for "managerial position". Their 220 survey participants were from 84 bank branches in Turkey and represented three job levels: managers, assistant managers, and supervisors. The findings indicated that the control variable "managerial position" had a significant positive effect on psychological empowerment.

A study by Huang and Van de Vliert (2003), when testing competing hypotheses on the association between intrinsic job characteristics (e.g. need for self-expression, recognition) and job satisfaction in individualistic versus collectivist cultures, employed multilevel analytic techniques and controlled for the effect of job level. In this cross-national survey, the sample consisted of 107,292 employees in 49 countries. Of the total sample, 80% were non-managerial employees and the full sample represented five job levels. Results indicated a strong link between job satisfaction and intrinsic job characteristics in richer countries, that is, countries with high social security, less power distance and an individualist culture.

The current study's sample consisted of 625 employees belonging to two occupational groups: customer service workers (n=457) and team leaders/supervisors (n=141). These employees were not at the managerial level but nevertheless represented two job levels. The empowerment research reported above suggests that empowerment is associated with employee job level. These findings suggest that employee job level is likely to influence how employees perceive their job autonomy, job impact and job satisfaction. Therefore, "job level"

was included as a control variable in the research model to determine whether any significant differences exist between job autonomy, job impact and job satisfaction and their impact on the SRP of these two groups of employees. The control variable "job level" was dummy-coded as 0=service workers and 1=team leaders/supervisors.

Conceptual framework of this study

Factor analysis results indicated that training and reward are two separate factors. Hence, based on the reviewed literature and statistical results these factors treated as two distinct HR practices. As indicated in Chapter 3 (section 3.4), HRM researchers have focused on studying separate HR practices and how these affect employee and organisational outcomes (Kusluvan et al, 2010). HR practices can help develop a strong organisational climate and send signals to employees of what behaviours are expected and rewarded (Bowen & Ostroff, 2004). Individual HR practices designed to achieve specific objectives such as training are directly linked to job competence and job autonomy as indicated by Peccei and Rosenthal (2001). Researchers suggest that empowerment practices such as job autonomy and job impact increase freedom and responsibility for employees, and need to be linked with rewards (Raub & Robert, 2013; Spreitzer, 1995). Based on the above arguments presented in chapter 5, and the conceptual model (figure 6), sub hypothesis was formulated under each HR practices (Table 9) and hypothesis testing indicated in chapter 7 (section 7.9).

*Figure 6 **Conceptual framework of this study***

(Note: Hypotheses relating to mediating relationships are not indicated in the diagram)
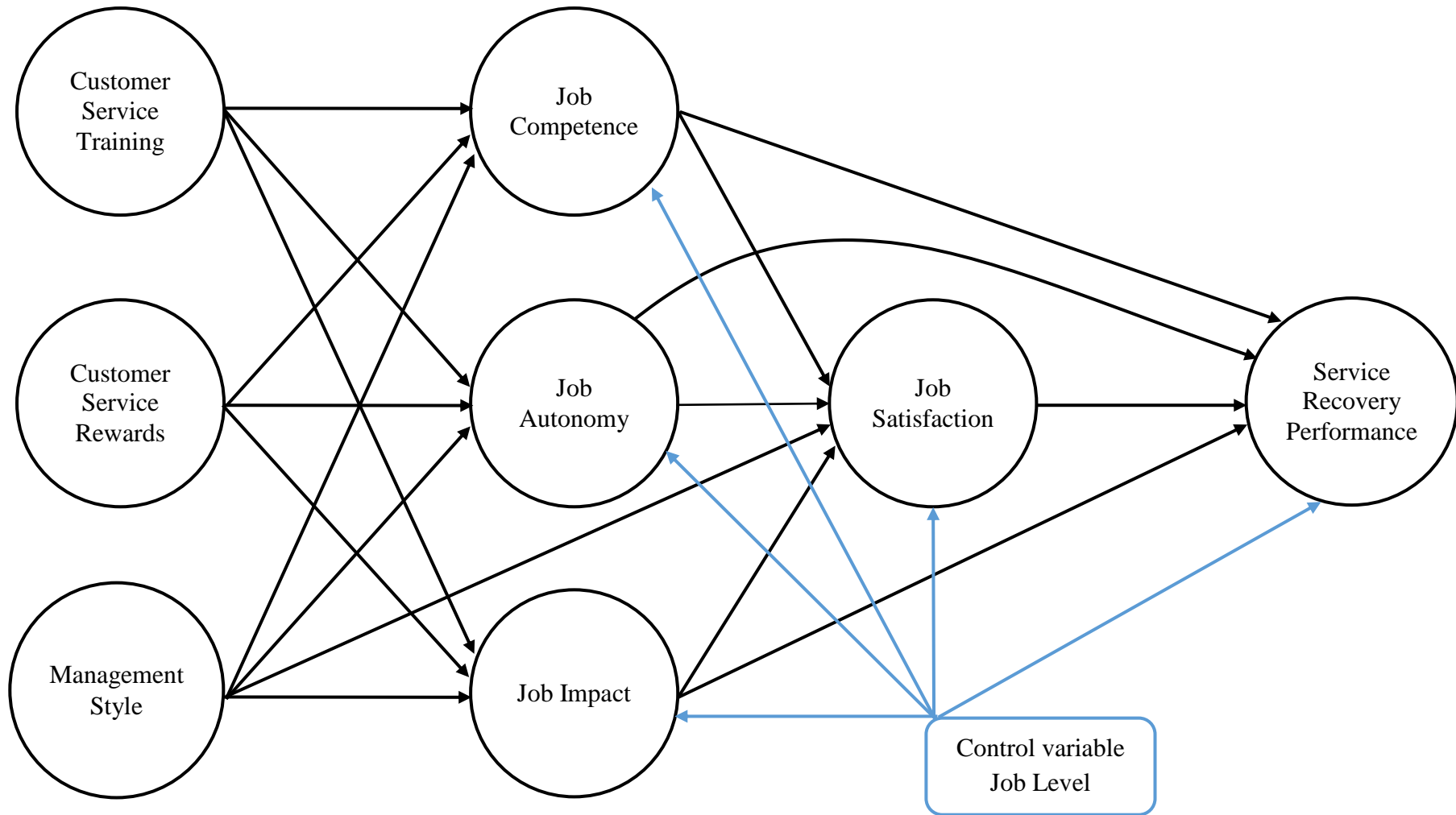
Table 9 Sub hypothesis under the broad category of HR practices

Hypothesis No.	Sub- hypothesis realting to individual HR practices
1a	Customer service training is directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact
1b	Customer service rewards are directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact
5a	Customer service training has a positive mediation effect on employee job satisfaction via the mediating variables of employee-perceived (a) job competence (b) job autonomy and (b) job impact
5b	Customer service Rewards has a postive mediation effect on employee job satisfaction via the mediating variables of employee-perceived (a) job competence (b) job autonomy and (b) job impact
6a	Customer service training has a positive mediation effect on manager-rated SRP via (a) job competence (b) job autonomy and (b) job impact
6b	Customer service Rewards has a positive mediation effect on SRP via (a) job competence (b) job autonomy and (b) job impact
7a	Customer service training has a positive multiple mediation effect on manager rated service recovery performance via the multiple mediators of job competence, job autonomy, job impact and job satisfaction.
7b	Customer service Rewards has a positive multiple mediation effect on manager-rated service recovery performance via the mediators of job competence, job autonomy, job impact and job satisfaction.

6.6 Common method variance

Method bias is a potential problem in behavioural research because it can create measurement errors that threaten the validity of the findings (Podsakoff et al., 2003). The observed correlation between the measures can be inflated or deflated due to measurement errors. Common method variance or bias can be defined as the "variance that is attributable to the measurement method rather than to the constructs the measures represent" (Podsakoff et al., 2003, p. 879).

Common method bias may arise when the respondent is the same person who provides the measures for both predictor and criterion variables. Podsakoff et al. (2003) suggest that this kind of "self-report bias may be said to result from any artifactual covariance between the predictor and criterion variable produced by the fact that the respondent providing the measure of these variables is the same" (p. 881). To avoid this, two survey questionnaires were developed at the research design stage: one to be completed by frontline employees including the predictor variables; and one completed by the employees' immediate superiors or department managers including the criterion variables. Hence, in order to avoid common source or rater effect self-report bias, two types of respondents were involved.

Harman's (1976) one-factor test was used in SPSS to test the common method variance. This test was conducted only for questionnaire items completed by the frontline employees since they related to the criterion variable and mediator variables. Both principal axis factoring and principal component factoring were used as the extraction methods. The largest factor explained 24.887% of the variance, below the critical value of 50%. Therefore, common method variance was not a concern.

6.7 Summary

This chapter has presented the quantitative methods adopted in this study. The survey data collection was carried out in 30 hotels. The full sample consisted of 625 employees and 104 managers, and a nested data structure was apparent. Measures were analysed using either CFA or the split-sample method. Four new items were added to the SRP scale as a result of the preliminary interviews. The SRP scale and the empowerment dimensions of job competence, job autonomy and job impact were validated using CFA. The multidimensional measures of HR practices and management styles were validated using split samples and through ESEM and CFA. The three dimensions of psychological empowerment– job competence, job autonomy and job impact scales – had high factor loadings. The HR practices of training and rewards also had good factor loadings and the overall fit indices showed a statisfactory model fit. Six items relating to management styles were retained for the analysis. Using Harman's (1976) one-factor test, the results indicated that common method bias was not a concern. The next chapter presents the results of the full measurement model and structural model together with the results of the hypothesis testing.

Chapter 7

Results

This chapter presents the quantitative analysis of the survey data and is structured as follows. First, the preliminary steps of the data analysis are outlined. Then, the demographic variables, descriptive statistics, and the validity of the measures used are described. This is followed by the testing of the structural model. Finally, the study's hypotheses are tested and the mediation analyses are presented.

7.1 Data Analysis: Preliminary steps

Data were collected from employee-supervisor dyads across 30 international hotels in Sri Lanka. The total sample consisted of 625 employees and 104 managers. As described in Chapter 6, a two-level cluster sampling strategy was utilized and a contextually informed survey was designed and administered in natural settings.

Prior to data analysis, data-entering accuracy was verified by comparing the questionnaires with the SPSS data sheets and then running the descriptive statistics of maximum and minimum scores, range, and mean. As a way to explore the shape of the data and to spot problems, the distribution of scores on each item, as well as on each variable, was assessed by inspecting histograms, box plots, normal probability plots, and the skewness statistics produced by SPSS. Skewness was calculated for all the items in the model and indicating a negatively skewed distribution for some items. Box plots were used to detect potential univariate outliers and histograms to assess whether variables deviate from a normal distribution (Field, 2009). A significant deviation was not observed for these data. There were

a few extreme values in some variables, but because every point on a 7-point Likert scale is valid, the extreme values were not considered as outliers.

7.2 Missing value analysis (MVA)

The statistical analysis aims to ensure valid inference and accuracy about the population of interest (Schafer & Graham, 2002). Dealing with missing data in the proper manner is important to achieve these aims. Missing data is defined as a lack of response due to respondents refusing to answer or failing to do so (Schafer & Graham, 2002). Such omissions are sometimes unavoidable in survey data. Missing values can be classfied in several ways. The most standard classification is missing-at-random (MAR) (Schafer & Graham, 2002). Data MAR indicates that missing data are dependent on the observed data. Missing values in MAR data can be predicted from the other variables in the data (Schafer & Olsen, 1998). Missing-completely-at-random (MCAR) is a special case that indicates that missing data are independent of the variable itself and any other variables (Schafer & Olsen, 1998). The missing-not-at-random (MNAR) value patterns of missing data follow the same multivariate patterns as actual cases, and this is problematic and non-ignorable (Schafer & Graham, 2002). This type of non-random missing data can cause biased results.

There are several ways of dealing with missing values. Traditional approaches to missing value calculations are listwise and pairwise deletion and mean substitution. However, these are no longer recommended methods because they reduce statistical power and produce biased estimations (Schafer, 1999; Schafer & Olsen, 1998). If the missing values are not MCAR, MAR listwise or pairwise case deletion can cause biased estimates as complete cases may not represent the full sample (Schafer & Graham, 2002). Replacing the missing values by mean substitution (averaging items) can cause two problematic situations. First, it is difficult to

justify such averaging theoretically, and secondly, the scale of items can be less reliable (Schafer & Graham, 2002). Alternative approaches are single imputation (SI), multiple imputations (MI), and maximum likelihood estimates (ML). A common method of imputation of the missing values is the expectation-maximization (EM) algorithm based on ML estimation. The EM algorithm is an "iterative imputation method" whereby "missing values are imputed by using all other variables as predictors in a regression model" (Graham, Hofer, Donaldson, MacKinnon, & Schafer, 1997, p. 329). In this method, missing values of a construct are predicted using an iterative process involving all the variables relevant to the construct. The EM method of data imputation more consistently and accurately predicts parameter estimates than listwise deletion and mean substitution (Graham et al., 1997).

There are several options in Mplus to handle missing data. Mplus runs ML estimation under MCAR and MAR (Muthén & Muthén, 2012). In Mplus "missingness is allowed for the observed covariates [x-variables] because they are part of the model" (http://www.statmodel.com). In this study, the average employee cluster per manager was six (see Table 6.1). Therefore, deleting many cases due to missing values could be problematic in the two-level cluster analysis. Cohen and Cohen (1983) state that up to 10% missing values is unlikely to be problematic in the interpretation of results. In a large sample, such as the one in this study, statistical power is not an issue, and it is more likely that missing values occurred completely at random. Hence, I used all 625 cases in the full dataset and allowed Mplus to handle the missing values.

After the final two-level cluster analysis in Mplus had been conducted, the final output files indicated the following warning: "Data set contains cases with missing on x-variables. These cases were not included in the analysis. The number of cases with missing on x-variables:

27". All the factors were taken as latent factors and the only observed independent variable (IV) was the control variable "Occupation." The 27 missing values in this Occupation category were therefore deleted. Then, using the SPSS missing value function, MVA was conducted for all the variables in the study, using the reduced sample to 598 cases. The MVA showed that no variable had more than 5% of missing values.

Univariate statistics can identify extremes or possible outliers for each variable. None of the variables showed a high number of extreme values. 386 cases out of the 625 questionnaires (61.7%) had complete data. All the other questionnaires had less than 10% missing values, except 23 cases (3.6%) that had missing values greater than 10% of their total data. There were no patterns apparent in the missing data. Therefore, it was assumed that they were MAR. The EM algorithm in SPSS was used for the missing value imputation for 598 cases. The results of Little's MCAR test were Chi-square (χ2) =6062.446, degrees of freedom (DF) =6029, Sig. =0.378. The MCAR test was not significant at p>0.001, which confirmed that the values were MCAR. These results confirmed that there were no patterns apparent in the missing data, and the missing values were MCAR.

7.3 Demographic variables

As noted above, 625 questionnaires from 30 hotels were obtained for analysis and descriptive analysis was conducted with missing values. Therefore, some distributions do not add up to 100% dues to a missing-value percentage. In the sample, 81.6% of respondents were male and only 16.8% female. The sample consisted of 457 customer service employees (73.1%) and 141 team leaders or senior customer service workers (22.6%). Of the total sample, 52.6% were permanent employees, 31.8% were on a fixed term contract and 12.3% were trainees; 76.9% had over one year's working experience in their hotel, and 71.5% of employees were

between 20 and 39 years old. Only 3.3% of employees had a bachelor's degree or higher. However, 23.8% employees had gained a professional qualification in hospitality management through various vocational training institutes such as the National Apprentice Board and hotel schools. Also, 66.5% employees had achieved the national standard of ordinary-level or advanced-level school education. The full sample represented four major sections of these hotels, namely (1) food and beverages, including restaurants, banqueting, pool and bar 28% (2) front-office including reception, reservation, concierge, and lobby 27%, (3) housekeeping including room service, butler service and public area service 29.6% and (4) kitchen including pantry, buffet and BBQ 15.4%. Also, 93.8% employees reported that they had direct contact with customers in their job, and the degree of interaction with the customer varied according to the nature of the job.

7.4 Descriptive statistics

Table 10 indicates the correlations, mean and standard deviations of the study measures. The descriptive statistics table shows that most variables are significantly correlated.

*Table 10 **Means (M), Standard Deviations (SD) Cronbach's Alphas (α) and Correlations among study variables***

Variables	M	SD	1	2	3	4	5	6	7	8
1. Training	6.14	1.16	**0.788**	-	-	-	-	-	-	-
2. Rewards	5.66	1.47	0.480**	**0.827**	-	-	-	-	-	-
3. Managerial Style	6.56	0.74	0.290**	0.415**	**0.874**	-	-	-	-	-
4. Job Satisfaction	6.57	0.84	0.186**	0.219**	0.253**	**0.819**	-	-	-	-
5. Job Competence	6.63	0.55	0.277**	0.153**	0.160**	0.317**	**0.554**			-
6. Job Impact	4.47	1.86	0.187**	0.211**	-0.001	0.128**	0.154**	**0.778**	-	-
7. Job Autonomy	5.83	1.31	0.298**	0.289**	0.225**	0.277**	0.348**	0.331**	**0.704**	-
8. Service Recovery Performance	5.42	1.08	0.088*	0.075	-0.004	0.025	0.150**	0.255**	0.092*	**0.876**
9. Job Level*	-	-	-0.038	0.002	-0.114*	-0.041	0.083*	0.204**	0.096*	0.180**

N=625 **p<0.001   *p<0.05 (two-tailed significance test)

Note: Cronbach's alphas have included on the diagonal in bold.

*Job level is the control variable and dichotomous variable.

7.5 Discriminant validity, convergent validity and multicollinearity

A good measurement model has convergent validity and discriminant validity. Convergent validity refers to measuring the constructs using alternative measures and indicates the similar meaning of the constructs (Bacharach, 1989). Discriminant validity is empirically separating two constructs one from the other, by identifying the differences of each construct (Narver, Slater& MacLachlan, 2004). When two independent variables (IVs) have high collinearity, these two variables are not independent of each other. However, when different measures for the same construct show a high correlation among variables, there is convergent validity (Bacharach, 1989). When the standardized factor loading for confirmatory factor analysis (CFA) was examined, all measures reported factor loadings of 0.50 or above, thus indicating convergent validity. A larger correlation between latent constructs, that is, greater than 0.80 or 0.90 suggests a lack of discriminant validity. As indicated in Table 5, none of the measures showed intercorrelations of 0.50 or above.

Discriminant validity was further assessed between the three dimensions of empowerment; that is, between job competence, job impact and job autonomy. Also, it was important to test the discriminant validity between all the independent variables of the study. Discriminant validity was tested in Mplus by taking 0.70 as the cut-off between the two factors. This cut-off was selected on the basis that the variance overlap between factors was less than 49%. By using this method, it was assessed with and without the cut-off value of 0.70 and the χ^2 differences were then compared. If the chi-square difference was significant ($p < 0.05$) it was proved to have discriminant validity. None of these measures reported a violation of discriminant validity and the variance overlap between factors was less than 49%.

The existence of multicollinearity between the independent variables (IVs) of training, rewards and management and supervisory style can be a potential problem. Therefore, it was assessed using both correlation and the variance inflation factor. Hair et al. (2006) indicate that, generally, the presence of a correlation of 0.9 or above is an indication of multicollinearity. By examining the descriptive statistics, Table 7.1 shows that four IVs are correlated. However, the correlations are below 0.5. Therefore, it is unlikely that multicollinearity exists. The problem with multicollinearity is that it creates a shared variance among IVs and reduces predictability of the dependent variables (Hair et al., 2006). The common method of assessing multicollinearity is by calculating the tolerance and variance inflation factor (VIF). Tolerance can be explained as "the amount of variability of the selected independent variable not explained by the other independent variables" (Hair et al., 2006, p. 227). The VIF is the reverse of tolerance: higher tolerance values and lower VIF values indicate that IVs do not have a substantial shared variance and that there is an absence of multicollinearity. Using the SPSS linear regression function, collinearity diagnostics were calculated. The results indicated that all tolerance values ranged from 0.765 to 0.916, and all VIFs were between 1.092-1.308. This result shows that there is no multicollinearity between IVs.

7.6 Intra-class correlation (ICC)

Clustered data is also called hierarchical data and occurs when there are similarities apparent between the members of each group of participants (Heck & Thomas, 2016). In a cluster sampling design, individuals' scores within a cluster are likely to be correlated, and observations are not independent (Babbie, 2007). The reason for similarities in responses is that individuals within clusters share belongingness to a particular context (Heck & Thomas, 2016). In this study, the data were clustered in the following ways. Hotel employees were

grouped with their respective managers in different departments (manager level) and then the both employees and managers were grouped within each hotel (hotel level). This means that each row/individual in the data is not necessarily independent – two randomly chosen individuals from the same hotel may have responses that are more similar than two randomly selected individuals from different hotels.

 ICC can be defined as "the portion of variance that lies between macro-level groups, which will be a part of the total variance in the outcome to be explained" and "designated with the Greek letter *rho* (ρ)" (Heck & Thomas, 2016, p. 34). Therefore, the ICC was calculated using the "ANALYSIS=THREE LEVEL BASIC" command in Mplus and presented in Table 11,12, and 13. The total number of clusters at manager level was 104 and the total number at hotel level was 30. ICCs were calculated at both the item level and the factor level for the dependent variable SRP. Tables 11 and 12 present the ICCs values at factor level.

Table 11. Estimated ICCs at manager level (avg. cluster size 6.01)

Variable	ICC at factor level
Training	0.154
Rewards	0.150
Management styles	0.134
Job competence	0.075
Job autonomy	0.079
Job impact	0.076
Job satisfaction	0.054
Service recovery performance	0.426

Table 12. Estimated ICCs at hotel level (avg. cluster size 20.833)

Variable	ICC at factor level
Training	0.028
Rewards	0.070
Management styles	0.049
Job competence	0.051
Job autonomy	0.029
Job impact	0.085
Job satisfaction	0.012
Service recovery performance	0.139

Table 13. Estimated ICCs at item-level for both manager and hotel level

Variable	ICC manager level	ICC hotel level
SF2	.336	0.140
SF4	.258	0.172
SF5	.432	0.123
SF6	.400	0.080
SF7	.416	0.173
SF9	.277	0.125

Note: These ICCs are estimated at item level for SRP, the dependent variable of the model.

Table 13 presents the ICCs at item level for the dependent variable SRP. These values range from .258 to .432 at manager level and from .080 to .173 at hotel level. These figures suggest that considerable variation existed across the groups, in particular in relation to SRP. Because the ICCs for the dependent variables were above .10, they needed to controlled in the multilevel analysis (e.g. Heck & Thomas, 2016).

7.7 Measurement invariance (MI) analysis

MI analysis is essential for cross-group comparisons (e.g. tests of group mean differences). In any survey, there can be different groups of respondents such as different worker levels, respondents representing different cultures, age groups or even countries. The objective of MI analysis is to establish the conceptual equivalence of the underlying theoretical variables. This analysis indicates whether constructs are interpreted across groups in a similar manner (Vandenberg & Lance, 2000). Therefore, when testing between-group mean differences, measurement equivalence is a prerequisite. Violations of measurement equivalence assumptions can be threatening to the substantive interpretation, because if measurement non-equivalence exists across groups, then it will be not appropriate to compare group mean differences on non-equivalent measures. MI analysis provides a justification for comparing group differences in observed or latent means. It is important to establish MI because when the final structural model was tested both groups of supervisors and service workers were combined into one large sample of 625 employees. The job level was used as a control variable.

The purpose of conducting MI analysis is to ensure meaningful group comparison and test whether the mean differences are significant (Cheung & Rensvold, 2002). It is possible to draw inferences about how these group differences may affect SRP. The hypothesised model was tested using latent variables, and it was therefore inappropriate to run a t-test or ANOVA on the summated scores. MI involves testing cross-group comparisons and establishing configural, metric and scalar invariance at the measurement model stage. The invariance literature indicates that MI is testable within a confirmatory framework, and many authors recommend a CFA-based approach. Therefore, in this study MI was tested using a CFA model.

The MI analysis was composed of three types of testing (Cheung, 2008)

1. Configural invariance indicates whether similar pattern of factor loadings are specified across groups. Configural invariance serves as the baseline model and is a precondition for the subsequent tests.

2. Metric invariance indicates whether factor loadings are invariant across groups. The factor loadings represent the strengths of the relationship between the items (observed variables) and the construct. This test is a prerequisite for cross-group comparison.

3. Scalar invariance indicates whether invariant item intercepts exist across groups.

MI analysis involves conducting all three tests and determining an acceptable model fit. If MI is satisfied, then it is defensible to estimate latent factor means and compare group differences.

It is important to determine whether the model comparison is significant or not, as a non-significant chi-square statistic ($\Delta\chi2$) is considered evidence of MI with acceptable overall model fit indices (Vandenberg & Lance, 2000). Testing the chi-square differences between configural, metric and scalar invariance is the most frequently used method (Vandenberg & Lance, 2000). According to Vandenberg and Lance (2000), changes in the comparative fit index (CFI) of -.01 or less "indicate that the invariance hypothesis should not be rejected" (p. 46). The invariance literature suggests that CFI, TLI, RMSEA and SRMR with the $\chi2$ differences are commonly reported statistics. Invariance needs to be met preferably when RMSEA ≤ 0.08, but a critical value of 0.06 or below is recommended (Vandenberg & Lance, 2000). The good-fit value for SRMR is < 0.08, and 0.10 is the upper limit (Vandenberg & Lance, 2000). Δ CFI was used to determine metric and scalar invariance and should be ≤ 0.01 (Cheung & Rensvold, 2002). The value of 0.90 is the lower bound of good fit for CFI and TLI,

and 0.95 is an excellent fit (Vandenberg & Lance, 2000, p. 44). The MI test was performed in Mplus using the "MODEL IS CONFIGURAL METRIC SCALAR with TYPE=COMPLEX" command and controlling for the clustering effect at the manager level. Due to the limitations of measurement invariance can only be tested up to two levels; the hotel effect could therefore not be included in the analysis. The MI analysis was conducted using the two models, that is, Model 1 (independent variables) and Model 2 (dependent variables), and the results are reported in Table 14. The table shows acceptable results for both the independent and dependent variables. Therefore, it is defensible to compare latent factor means and group differences and are presented in Table 15.

Table 14 MI Results

Invariance Tests for the model 01 (IVs): supervisor and service workers							
Model Fit Indices							
Model	χ^2	*df*	RMSEA	CFI	TLI	SRMR	Δ CFI
Configural	227.481	124	0.053	0.929	0.910	0.073	NA
Metric	226.087	134	0.048	0.936	0.926	0.084	0.007
Scalar	238.734	144	0.047	0.935	0.929	0.088	-0.001
Model Comparison			$\Delta\chi^2$	Δdf	*p*		
Metric against Configural			7.903	10	0.638		
Scalar against Configural			16.977	20	0.654		
Scalar against Metric			10.267	10	0.417		
Invariance Tests for the model 02 (DVs): supervisor and service workers							
Model Fit Indices							
Model	χ^2	*Df*	RMSEA	CFI	TLI	SRMR	Δ CFI
Configural	426.651	250	0.049	0.918	0.900	0.052	NA
Metric	431.440	263	0.046	0.922	0.909	0.067	0.004
Scalar	448.525	276	0.046	0.920	0.911	0.074	-0.002
Model comparison			$\Delta\chi^2$	Δdf	*p*		
Metric against Configural			11.697	13	0.552		
Scalar against Configural			27.777	36	0.369		
Scalar against Metric			17.316	23	0.185		

Table 15 Latent factor mean comparison: supervisors versus service workers

Latent Factor	Estimate (*d*)	S.E.	Est./ S.E.	*p* (two-tailed)
Training	-0.100	0.128	-0.775	0.438
Rewards	0.069	0.175	0.396	0.692
Management Styles	**-0.179**	0.088	-2.026	**0.043**
Job Satisfaction	-0.088	0.097	-0.906	0.365
Job Competence	0.060	0.050	1.209	0.227
Job Autonomy	**0.239**	0.117	2.037	**0.042**
Job Impact	**0.724**	0.161	4.495	**<0.000**
Service recovery performance	**0.496**	0.162	3.061	**0.002**

Note. Results pertain to unstandardized estimates of scalar variance is reported in the tested models.

The MI analysis revealed that supervisors/ team leaders exhibited a higher level of job autonomy and job impact than the customer service workers, and also greater level of SRP. This result suggests that job level has a significant effect on SRP and therefore it can be argued that the mean differences of the latent variables of job impact and job autonomy are due to job level. Job level can influence employees' responses to their job autonomy and job impact and can in turn affect their SRP. It can be argued that supervisors perceived that they had higher job autonomy and job impact, which is associated with their job level.

The group mean differences were significant in relation to management styles, an interesting finding that merits discussion. The reaction of the two groups to management style was different: supervisors tended to show a less positive reaction to the management style and higher job level was negatively associated with management style. When other variables such as training, rewards job competence and job satisfaction were compared, the two groups showed statistically non-significant mean differences (p>0.05).

The questionnaire for the study setting is presented in Table 16 below. From the interviews, it was understood that management in these hotels is committed to customer service, and to

provide extensive training for employees in order to maintain customer service standards while improving customer service. The first five questions assess the support and guidance they get from management to fulfil their jobs. Only the last item is related to the complaint handling of their jobs, and for this item, only supervisors reported having a higher item mean than did service workers. In all the other items the supervisors rated lower on this scale than service workers. This can be a reason for having negative assoication between job level and management styles.

Table 16 **Management Style Scale: Service example of managers**

Qustion No.	Question
1	My boss recognises me for providing good service to customers
2	My boss shows me how to provide a good customer service
3	My boss offers new ideas to improve customer service
4	My boss is an example of good customer service in his/her daily job
5	My boss is genuinely committed to customer service
6	My boss encourages me to take prompt action to solve customer problems

7.7.1 Worker characteristics: Service worker vs supervisor

The survey participants in this study consisted of 457 service workers and 141 supervisors; their demographic classification is provided in Table 17. Around 55% of the customer service workers were below 30 years of age. On the other hand, around 87.68% of the supervisors were above 30 years and 58.15% had more than five years' work experience in their current hotel. However, 32.6% customer service workers had more than five years of tenure in the present hotel. More respondents from the supervisory group were permanent employees (73.57%) as less than half of the service workers (48.54%) were in permanent employment. Tables 17 and 18 show that many of the supervisors in permanent jobs also had long tenures in their current organisation, which could also influence their job autonomy, job impact and SRP.

Table 17 Worker characteristics: Job type

Job type	Customer service workers	Supervisor/Team leader	Total
Permanent	216	103	319
	48.54%	73.57%	54.53%
Fixed-term	157	34	191
	35.28%	24.29%	32.65%
Trainee	72	3	75
	16.18%	2.14%	12.82%
Total	445	140	585
	100%	100%	100%
Missing values			40
			6.4%
Full sample			625

Table 18 Staff experience in the present organisation

Work experience in the present hotel	Customer service workers	Supervisor/Team Leader	Total
Less than 1 year	111	19	130
	24.29%	13.48%	21.74%
1 to less than 5 years	197	40	237
	43.11%	28.37%	39.63%
5 to less than 10 years	65	24	89
	14.22%	17.02%	14.88%
More than 10 years	84	58	142
	18.38%	41.13%	23.75%
Total	457	141	598
	100%	100%	100%
Missing values			27
			4.32%
Full sample			625

Table 19 Age Distribution

Age	Customer service workers	Supervisor/ Team Leader	Total
Less than 20 years	16	0	16
	3.60%	0.00	2.74%
20-29 years	231	17	248
	51.91%	12.32%	42.54%
30-39 years	129	61	190
	28.99%	44.20%	32.59%
40-49 years	57	47	104
	12.81%	34.06%	17.84%
Over 50 years	12	13	25
	2.70%	9.42%	4.29%
	445	138	583
	100%	100%	100%
Missing values			42
			6.72%
Full Sample			625

7.8 Structural equation modeling (SEM): two-step approach

In SEM, the population parameters are hypothesised and tested through sample statistics (Cheung & Rensvold, 2001). The model developed by the researcher should adequately represent the operating model specified in SEM, then test "the relationships between the population variables or as a function that produces those relationships" (Cheung & Rensvold, 2001, p. 237). The goal of SEM is to minimize the residuals between the sample and population covariance matrices implied by the operating model (Byrne, 2012). Any discrepancy between these two is reported in the residual covariance matrix (Byrne, 2012).

The primary task of SEM is to assess whether the sample data adequately describes the hypothesised model (Byrne, 2012). SEM takes a two-step approach: (1) the measurement model specifies the indicators of each construct and tests its construct validity; and (2) the structural model examines the interrelationships between constructs (Hair et al., 2006). This

study used Mplus to perform the SEM, and by default, the estimation method was a maximum likelihood estimation with robust standard errors (MLR). The MLR technique is appropriate when there is a non-independence and non-normality of observations, and also when the TYPE=COMPLEX command is used.

A two-step approach gives more meaningful inferences and tests the significance of all pattern coefficients (Gerbing & Anderson, 1988). Further, it is an assessment of whether the structural model gives an acceptable fit. Theory testing and development is one of the important aspects of achieving unidimensional measurement. Unidimensionality refers to measured variables that represent "only one underlying latent construct [where] indicator variables load on only one construct" (Hair et al., 2006, p. 773). Rather than having single indicators for a construct, having multiple indicators for each construct is strongly recommended because a construct is defined by more than one indicator. An essential requirement is that the items need to be unidimensional (Gerbing & Anderson, 1988) and preferably above 0.70 Cronbach's alpha (α) value. All the study variables were reported to have Cronbach's alpha (α) values above 0.70 and satisfactory reliability of measures (Table 7.1).

7.9 Measurement model

As explained in Chapter 6 (section 6.4), a series of CFAs for split samples and the full sample were conducted for the following variables: service quality, empowerment, HR variables and variables related to managerial and supervisory style. Then a CFA test was performed to assess the full measurement model including all nine variables in the model (service quality [indicated as three factors], service recovery performance [SRP], job impact, job autonomy, job satisfaction, job orientation, training, rewards and managerial and supervisory style). The CFA results indicated that there was a good fit between the measurement model and the

sample data: χ2 (406) =606.125, comparative fit index (CFI) =0.952; root mean square error of approximation (RMSEA) =0.028, and standardized root mean square residual (SRMR) =0.050. As stated by Kline (2005), there is a satisfactory fit in the model if the following conditions are satisfied: (1) CFI is above 0.9; and (2) RMSEA and SRMSR are ≤0.05. The measurement model used satisfied all these criteria, and hence it can be concluded that the model fits the sample data well. In addition, the standardized factor loading estimates are higher than 0.527 and all items indicated a significant loading (P<0.001) on intended latent factors (variables in the model), ensuring the convergent validity of the research model.

7.10 Structural model

It is important to take into account the structural or contextual features of the collected data. The survey data came from 30 hotels and two different groups (employees and managers). A two-level cluster sampling design was used and the data were clustered around individuals (i.e. employees clustered around managers) and grouped within hotels. This means that each row/individual in the data is not necessarily independent – two randomly chosen individuals from the same hotel may have responses that are more similar than two randomly selected individuals from different hotels.

Complex survey data can be explained as "data obtained by stratification, cluster and/or sampling with an unequal probability of selection" (Mplus User Guide, p. 249). Because of the "non-independence of observations due to cluster sampling" (p. 249), the statistical techniques used in this study involved multi-level modeling. To control for non-independence in data at the individual level as the dataset was clustered around managers and within hotels, a two-level cluster analysis was performed. The impact of standard deviation errors and chi-square statistics due to the non-independence of observations was controlled in the analysis

(Muthen and Muthen, 2010). The analysis was performed using the two-level cluster command in Mplus to test the structural model, and the fit statistics – χ^2 (437) =647.207, χ^2/df=1.48, CFI=0.949; RMSEA=0.028 and SRMR within=0.05 – showed that the model fitted the data well. The results of the structural model are represented diagrammatically in Figure 6.

Figure 7 ***The hypothesised structural model with study variables***

Dashed lines (NS) represent the non-significant paths. N=598. Significance levels: ***p<0.001; **p<0.05; *p<0.1 (standardized regression coefficients)
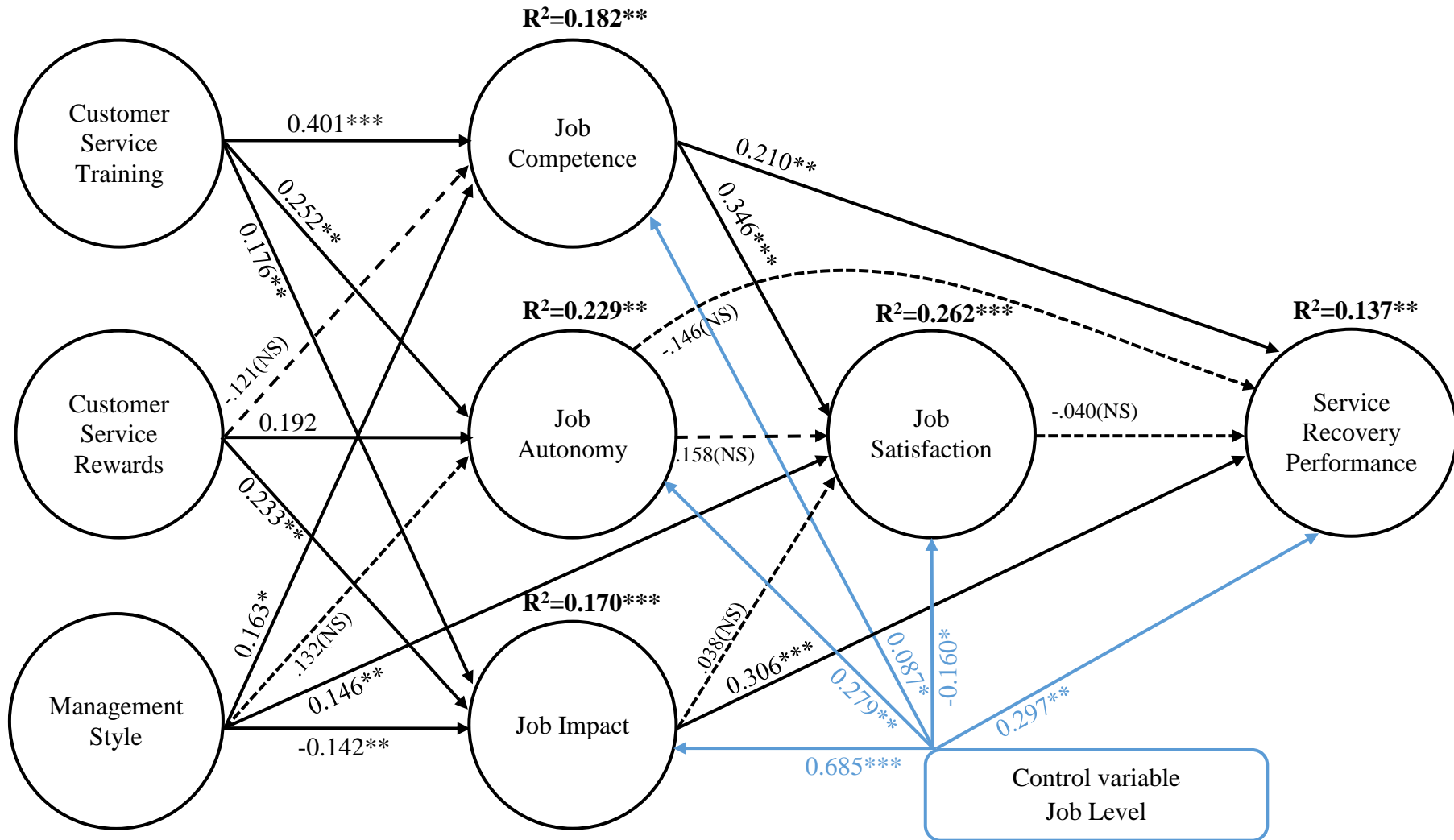
Note: The control variable "job level" represents unstandardized regression coefficients in the diagram. Standardized (STDY) for job level: SRP 0.279**, Job impact 0.566*** and job autonomy 0.315** significant at p<0.05 and job competence 0.251*, Job satisfaction -0.193* significant at p<0.1.

*Table 20 **Multilevel analysis results: Direct effects (standardized regression coefficients) of study variables***

Variable	Job Competence	Job Autonomy	Job Impact	Job Satisfaction	Service Recovery Performance
Customer Service Training	0.401***	0.252**	0.176**	-	-
Customer Service Rewards	-0.121(NS)	0.192*	0.233**	-	-
Management style	0.163**	0.132 (NS)	- 0.142**	0.146**	-
Job Competence	-			0.346***	0.210**
Job Autonomy	-	-		0.158(NS)	-0.146(NS)
Job Impact	-	-		0.038(NS)	0.306***
Job Satisfaction	0.346***	0.158(NS)	0.038(NS)	-	-0.040(NS)
Service recovery satisfaction	0.210**	-0.146(NS)	0.306***	-0.040(NS)	-
R²	0.182**	0.229**	0.170***	0.262***	0.137**

N=598 ***p<0.001; **p<0.05; *p<0.1   NS= Not significant

Note: All direct effects were based on the hypothesised model.

Table 21 Multilevel analysis results: Mediation effects (standardized regression coefficients) of study variables

Indirect Paths	Total indirect effects	
Customer Service Training to Job Satisfaction	0.185**	
Customer Service Rewards to Job Satisfaction	-0.003(NS)	
Management styles to Job Satisfaction	0.072**	
Customer Service Training to Service Recovery	0.094***	
Customer Service Rewards to Service Recovery	0.018(NS)	
Management styles to Service Recovery	-0.037(NS)	
Specific Paths	**Specific indirect effects**	**Mediator Variable**
Customer Service Training ⟶ Job Competence ⟶ Job Satisfaction	0.139**	Job Competence
Management Style ⟶ Job Competence ⟶ Job Satisfaction	0.056*	Job Competence
Customer Service Training ⟶ Job Competence ⟶ Service Recovery	0.084*	Job Competence
Customer Service Training ⟶ Job Impact ⟶ Service Recovery	0.054*	Job Impact
Customer Service Rewards ⟶ Job Impact ⟶ Service Recovery	0.071**	Job Impact
Management style ⟶ Job Competence ⟶ Service Recovery	0.034**	Job Competence
Management style ⟶ Job Impact ⟶ Service Recovery	-0.044**	Job Impact

N=598   ***p<0.001; **p<0.05; *p<0.1   NS= Not significant

Note: All indirect effects were based on the hypothesised model.

7.11 Hypothesis testing

Hypothesis testing was done mainly to assess the direct effects (direct paths) and indirect effects (mediation) in the structural model. By examining the standardised parameter estimates in Figure 7 and Tables 20 and 21 it is evident that some hypothesised relationships are significant while some are not.

7.11.1 Direct paths relating to employee-perceived HR practices and employee-perceived job competence, job impact and job autonomy

Table 20 presents the standardised coefficients for the study variables.

H1a: Customer service training is directly and positively related to employee-perceived (a) job competence (b) job autonomy and (b) job impact.

Customer service training was found to have a significant positive effect on all three dimensions of psychological empowerment. The standardised beta coefficients were: job competence (β=0.401, p<0.001), job autonomy (β=0.252, p<0.05) and job impact (β=0.176, p<0.05); thus H1a was supported.

H1b: Customer service rewards are directly and positively related to employee perceived (a) job competence (b) job autonomy and (c) job impact.

Customer service rewards were not related to job competence (β= -0.121, p>0.1) as rewards are highly unlikely to improve competence. However, customer service rewards positively and significantly influenced job autonomy and job impact, as predicted. The direct paths between rewards and job autonomy (β=0.192, p=0.057) and between rewards and job impact

(β=0.233, p<0.05) were significant, hence the hypothesised relationships in H1b were partially substantiated.

H1c: Management styles is directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact.

There were diverging results in relation to management styles. Management style did not predict employee- perceived job autonomy as hypothesised. Although it was hypothesised as a positive relationship, the influence of management style on job impact was negative and significant (β= -0.142, p<0.05), while there was a statistically significant positive relationship between management style and job competence (β=-0.163, p<0.05). Thus H1c was partially substantiated.

7.11.2 Direct paths relating to employee-perceived job competence, job impact and job autonomy and job satisfaction, and to management style and job satisfaction

H2a: Employee-perceived job competence has a direct and positive influence on job satisfaction.

H2b: Employee-perceived job autonomy has a direct and positive influence on job satisfaction.

H2c: Employee-perceived job impact has a direct and positive effect on their job satisfaction.

H2d: Management styles has a direct and positive effect on job satisfaction.

Direct paths from job competence to job satisfaction (β=0.346, p<0.001) and from managerial style to job satisfaction (β=0.146, p<0.05) were positive and significant, thus supporting H2a

and H2d. However, the relationship between employee-perceived job autonomy, job impact and job satisfaction was not statistically significant. Therefore, H2b and H2c were not supported.

7.11.3 Direct paths relating to employee-perceived job competence, job impact and job autonomy, and manager-rated SRP

H3a: Employee-perceived job competence is positively and directly related to manager-rated SRP.

H3b: Employee-perceived job autonomy is positively and directly related to manager-rated SRP.

H3c: Employee-perceived job impact is positively and directly related to manager-rated SRP.

Both employee-perceived job competence (β=0.210, p<0.05) and job impact (β=0.306, p<0.05) had a significant positive effect on manager-rated SRP, supporting H3a and H3c, whereas the relationship between employee-perceived job autonomy and manager-rated SRP was found to be statistically insignificant (β= -0146, p=0.651), meaning that H3b was not supported.

7.11.4 Direct paths relating to job satisfaction and SRP

H4: Job satisfaction has a positive relationship with manager-rated SRP.

Employee-perceived job satisfaction was not significantly (β= -0.040, p=0.397) related to manager-rated SRP and hence H5 was not substantiated.

7.12 Testing the mediation effects (indirect effects)

One of the primary objectives of the study was to examine the mediating effects of HR practices and management styles and manager-rated SRP. Mediators such as job impact, job autonomy and job satisfaction were introduced into a hypothesised model based on theoretical arguments identified from a literature review. The mediation effect is commonly defined as the "reduction in the regression coefficient of X1 on Y, when the effects of X2 [mediator] are controlled for" (Cheung & Lau, 2007, p. 3). The simultaneous assessment of multiple mediation effects carried out in this study followed Lau Cheung's (2010) teaching notes. However, there is a limitation when the analysis is based on cluster sampling and multilevel analysis, as is the case in this study, which is that the bootstrap confidence intervals cannot be calculated using Mplus. The mediation analysis was conducted only using the "Model Indirect" command in Mplus.

7.12.1 Indirect effects between independent variables, empowerment variables and job satisfaction

The mediation or indirect effect was examined in relation to total indirect effect and specific indirect effect. In both hypotheses the specific indirect effect was investigated between the independent variables (HR practices, management styles) with the dependent variable SRP, through the mediating variables of job autonomy and job impact. Table 21 shows the results of the mediation analysis.

H5a: Customer service training has a specific indirect effect on employee job satisfaction via the mediating variables of employee-perceived (a) job competence (b) job autonomy and (c) job impact.

Customer service training has a specific indirect effect on job satisfaction through the mediator of job competence (β=0.139, p<0.05). In other words, customer service training indirectly linked to job satisfaction via the mediator of job competence. There are two other indirect paths from training to job satisfaction via job autonomy and job impact. However, job autonomy and job impact show a non-significant relationship with job satisfaction. Therefore, both specific indirect effects of training on job satisfaction, via job autonomy (β=0.040, p=.114) and job impact (β=0.007, p=0.416) were non-significant, meaning H5a was partially supported. These results suggest that customer service training is positively related to job satisfaction via the specific mediator of job competence.

H5b: Customer service rewards has a specific indirect effect on employee job satisfaction via the mediating variables of employee-perceived (a) job competence (b) job autonomy and (c) job impact.

The specific indirect effects of customer service rewards on job satisfaction via the mediators of job competence, job autonomy and job impact were not significant. The overall mediation effect consisting of all three specific effects of customer service rewards on job satisfaction was also not significant (β= -0.003, p=0.956). Hence, H5b was not supported. The above results suggest that there is no mediation effect in the relationships between customer service rewards and job satisfaction.

7.12.2 Indirect effects between job competence, job autonomy and job impact on SRP

Hypotheses relating to the specific mediation effects are:

H6a: Customer service training has a specific indirect effect on manager-rated SRP via the mediating variables of employee-perceived (a) job competence (b) job autonomy and (c) job impact.

Job competence and job impact mediated the relationship between customer service training and SRP and the specific indirect mediation effect of job competence was significant (β=0.084, p=0.063), and the specific indirect mediation effect of job impact was significant (β=0.054, p=0.088). This leads to the conclusion that job competence and job impact mediate the relationships between training and SRP and that H6a was partially substantiated. The total indirect effect between training and SRP was also significant (β=0.94, p<0.05).

H6b: Customer service rewards has a specific indirect effect on SRP the mediating variables of employee-perceived (a) job competence (b) job autonomy and (c) job impact.

The specific indirect effect of customer service rewards and SRP via the mediator of job impact was also significant (β=0.071, p<0.05) and H6b was therefore partially supported. However, both job competence and job autonomy did not mediate the relationship between rewards and SRP. The total indirect effect between rewards and SRP was not significant (β=0.018, p=0.665). In both instances, the specific mediation effect via job autonomy was not significant. Customer service training indicated specific positive indirect effects on manager-rated SRP via job competence and job impact, and rewards had specific positive indirect effects on manager-rated SRP via job impact.

7.12.3 Hypotheses relating to the serial mediation (indirect) effect

H7a: Customer service training has a positive multiple mediation effect on manager rated service recovery performance via the multiple mediators of job competence, job autonomy, job impact and job satisfaction.

H7b: Customer service rewards has a positive multiple mediation effect on manager rated service recovery performance via the multiple mediators of job competence, job autonomy, job impact and job satisfaction.

Job satisfaction had a non-significant association with SRP (β= -0.040, p=0.397). Therefore, job satisfaction did not mediate the relationships between customer service rewards and SRP as well training and SRP. H7a, H7b and H7c were therefore not supported because the serial mediation effects were not significant.

Additional finding:

Management style was found to be negatively and significantly effect to manager-rated SRP via the specific mediation effect of employee-perceived job impact (β= -0.044, p<0.05). Also, management style was found to be positvely and significantly effect to manager-rated SRP via the specific mediation effect of employee-perceived job competence (β= 0.034, p<0.05). In all cases, job competence and job impact mediated the relationship between contextual antecedents (training, rewards and management styles) and the dependent variable of the study, manager-rated SRP. However, it is interesting to note that with customer service training and rewards, employee-perceived job competence and job impact acted as significant positive mediators, while in the case of management style and SRP, job impact had a negative mediation effect.

To conclude, employee-perceived job competence significantly mediated the relationship between the independent variable of training and the outcome variable of job satisfaction in the structural model. On the other hand, the variables of employee-perceived job impact and job competence significantly mediated the relationships between the independent variables of training, rewards and management styles and the outcome variables of manager-rated SRP in the structural model. Both job competence and job impact were therefore significant mediators in the structural model. However, job autonomy did not have any impact on either job satisfaction or manager-rated SRP.

7.12.4 The explanatory power of the structural model

A conceptual model was proposed in which the context-relevant antecedents of customer service training and rewards, management styles, and the mediators of employee-perceived job impact and job autonomy, were hypothesised to indirectly influence supervisor-rated SRP. A full SEM model reflecting these hypotheses and comprising these seven latent variables was found to fit the data well ($\chi2[445]=747.068$, CFI=0.938; RMSEA=0.034 and SRMR within=0.049). The model explained 13.7% of the variance in SRP. The customer service training, rewards, and management styles explained: 18.2% of the variance in job competence, 22.9% of the variance in job autonomy and 17% of the variance in job impact. Job competence, job impact and job autonomy together with the independent variables accounted for 26.2% of the variance in employee-perceived job satisfaction. The assessment of the model's goodness of fit indicated that it was a good fit to the data.

7.13 Significant effects of the control variable "job level"

It is necessary to include an explanation of why control variables were selected and provide evidence from prior studies (Becker, 2005; Spector & Brannick, 2011). If the statistics

pertaining to control variables are not reported or are inadequately reported, then any findings would be unusable by other researchers (Becker, 2005; Spector & Brannick, 2011). This relevant evidence was provided in Chapter 6 and the use of the control variable "job level" was justified through the MI analysis carried out in this chapter. The control variable was found to have a significant positive effect on job autonomy (β=0.371, p<0.05), job impact (β=0.685, p<0.001) and SRP (β=0.279, p<0.05) where the β value represented unstandardized regression coefficients. This result shows that the higher the job level, the higher will be employee-perceived job autonomy and job impact, leading to better SRP. Also, it is worth noting that job level did not have a significant effect on job satisfaction or job competence as per MI results.

The descriptive statistics in Table 10 show that job level is significantly correlated with job competence (0.083*), job autonomy (0.096*), job impact (0.204**) and SRP (0.195**), and negatively correlated with management styles (-0.114*), but non-significant association with job satisfaction. Also, the MI analysis revealed that supervisors had a higher level of job autonomy and job impact, and higher SRP, compared to customer service workers.

What we see here is that the mean differences and their distribution between the two groups have been affected by the job level because higher job level employees receive more autonomy and power, which can affect their SRP. The results for the control variable indicate possible avenues for further analysis and the findings have been interpreted with this limitation in mind.

7.14 Summary

This chapter tested this study's hypotheses for direct and indirect relationships using the conceptual model developed for this research. The assessment of the measurement model and structural model showed that they were a good fit to the data. Employee-perceived HR practices were found to be positively related to the psychological empowerment dimensions of job autonomy and job impact. Employee-perceived job autonomy was positively associated with job satisfaction. However, job impact showed a non-significant relationship with job satisfaction. Management styles were negatively related to job impact but were positively associated with job satisfaction. HRM practices indirectly and positively related to job satisfaction and manager-rated SRP. The multiple mediation effects were non-significant due to the employee-perceived job satisfaction showing a non-significant relationship with manager-rated SRP. Finally, the control variable (job level) was positively and significantly associated with employee-perceived job impact, job autonomy and manager-rated SRP. The next chapter will discuss and interpret these findings in relation to existing theory and empirical research.

Chapter 8

Discussion

This chapter discusses the key findings of this research, and answers the primary questions and sub-questions that arise from it. It reviews the results of the hypothesis testing and discusses them in relation to the relevant theoretical literature and qualitative data that I gathered.

8.1 Review of key findings

In order to identify context-relevant HR practices, and to understand managements' espoused goals for customer service employees, the data collection for this study began with initial qualitative interviews with senior and middle-level hotel managers. Based on the insights from these qualitative interviews, survey instruments relating to HR practices and management styles were designed, and questions were added to the SRP scale. In the second phase of data collection, surveys were conducted with service employees and their managers.

Based on a large-scale survey conducted in thirty hotels, this study tested the validity of the key assumptions proposed in the conceptual model. The preliminary interview data was also helpful to understand these hypothesised relationships. The first major assumption was that context-relevant HR practices as well as management behaviour can produce a sense of empowerment among hotel employees. The second was that psychological empowerment would influence employee outcomes of service recovery and job satisfaction. In brief, the results confirmed that context-relevant HR practices were predictive of psychological empowerment, which in turn influenced employees' service recovery and their job satisfaction. However, there are important nuances in this story.

The hypotheses tested, and whether they were supported or unsupported, are listed in Table 22. Overall, the results of the study demonstrated that employee-perceived HR practices have a significant positive effect on the employees' sense of job competence, job impact and job autonomy at work, which are dimensions of psychological empowerment. Employee-perceived job competence and job impact were, in turn, positively related to the employees' SRP, as assessed by their managers.

The key focus of psychological empowerment is to improve intrinsic motivation and enable employees to experience some degree of freedom and opportunity in their jobs, while enhancing employee satisfaction (Spreitzer et al., 1997). Thus, job satisfaction and SRP can be anticipated as outcomes of empowerment. This study found a different result, however: while the two variables, job competence and job impact, related positively to SRP, job autonomy had a non-significant relationship to the two outcome variables. Only job competence showed a positive relationship to job satisfaction.

The following sections present the main discussion of the findings.

Table 22 Summary of Revised Hypotheses

	Hypothesised relationships	Results
1a	Customer service training is directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact	Supported
1b	Customer service rewards are directly and positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact	Partially Supported
1c	Management style is positively related to employee-perceived (a) job competence (b) job autonomy and (c) job impact	Partially supported
2a	Employee-perceived job competence has a direct and positive influence on job satisfaction	Supported
2b	Employee-perceived job autonomy has a direct and positive influence on job satisfaction	Not supported
2c	Employee-perceived job impact has a direct and positive effect on job satisfaction	Supported
2d	Management styles are positively related to job satisfaction	Supported
3a	Employee-perceived job competence is positively and directly related to manager-rated SRP	Supported
3b	Employee-perceived job autonomy is positively and directly related to manager-rated SRP	Not supported
3c	Employee-perceived job impact is positively and directly related to manager-rated SRP	Supported
4	Job satisfaction has a positive relationship with manager-rated SRP	Not supported

5a	Customer service training has a positive mediation effect on employee job satisfaction through the mediating variables of employee-perceived (a) job competence (b) job autonomy and (b) job impact	Partially supported Mediator: job competence
5b	Rewards have a postive mediation effect on employee job satisfaction through the mediating variables of employee-perceived (a) job competence (b) job autonomy and (b) job impact	Not supported
6a	Customer service training has a positive mediation effect on manager-rated SRP through (a) job competence (b) job autonomy and (b) job impact	Partially supported Mediators: job competence and job impact
6b	Rewards have a positive mediation effect on SRP through (a) job competence (b) job autonomy and (b) job impact	Partially supported Mediator: job impact
6c	Management styles have a positive mediation effect on SRP through (a) job competence (b) job autonomy and (b) job impact	Partially supported Mediators: job competence (positive) and job impact (negative)
6d	Customer service training has a positive serial indirect effect on manager-rated service recovery performance through the mediators of job autonomy and job satisfaction.	Not supported
6e	Rewards have a positive serial indirect effect on manager-rated service recovery performance through the mediators of job impact and job satisfaction.	Not supported

Key finding 1: Do context-relevant HR practices and management styles predict empowerment in the hotel sector?

As predicted by the hypotheses H1a, H1b and H1c (Table 22), the context-relevant HR practices of customer-service training were positively related to three dimensions of psychological empowerment: employee-perceived job competence, job autonomy and job impact. Training had the strongest positive relationship with job competence ($\beta=0.401$, $p<0.001$). Employees' perceptions of training were related to perceived job competence and also contributed to the enhancement of employee job autonomy ($\beta=0.252$, $p<0.05$) and job impact ($\beta=0.176$, $p<0.05$). Customer service rewards were positively associated with both job autonomy ($\beta=0.192$, $p=0.057$) and job impact ($\beta=0.233$, $p<0.05$) and, as would be expected, rewards did not also lead to higher job competence.

In terms of the arguments in the AMO framework, what does this suggest about the training and rewards in these hotels? Employees perceived that training helps them to do their jobs and promotes their sense of self-efficacy. This suggests that training is effective in these hotels. Customer service rewards are shown to be linked to the empowerment dimensions of job autonomy and job impact, which is also called "freedom to perform" (e.g. Fulford & Enz, 1995; Gazzoli et al., 2010). These results suggest that the employee rewards are encouraging a sense of job impact and autonomy.

Consistent with the findings of Peccei and Rosenthal (2001), this study shows that training has a positive relationship with measures of job competence and job autonomy. In line with these findings, Boxall et al. (2011) also showed that training has a positive effect on the empowerment dimensions of job competence and job autonomy. Spreitzer (1995) also reports a positive association between rewards and empowerment.

Key finding 2: Do context-relevant management styles predict empowerment in the hotel sector?

The results indicate that management style, as experienced by employees, was positively linked to employee-perceived job competence ($\beta=0.163$, $p<0.05$); whereas it was negatively associated with their job impact ($\beta=-0.142$, $p<0.05$) and had a non-significant relationship with their job autonomy (Hypothesis H1c). The positive association between management styles and job competence demonstrates that managers had been coaching employees and helping them to improve their job-related skills.

However, the findings of my study show a non-significant relationship between job autonomy and the negative influence of management style on job impact. Why might this be? In the hotel context of this study, the following observations were made from the initial interviews: status differences among managers and workers were evident; to improve customer service new ideas were offered by management. Management styles varied across hotels; there was a huge knowledge gap between managers and workers, in particular among workers from a rural village context. This was mentioned by one of the managers who worked in a five-star hotel located in a non-urbanised scenic area. The management style is somewhat authoritative and formal in general but varied from hotel to hotel due to different ownership and management as well as different occupational groups. The literature in Chapter 2 (section 2.8.5) supports the notion that Sri Lankan culture involves high power distance in a relatively hierarchical society. These reasons may negatively impact upon the relationship between management style and job impact, even though this is a standardized service work culture.

Both studies by Boxall et al. (2011) and Peccei and Rosenthal (2001) showed job competence and job autonomy were positively related to management styles, as explained in Chapter 2.

Here, in contrast, my study shows that a negative relationship between management style and job impact exists in this standardised service work culture. As indicated by Peccei and Rosenthal (2001), a traditional authoritarian management style, with an overly formal relationship between management and workers, can be a hindrance to empowerment. They further state that upward communications need to be encouraged from frontline staff to provide ideas to improve customer service.

Key finding 3: The effect of management styles on job satisfaction

As hypothesised (H2c), the results show that employee-perceived management style positively relates to employee job satisfaction ($\beta=0.146$, $p<0.05$). Why do management styles link to job satisfaction? Employees expect that managers provide guidance and coaching for better performance of their job. When managers are fulfilling more of the expectations of the workers, they are more satisfied with their job. The results are consistent with the literature discussed in Chapter 2 (section 2.8.6). In that section, I explained that an employee's perception of the degree to which their line manager cares about their needs and coaches them by setting a personal example, as well as demonstrating how the contribution of each employee is valued, is an indication of support received from their line managers. This can influence an employee's affective reactions to his or her job. The meta-analysis results of Bowling and Hammond (2008) suggest that support and guidance received from the supervisor is a potential cause for employee job satisfaction because supervisors and managers are agents of the organisation and have the responsibility of guiding and evaluating subordinates' performance. Support received from the line manager for employee job performance can have a positive impact on employee job satisfaction. Consistent with the literature, the results of my study indicate that support and guidance received from managers can enhance employee job satisfaction.

Key Finding 4: The impact of job level

The sample consisted of two job levels representing customer service workers and team leaders or supervisors. The control variable "job level" had a significant impact on the structural model (see Figure 7). The results indicate that the higher the job level, the greater the empowerment employees perceived. As indicated in the measurement invariance results (Chapter 7, table 15), significant mean differences exist in terms of the job autonomy (β=0.239, p<0.05), job impact (β=0.724, p<0.001) and the SRP (β=0.496, p<0.05) of the two groups of employees. The mean differences of these latent variables of job impact and job autonomy are due to "job level". Job level can influence employee responses to their job autonomy and job impact and in turn affect their SRP. These results suggest that supervisory-level employees showed higher job autonomy and job impact, and higher SRP compared to service workers. Also, it is worth noting that the job level did not have a significant effect on job satisfaction and job competence, as mean differences were not significant in the measurement invariance results.

These findings related to empowerment are similar to others in the management literature. From a sample consisting of three job levels, Ergeneli, Ari and Metin (2007) reported that the job level had a positive association to the dimensions of psychological empowerment. More specifically, their findings indicated that, when the job position increases from supervisor to manager, the job impact is also increased. Their study showed that "when managerial level increases from supervisor to manager, the impact aspect of psychological empowerment also increases" compared to three other dimensions of psychological empowerment (Ergeneli et al., 2007, p. 47). Similarly, from meta-analysis findings, Seibert, Wang, and Courtright, (2011) concluded that higher job levels involve greater autonomy and more opportunities for employees to make a meaningful impact at work. Such studies provide evidence that job level

can influence an individual's perception of empowerment, and is positively related to it, irrespective of gender (Denmark, 1993; Seibert et al., 2011).

Even though prior studies have indicated that empowerment varies with job level, and that more elevated positions tend to have more job autonomy and job impact, none of the studies in the literature have investigated the relationship between job level and service recovery performance ($\beta=0.279$, $p<0.05$). Service recovery is a specific behaviour which service employees engage in when handling customer complaints and service failures (Liao, 2007). Employees are often expected to minimise delays in the service recovery process, and to recover customer satisfaction (Liao, 2007). One of the important aspects of service recovery is prompt handling of and quick response to customer complaints (Bitner, Booms, & Tetreault, 1990). Hence, effective service recovery is linked to the extent to which employees can make decisions and undertake speedy actions to recover failures. Supervisory employees have higher levels of authority and, in my study, performed better service recovery as perceived by their managers. There is a fundamental difference in the level of authority the supervisory employees/team leaders have in comparison to the service workers. Team leaders perceived a greater degree of job autonomy and job impact. The job level makes a big difference to empowerment in the hotel context. My study clearly identified the contribution of job level and its relationship with job autonomy, job impact and SRP. This is a unique contribution to the service recovery literature.

Management styles

Interestingly, the descriptive statistics in Chapter 7 (table 10) and also the measurement invariance test results in section (7.7) indicate that employee-perceived management style has a significant negative relationship with the job level. The particular items used to measure the management style are shown in Chapter 7 (section 7.7). In this study, management styles were assessed by the employees and the mean difference between two groups found to be negative and significant (β=-0.179, p<0.05). What is interesting to note is that supervisors perceived management style less positively than service workers, although service workers perceived management style slightly more positively than did supervisors/ team leaders. Therefore, my concluding remark is that in hotels in Sri Lanka, the job level is negatively associated with management styles. On the other hand, managers rated higher scores on SRP of supervisory level employees than service workers. In the eyes of management, supervisory level employees perform better service recovery than do service workers. This finding indicated that line managers relied more confidently on supervisory level employees than service workers in handling of complaints.

The demographic characteristics of two worker groups show that, in the supervisory sample, 73.57% were in permanent positions, 58.15% had more than five years' experience in their current organisations and 87.68% were above thirty years of age. On the other hand, from the service worker sample, workers were relatively youthful: 55% of workers were below 30 years of age, and 67.4% had less than five years' work experience. Of the service workers, only 48.54% held permanent positions, while the remainder of those in the sample included those on fixed term contracts and a small number of trainees (Chapter 7 Section 7.7). In the context of this study, it is not surprising that management had started to adopt a more compliant and controlling method of managing a youthful, "non-standard"' workforce (Boxall

et al., 2011), who are primarily in temporary employment positions. These worker charactersitcs show that the experience levels of the supervisors are much higher. In this hotel context, there is a low-level of job autonomy and job impact, particularly among low-level service workers where standardised practices, procedures and structures are encouraged.

Key finding 5: Does employee-perceived job competence, job autonomy and job impact predict job satisfaction in the hotel sector?

In my study, employee-perceived job competence was significantly and positively related to job satisfaction as hypothesised in H2a (β=0.346, p<0.001). Both job autonomy and job impact had a non-significant relationship to job satisfaction. Also, measurement invariance results confirmed that there were no significant mean differences in job satisfaction between job levels. Job satisfaction can be explained as how individuals think and feel about their jobs (Bowling and Hammond, 2008). As indicated in Chapter 2 (section 2.8.7), the global MOAQ-JSS measure of job satisfaction measures affective or emotional aspects of job satisfaction. The job satisfaction scores were high for both categories of employees irrespective of their job level. The overall study findings confirmed that job competence was positively and significantly related to job satisfaction.

The relationships between job competence, job autonomy and job satisfaction can be further explained by referring to self-determination theory (SDT) (Ryan and Deci, 2000), as explained in Chapter 2 (section 2.8.1). An individual's desire for personal growth and their innate psychological needs are the basis for self-motivation and intrinsic satisfaction. A sense of self-efficacy (competence) and self-determination (job autonomy) are linked to an individual's innate need for growth. Most of the sample consisted of service workers who were engaged in routine and repetitive tasks and most were junior, less experienced, workers.

Hence, job competence may be a stronger driver of job satisfaction for them than job autonomy.

This finding is not consistent with SDT theory. The possible explanation could be a problem with the theory or an issue in the research methods, or problems with both. Even though the relationship between job satisfaction and job autonomy is non-significant, the direction is positive (see the structural model on page 196). This implies that the relationship between job satisfaction and job autonomy is in the right direction but does not reach significance. The first explanation for this finding is that it could be a matter of sample size. I would expect it to have a significant relationship (beta) when higher job autonomy leads to greater job satisfaction in a larger sample, and to be consistent with SDT theory.

The second possible explanation is that, in Sri Lankan hotels, employees engage in low autonomy roles, and these employees are socialised to expect low autonomy. Greater autonomy is not necessarily one of the drivers of their satisfaction. However, they want to be competent and, if they are competent, they can move to a higher job, perhaps in overseas employment. Their future is seen in being a competent person. Therefore, the idea that "in low autonomy roles, greater autonomy does not make employees more satisfied" needs to be tested in futher studies.

A similar finding was reported by Spreitzer 1997. From two independent samples of middle-level managers and lower-level employees in the United States, Spreitzer et al. (1997) showed that, among lower-level employees, job competence predicted work satisfaction. Their findings indicated that, among middle-level managers, self-determination (job autonomy) predicted work satisfaction but among lower-level employees, there was a non-significant

relationship between job autonomy and work satisfaction. Also, in both the samples, job impact showed a non-significant relationship with work satisfaction. This may suggest that in low-level jobs, employee-perceived job competence is more important compared to job autonomy in terms of its impact on job satisfaction.

Key finding 6: Does employee-perceived job competence, job autonomy and job impact predict SRP in the hotel sector?

Higher job autonomy did not predict higher SRP, as hypothesised in H3b. In fact, the largest effect related to employee-perceived job impact (β=0.306, p<0.001) and then job competence (β=0.210, p<0.05), which were significantly and positively linked to employee SRP as assessed by the managers, as stated in H3a and H3c. Job autonomy is very dependent on the job position, with higher jobs tending to have more autonomy. According to this study's results, a sense of job competence and job impact supported service recovery on the part of an employee. The results indicated that employees who perceived they had the skills and abilities (job competence) to perform well on their job and felt that they had an opportunity to perform (job impact), were more likely to handle complaints effectively. The model of service performance in this hotel context is based on employees having job competence and the influence that enables them to perform better service recovery. The hotel context is one of a low-autonomy environment, and my study suggests that we should not conflate job autonomy with empowerment.

In a similar way, I note that, Spreitzer et al. (1997) showed a significant positive association between job impact and work effectiveness. The authors emphasise that, in their study, job impact contributed to the performance domain to a greater extent than did the other three

dimensions of empowerment. Compared to other dimensions of empowerment, job impact has received less attention, with only a limited number of studies having been conducted on it (Spreitzer et al., 1997). Job impact is interpreted as how the individual perceives that his or her behaviour "can make a difference" or "influence" strategic, administrative or operational outcomes at work (Seibert, Wang, & Courtright, 2011). From a practical standpoint, the positive influence of job competence may indicate that hotel employees could possibly make a difference through their actions, perhaps more importantly than having autonomy in their job.

Key finding 7: Does employee-perceived job satisfaction predict manager-rated employee SRP in the hotel sector?

My study measured self-rated job performance and manager-rated SRP and found a non-significant relationship between job satisfaction and SRP (β=-0.040, p=0.397). The findings suggest that the drivers for job satisfaction are somewhat different from what makes an employee a better service performer. In other words, what makes a worker satisfied in her/his job and what makes a manager satisfied in relation to SRP are not the same thing. However, clearly other factors must be affecting these variables. There was some common interest in that job competence led to greater job satisfaction and better SRP. Wright and Staw (1999) argue that many researchers often fail to establish a close link between these two variables and ask the question: "Are happy workers productive"? The psychological literature indicates that job satisfaction can be influenced by many factors such as social support, helping others and creativity, but it is not necessarily because of the job.

Many scholars have studied the relationship between job satisfaction and SRP, but the findings often vary. For instance, Babakus et al. (2003) reported a positive relationship between employee-perceived job satisfaction and the SRP of frontline employees in the banking sector of Turkey. Conversely, Ashill et al. (2006) found a non-significant relationship between the job satisfaction and the SRP of frontline employees in New Zealand's healthcare sector. As explained in the literature review, Chapter 2 (section 2.6.6), two studies subsequent to Babakus et al. (2003) followed a similar theoretical framework and all three studies used the same scales to measure SRP and job satisfaction but reported different results. Both Michel and Ashill (2010) and Ashill et al.'s (2006) findings indicate no relationship between job satisfaction and SRP. One reason for this is the narrow definition of the concept of job satisfaction and the scale used to measure it as indicated by Michel and Ashill (2010), although, using the same scales, Babakus et al. (2003) reported a positive relationship.

The "happy-productive worker hypothesis" has often been examined in organisational research and typically operationalised using employee self-ratings of job satisfaction and supervisory ratings of job performance (Wright & Cropanzano 2000). Mixed research findings can be observed in the management literature on the association between job satisfaction and job performance. Wright and Cropanzano (2000), for example, reported no relationship between employee-perceived job satisfaction and supervisory-rated job performance. An alternative explanation is when performance is rated by a third party (not self-reported), there might not be a positive linear relationship between manager-rated performance and self-reported job satisfaction.

Judge et al. (2001) argue that job complexity can be a moderating factor that affects the relationship between job performance and job satisfaction. When performing an interesting

and stimulating job with higher autonomy, an employee exhibits intrinsic motivation, while repetitive and boring jobs are less rewarding and less satisfying. Therefore, the authors argue that "the satisfaction-performance relationship should be higher in more complex, stimulating jobs" (p. 385). Further, they tested the relationship between job performance and job satisfaction in eight occupational groups and indicated that the occupational categories represented a moderating effect, so this relationship can vary with occupational type. Before drawing any definitive conclusions, further research should be conducted into the various types of occupation, with varying degrees of job complexity and job autonomy. More longitudinal data would help to explain this relationship more clearly.

Key finding 8: The mediation effects: the HRM-Performance (SRP) and HRM-Well-being (job satisfaction) relationships

HRM-SRP relationship (H6a and H6b)

The proposed research model investigated both the HRM-performance (SRP) and the HRM-well-being (job satisfaction) relationships of two groups, service workers and supervisors, which is a contribution to HRM research. In relation to testing the HRM-SRP relationship, two indirect hypotheses were tested: indirect relationships between training, rewards and SRP via the mediators of job competence, job autonomy and job impact (hypotheses H6a, H6b and H6c). In this study, the results confirmed that the employee-perceived HR practices of training and rewards were indirectly linked to employee SRP as evaluated by their managers, through the mediating variables of job competence and job impact. Training had a stronger effect on employee service recovery through job competence ($\beta=0.084$, $p=0.063$) than through job impact ($\beta=0.054$, $p=0.088$). The overall total indirect effect of training on SRP was positive and significant ($\beta=0.094$, $p<0.001$). On the other hand, reward did not link with job

competence. Instead, rewards indirectly linked to SRP through job impact in a positive and significant way (β=0.071, p<0.05).

Boxall et al. (2011) also found that, in relation to the HRM-performance relationship, HR practices and, in particular, training, had a positive relationship with empowerment. Also, as indicated by Peccei and Rosenthal (2001), employee training positively links with job autonomy and indirectly influences service behaviour. Spreitzer (1996) and others (Ro & Chen, 2011; Seibert et al., 2011) have suggested that HR practices such as training, pay and rewards are positively related with higher levels of psychological empowerment. For instance, training can directly influence the skills and knowledge of employees and enhance their competence, which in turn is connected to their job impact (Seibert et al., 2011).

As indicated in Chapter 3 (section 3.4), training as well as rewards are consistently adopted as HR practices across hotels sectors in different countries (e.g. Ahmad & Scott, 2013; Davidson & Wang, 2011; Hoque, 1999a; Knox & Walsh, 2005; Luo & Milne, 2014). Training can positively influence service quality, and can reinforce the behaviour, skills, and attitude of customer service employees (Chen & Tseng, 2012; Tsaur & Lin, 2004). From the initial interviews it was understood that considerable resources were expended in the hotel sector on training as a basis for employee skill development to meet required service standards. Effective training creates a flexible workforce to meet seasonal variations in customer demand. As expected, this study's results show a positive relationship between training and SRP.

From the interview data, managers suggested that employee rewards such as monthly service charges and performance bonuses could be directly linked to customer service. Extrinsic

monetary rewards were positively related to employee service performance, in terms of how they handled service recovery. "The rewards I receive are linked to providing exceptional customer service" is a contextualised question item used in this scale. Due to workers' low income levels in the economic conditions in Sri Lanka, high inflation and income discrepancies, monetary rewards are a highly relevant incentive for operational-level workers for enhancing performance.

HRM-job satisfaction relationship (H5a and H5b)

My study findings show that employee-perceived job competence had a positive effect on employee job satisfaction and was a significant mediator in the chain connecting HR practices to job satisfaction. Through the mediating effect of job competence, training was shown to have a strong influence on job satisfaction (β=0.139, p<0.05) whereas rewards had a non-significant effect on job satisfaction. From the interview data, it was revealed that hotel jobs are not very popular and one reason for that is low pay. Even though the service workers' pay consisted of a substantial amount of service charges, these service charges vary with the seasonal customer demand. Findings indicated a non-significant relationship between employee-perceived rewards and job satisfaction.

One type of employee well-being is happiness, which focuses on subjective experiences at work (Van De Voorde, Paauwe, & Van Veldhoven, 2012). Previous research uses job satisfaction as a measure of happiness in the workplace context (Bryson, Forth, & Stokes, 2014; Kooij et al., 2013). Research on HRM and organisational performance and well-being shows the positive impact of HRM on both workers and organisations, where both parties mutually benefited. Therefore, this stream of research is called 'mutual gain perspective' (Van De Voorde, Paauwe, & Van Veldhoven, 2012).

Job satisfaction is the employee wellbeing variable in my thesis: it measures mutuality, i.e. whether HR practices are mutually benefiting for the hotel and the employees. Training is one such practice that brings mutual benefits for both parties. As indicated by Guest (2017) "enhancing competence through training and development and providing a sense of an attractive career future contribute to a feeling of security and aid development of self-efficacy, an important antecedent of well-being" (p.30). My study provides evidence that training can enhance employees' abilities (job competence), enhance opportunities to perform (job autonomy and job impact), and in turn positively affect job satisfaction and SRP. In the mutual gains perspective, both employees and employers benefit from training, the former from their well-being (job satisfaction), and the latter from the hotel's SRP.

The multiple mediation effects of HRM to performance through job satisfaction (H6c and H6d)

This contextualised study sought to understand the "black box" of HR systems in Sri Lankan hotels. The proposed research model investigated both the HRM-performance and the HRM-well-being relationships of two groups, service workers and supervisors. Further, the research model presented multiple mediation effects where it is argued that HRM is linked to SRP via the dimensions of empowerment and job satisfaction. Both the HR practices-empowerment relationship and the HRM-job satisfaction relationship were confirmed. However, employee-perceived job satisfaction was not being positively related to SRP. Wright and Cropanzano (2000) argue that "happy" workers may not always have high performance, because their findings indicated that employee-perceived job satisfaction did not significantly affect supervisor-rated job performance. My study analysis indicated that employee-perceived job satisfaction was not related to manager-rated SRP. Therefore, non-significant multiple mediation effects exist.

Key Finding 9: How does management style influence manager-rated SRP in the hotel context?

My findings show diverse relationships with management style, empowerment dimensions and SRP. Management style was found to have a significantly adverse effect on SRP through the mediating link of job impact (β=-0.044, p<0.05), but to have a positive effect through job competence (β=0.034, p<0.05). For service workers, support received from management in performing their jobs was found to be positively related to employee-perceived job competence and higher SRP. From the interview findings, it was indicated that hotel management is highly committed to superior customer service and that employees were given rigorous training. Therefore, it is not surprising to see a positive link from management style to job competence via the mediator related to SRP.

On theoretical grounds, HR practices and management behaviours do not perfectly overlap, as explained in 2.6.2. It is important to distinguish management style from HR practices (e.g. Boxall et al. 2011; Peccei and Rosenthal 2001; Purcell and Hutchinson 2007). Here, using an empirical study, by conducting exploratory factor analysis, and then confirmation and validation through confirmatory factor analysis, I show that HR practices and management behaviours are different constructs.

My study findings showed that line managers' behaviour positively relates to job competence but negatively relates to job impact. Further, the results indicated that management style had a negative effect on SRP, through the mediating link of job impact. What does this suggest? In low-autonomy jobs, line managers do not trust front-line workers with service recovery. In this standardised work setting, jobs are routine and repetitive. Sri Lanka is a high power-distance, hierarchical culture. An authoritative management style of coaching is commonly

seen in managing these routine jobs of service workers. Therefore, it was less likely that there would be high job impact at the service worker level. Also, the job impact scale received low ratings from the worker-level employees, with high variation between job levels. It is important to remember that the study sample was highly diverse, representing thirty hotels. I would therefore hesitate to make substantial interpretations based on these findings, as additional research and analysis may be necessary to clarify the true nature of this relationship.

8.2 Summary

The proposed research model investigated both the HRM-performance (SRP) and the HRM-well-being (job satisfaction) relationships of two groups, service workers and supervisors. Six main hypotheses, including 18 sub-hypotheses, were tested in this thesis and nine key findings have been presented in this chapter. The context-relevant HR practices of training were positively related to all three dimensions of empowerment, while employee-perceived rewards linked to job autonomy and job impact. Sri Lanka is a high power distance society with a hierarchical structure. This may explain the adverse effect of management style on job impact. Job level positively varies with job autonomy, job impact and SRP, and, in the eyes of the management, supervisors tend to engage in better service recovery than do workers. Only the job competence result in job satisfaction, while job autonomy was found to have a non-significant relationship with both outcome variables. However, both job competence and job impact has a positive effect on SRP. Employee-perceived job satisfaction does not have a significant effect on manager-rated SRP. Overall, these results indicate the value of measuring empowerment as a multidimensional construct, as the dimensions are related to predictors and outcome variables in different ways.

Chapter 9

Conclusion

This chapter begins by addressing the main research question and the contributions to the field of HRM and service management. Then, I summarise the practical implications and limitations of the study. The chapter concludes by indicating the significance of the study findings and suggesting future directions for research.

9.1 Conclusion of the main research question

Despite advances in technology, many services remain labour-intensive, and hotel service is a good example of this. Because of the transitory nature of the hotel service experience, it is of particular importance that customer service quality is maintained throughout. Excellent customer service can remain as a valued memory, which leads to return visits. Hotels highly value and encourage return visits of customers. Nevertheless, there can be service failures, as perfection is an impossible standard in service, particularly when high levels of human interaction are involved in service delivery (Bowen & Lawler, 1995). Extensive research evidence suggests that "service failures are inevitable, but dissatisfied customers are not" (Stefan, 2001, p. 20). Through proper service recovery, organisations can regain customer satisfaction and loyalty. If that is the case, how does human resource management (HRM) influence service recovery? To address this primary research question, a conceptual model was proposed that integrated the perspectives of HRM and service marketing in relation to service recovery. This model was tested in the context of service employees in three-to-five-star hotels in Sri Lanka. The main findings in my thesis are that HR practices enable employee job competence, job autonomy and job impact; thus, training, rewards, management style, job

competence and job impact are significant factors in better handling service failures and prompting problem resolutions in hotels.

Supervisors perceived that they had higher job autonomy and job impact, which in turn related to higher service recovery performance than did service workers. Employee-perceived management styles related negatively to job impact and, through this, to manager-rated SRP. A reason for this negative relationship may be the power distance observed in the cultural context of Sri Lanka. However, these hotel managers provided coaching and guidance to employees and were committed to cultivating a climate of superior service, which resulted in a positive effect on employee-perceived job competence, and, through this, to a positive effect on SRP. Also, the guiding nature of management style fostered positive job satisfaction among hotel employees.

In the hotel context of this study, HRM processes seemed to be highly structured and relatively standardised, yet there was room for personalised service for guests. Service failures in particular required prompt handling. Management placed more confidence in supervisory level employees than in workers for handling complaints. Compared to supervisory-level employees, workers were relatively more sanguine about the management style, which required following scripts. The support that workers received from management in fulfilling their employment roles led to a prediction of relatively high levels of job satisfaction among hotel employees.

Hotel work, in general, is associated with a workforce that is part-time, fixed-term or of a temporary nature, and is contingent upon seasonal demand and minimization of cost. These hotels were adopting organisational flexibility practices such as extensive training schemes and

rewards. Within the hotels, however, these practices were more formalised (e.g. standardised service charges). In general, the basic wage rate was low. Employees got a higher income during peak times, due to the seasonal nature of demand. In effect, two different types of HRM system were adopted for the two different categories of employees. At the service worker level, HR practices and management styles helped employees to follow script mandates and standards; they were not designed to empower, resembling the scripted model of HRM as indicated in Boxall et al. (2011). On the other hand, at the supervisory level, more empowerment was observed, and this type of empowerment led to better service recovery. There are subtleties and shades of grey in a continuum between the scripted model and the high involvement model. The higher empowerment of supervisory staff is probably one step towards high-involvement HRM. These results confirm that, in the case of this study, the empowerment dimension of job impact is related to SRP, as evaluated by the managers. Hence, we can conclude that a greater sense of empowerment in terms of job competence and job impact does predict service recovery performance in hotels.

9.2 Theoretical contributions

9.2.1 The conceptual model

As explained in Chapter 5, three main theories were used in the development of a conceptual framework and the hypotheses of the study. The concept of empowerment has evolved from several theoretical perspectives and, in this thesis, I have focused on psychological empowerment. Psychological empowerment is a multidimensional construct and three aspects of psychological empowerment (that is, job competence, job autonomy and job impact) are studied in detail. The AMO framework helps to understand HR systems, which directly influence employees' ability, motivation and creation of opportunities to perform. Despite the fact that this study has not measured the motivational aspect of the AMO framework, it

measures the ability and opportunity to perform through job competence, job autonomy and job impact. The AMO focuses on individual performance and provides the theoretical justification for the relationship between HR practices, empowerment dimensions and SRP. Self-determination theory (SDT) identified three needs which are the bases for intrinsic satisfaction and wellbeing: competence, autonomy and relatedness. SDT theory explains how empowerment dimensions link to job satisfaction. Based on this theoretical foundation, I argue that service employees' perception of HR practices is positively related to employee-perceived job competence, job impact and job autonomy, and is indirectly related to their SRP as rated by their managers.

The research model presented here is a unique contribution to study of the "black box of HRM". This might be the first study in the HRM literature to use service recovery performance as a DV and SRP reported by the managers. The prior studies of Boxall et al. (2011) and Peccei and Rosenthal (2001) used both job competence and job autonomy, while this study extends the empowerment domain by examining job impact, which turned out to make a significant contribution to SRP. This model presents a comprehensive test of empowerment theory by studying three dimensions of empowerment in a relatively standardised work environment, then linking the results to HR practices, performance, and satisfaction outcomes. The SRP helps to improve the service quality, while job satisfaction is an important aspect of employee well-being. My findings indicated that the empowerment dimensions of job competence and job impact had the greatest impact on the service recovery behaviour of employees. Further, in this model at lower levels, where the study sample involved the majority of service workers, job competence was more important in predicting job satisfaction than job autonomy. The findings showed that employee-perceived job satisfaction did not link to manager-rated SRP, whereas prior findings indicated either

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'positive' or 'no effect'. Clearly, longitudinal studies are required to measure the satisfaction and performance relationship.

9.2.2 Testing the assumptions of the AMO theoretical framework

Both the ability-motivation-opportunity (AMO) framework and empowerment theory provided the basis for formulating my conceptual framework. The 'O' variable, that is, the "opportunity to perform'' within the AMO framework, is directly linked to the two empowerment dimensions of job autonomy and job impact, and the "A" variable, 'ability', is associated with job competence. The opportunity aspect of the AMO model and the job impact dimension of empowerment are under-researched.

The results of this study confirmed that the employee-perceived HR practices of training related to job competence, and confirmed also that both training, as well as rewards, relate positively to employee-perceived job autonomy and job impact (opportunity to perform). Service recovery on the part of employees can be improved by the provision of the type of customer care, as well as implementing training that emphasizes skills, knowledge, and values, and the provision of extrinsic rewards directly linked with service recovery performance. Despite the fact that this study has not measured the motivational aspect of AMO, it does, however, measure the ability and opportunity to perform via job competence, job autonomy and job impact. Both job competence and job impact lead to SRP. Therefore, these findings are consistent with the arguments proposed in the AMO theoretical framework and the theory of empowerment.

9.2.3 Supporting and contributing to empowerment theory

The findings of this thesis support and extend empowerment theory in many ways. One of the theoretical objectives of developing the research model was to integrate and synthesise the antecedents and outcomes associated with psychological empowerment. The contextual antecedents of the HR practices of training and rewards are strongly related to the psychological empowerment dimensions. As predicted, I found that customer service training can produce a sense of job competence among employees, while customer service rewards had an influence on job autonomy and job impact. Both job competence and job impact relate to SRP; however, I found that job autonomy did not relate to either of the outcome variables. Job competence contributed primarily to the well-being domain (job satisfaction) and both job competence and job impact contributed primarily to the performance domain (SRP), consistent with Spreitzer et al. (1997). In my study, I found solid support for both the multidimensional conceptualisation of empowerment and empowerment theory. It was found that job competence and job impact dimensions acted as mediators in connecting employee-perceived HRM with manager-rated SRP and employee-perceived job satisfaction.

Overall, and consistent with prior studies (Kraimer, Seibert, & Liden, 1999; Liden et al., 2000; Peccei & Rosenthal, 2001; Seibert et al., 2011; Spreitzer et al., 1997), this study's results confirm the multidimensionality of psychological empowerment, as different dimensions are differently related to the employee outcome variables. Job competence, job autonomy and job impact were found to relate differently to the outcome variables of job satisfaction and performance. Job competence is positively related to employee-perceived job satisfaction, while job impact predicted employee service performance in terms of how to handle service recovery. Job satisfaction is studied as a measure of employee well-being and, therefore, as

suggested by empowerment theory, employee job autonomy can influence employee well-being.

One of the key arguments of empowerment theory is that when individuals are empowered they tend to perform better than those who are less empowered (Thomas & Velthouse, 1990). The findings of this research support this contention in two ways. The main contribution is that of the job level, which shows that higher empowerment results in improved levels of service recovery performance. Consistent with the prior studies of Ergeneli, Ari and Metin (2007) and Seibert et al., (2011) my study findings indicate that the degree of empowerment, varied with job level and higher job levels, involves greater autonomy and job impact. Using a sample of 457 customer service workers and 141 team leaders, this study confirms that higher the job level, the greater job autonomy and job impact that employees perceived, which in turn supported better SRP, while supporting and contributing to the empowerment theory.

My study, conducted in thirty hotels, focused on SRP and the job satisfaction of employees as the dependent variables. There is a theoretical dialogue between HR literature and service marketing literature, which was highlighted in the literature review chapters. The service recovery is how employees handle service failures, which depends on good HRM, and this study brings both HRM and service marketing concepts together. SRP helps to improve the service quality, while job satisfaction is an important aspect of employee well-being. Empirically, this thesis proves that the HR practices of training and rewards are indirectly and positively related with SRP through job competence and job impact (mediators of the conceptual model). The results show that HR practices and managerial style are important for job satisfaction and service-recovery performance. Further, the idea of studying service and well-being came to the forefront. It is important to understand this connection between service

and well-being, where customers would benefit from better service recovery while at the same time managers maintain employee wellness. Therefore, this thesis integrated HRM and marketing concepts, combining the theories of empowerment, AMO and SDT, in testing the hypotheses of the study.

9.2.4 Unique contribution on job level and SRP

The findings for job level are a unique contribution of this study. They show that job-level positively relates to job autonomy, job impact and SRP. This may be the first study to show the role of job level in relation to SRP. Empowerment theory has relevance for service recovery performance in this hotel sector but only if we appreciate the multi-dimensional nature of empowerment. The thesis suggests that empowerment is important in the hotel context but it is strongly related to the job level in the organisational hierarchy. The analysis of employee surveys and manager performance ratings of the SRP of employees revealed that the supervisory employees reported a higher degree of job autonomy and job impact, and were seen by managers as having a higher level of service recovery performance than service workers.

The research conducted on various occupational groups may have contextual effects and that "contextual effects can be both subtle and powerful" (Johns, 2006, p. 389). In my study "job level" can be a contextual factor that significantly affects four variables of the research model: management style, job autonomy, job impact and SRP. This study adopted context-relevant scales for the HR practices, management style and SRP. Context can be the reason for "study to study variations in the research findings" (Johns, 2006, p. 389). The prior studies of Boxall et al. (2011) and Peccei and Rosenthal (2001) show the positive relationship between management and supervisory style to empowerment variables in Australian and the UK study

contexts. However, this study demonstrated a negative relationship between management style and job impact, and also a negative indirect effect between management style and SRP via job impact. These negative relationships between management style and job impact may happen because of the contextual variation.

The dimensions of job competence, job autonomy and job impact represent the ability and freedom to perform; they influence the decisions that employees are expected to make within their employment roles. On the other hand, empowerment involves managers in delegating their decision-making authority and allowing employees more discretion in their work roles. The findings of the survey from both the qualitative and quantitative aspects indicate that the degree of job autonomy among service workers is low, with managers rating these workers as having a low level of service recovery. On the other hand, supervisors report a higher level of job autonomy and job impact compared to that of service workers. Engagement in discretionary behaviour is aimed at prompt responses to guests' service requests and the provision of faster solutions. The aim is to permit an increased amount of job autonomy that allows employees to engage in an increased amount of discretionary behaviour in their response to customer service needs, and to find faster solutions for service failures. When employees lack such autonomy they cannot engage in discretionary behaviour and it is this, in particular, that limits their service recovery performance. Therefore, worker-level job autonomy is low, and their SRP is also low when compared to that of their supervisors. However, in both groups job impact is positively related to SRP.

This thesis tested empowerment in a multidimensional way and teased out the different meanings of empowerment in a hotel context. The line managers rated the dependent variable of service recovery performance. Line managers rated higher the SRP of team leaders

compared to service workers. Why so? There is a fundamental difference in the level of authority that the team leaders have as opposed to the service workers. As indicated in Chapter 7 (Table 15), the team leaders perceived a greater degree of job autonomy and job impact compared to service workers. The job level makes a big difference to empowerment in the hotel context. Employees need to have more authority to deal with and recover from service failures, and this is pointed out for the first time in the HR research conducted in the hotel sector. Future research needs to focus on the relationship between job level and service recovery. It could be a feature of hotels generally, or it could be unique to Sri Lanka. We need to find this out, but this is a unique contribution of the study.

Variations in different contexts have important implications for empowerment theory and practice (Johns, 2006; Seibert et al., 2011). Contexual effects are rather under-appreciated, or often, unrecognised (Johns, 2006). In this study, I have endeavoured to understand the effect of job level on job impact, job autonomy and SRP, which is, potentially, a contextual effect, and to provide useful insights for future research.

9.2.5 Contextualisation and development of measures

In my thesis, the HR practices are contextualised based on the initial qualitative research. HRM research is context-dependent, therefore one fundamental principle in such research is that the independent variable should be contextualised. One should not assume that hotel practices in Sri Lanka are the same as those in the United States. The differences can be subtle and related to behaviour or stark and embedded in societal values. The importance of contextualization can be illustrated by the specific facts of this thesis. There is a clear difference in the nature of the workforce recruited in hotels. The workforce is clearly male-dominant. Calling a room attendant a "room boy" is a very patriarchal and aristocratic practice. It is important to

understand the power distance and hierarchical nature of the society. Different cultures have different attitudes to authority. In a western country calling someone a 'boy' is considered as insulting that person. Another important contextual factor is that the survey sample of this study consisted of 83% male employees. There is a negative image attached to the hotel sector compared to other service industries, and therefore female participation is very low. In Sri Lankan society hotels are not seen as a safe place for women to work in and they are, therefore, a male-dominated workplace. But this hypothesis needs to be empirically investigated in another study.

Another contextual difference in relation to HR practices is service charges and tipping. Some hotels had banned tipping due to the standardised service charges being passed on to employees as an additional payment. Tipping, in contrast, is perceived to be providing excellent customer service in a country like the USA, and tipping is a part of an elite culture in New Zealand. Although tipping is discouraged in the Sri Lankan context, the hotel management prefers to control this payment by charging a standardised service fee to customers and then redistribute it to employees. This is mainly because of the belief that, if tipping is allowed, then only front-office or restaurant workers will receive more income, which will be a disadvantage to some categories of employees who are working in back-offices. Relatively, hotel staff receive a lower wage rate; therefore, their compensation through standardised service charges is an important part of their income.

To assess service recovery performance, prior researchers have used the scale developed by Bosoff and Allen (2000) with modifications mainly by dropping items (e.g. Michel and Ashill, 2010; Karatepe, 2012; Ashill, Carruthers and Krisjanous, 2006). Studies made it clear that the original scale is modified to suit context-dependent data. In my study, using qualitative

interviews, new items were added to the existing scale and conceptualised the SRP construct clearly and thoroughly to create a valid measure with multiple items relevant to the study context. The rationale behind developing scales was to have more contextualised measures.

Conducting a qualitative study and developing context-specific scales are important contributions to this study. These HR variables have been defined in a context-specific way. These scales are specifically developed for the Sri Lankan hotel context and validated using the split-sample method. Therefore, another researcher can use these scales in the same context or for a closely similar context. Findings can only be generalised to the hotel context in Sri Lanka and to closely similar hotel contexts.

9.2.6 Methodological Strengths

In terms of the methodology adopted, and consistent with prior research work on HRM (Boxall et al., 2011; Peccei & Rosenthal, 2001), this study contributes in the following ways: (1) identifying target employee groups; that is, non-managerial employees representing workers and supervisors, rather than assuming that all employees should be managed in the same way; (2) context-relevant scales were developed by conducting initial interviews with hotel management, rather than by adopting "a single respondent and a generic set of best practices" (Boxall et al., 2011, p. 26); (3) surveying HRM scales were developed through the interviews with management and tested on employees as "the effectiveness of individual HR practices is best studied by asking the intended recipients – the employees" (Boselie, Dietz, & Boon, 2005, p. 71) and assessing empowerment and job satisfaction through the employee data; (4) evaluating the outcome variable, SRP, through their managers, thus avoiding common method biases in self-reported data; (5) using two phases of data collection through interviews and a survey; (6) the value of measuring the different aspects of empowerment as

a multi-dimensional construct; and (7) adopting a latent factor model to avoid measurement errors (Cheung & Lau, 2007) and testing measurement invariance to conduct cross-group comparison (Cheung & Rensvold, 2002). Measurement invariance results are important in establishing the conceptual equivalence of the variables of the model. This is an original methodologial contribution and, as mentioned above, most scales are context-dependent and were developed for this study. Also, MI results provide justification for comparing group differences in latent means. By applying these methodological points, the study ensures its validity and the reliability of the study findings.

9.3 Practical implications of study findings

This study seeks to understand the "black box" of HRM and its mediators in the hotel context of Sri Lanka. In this relatively standardized work environment, compliance with a scripted mandate is essential for assisting employees in the delivery of service and the handling of complaints. The tangible side of the service offered in hotels is its accomodation, its food, and the physical environment it provides. However, it is the intangible service aspects which dominate. The hotel stay is an "experience" for guests. Luxury hotels have personalized their service through the choice of customized offers, where guests are given a number of choices. Therefore, it is not surprising to say that employee empowerment does play a useful role in this context, particularly in cases of service failure and recovery.

There is another observation that is critical to the findings of this research; that is, the role that managers play in this context. The perceived employee management style is related negatively to job impact and has a negative effect on SRP through this mediator. This is also connected to the cultural dimensions of power distance; managers have more power and are very influential in the hotel context. Employees are perceived to have a low level of authority and

a standardized work routine is practiced in this context for the workers. Hotel managers exercise structured work procedures for the workers.

At the heart of the concept of empowerment is involvement in decision making. This hotel context is not a very empowering model in terms of job autonomy. The hotel employees have a very low level of authority to make decisions, and they need to refer it to their supervisors. As indicated in interviews with management, anything related to money needs to be referred to their line-managers, as management only has the authority to spend hotel money. Hence, the hotel context resembles a scripted HRM model (Boxall and Purcell, 2016). Extensive training, job rotation, and multiskilling are practiced in these hotels. However, service workers can be multi-skilled without having empowerment in their jobs. Service workers occupy low autonomy roles and compliance with a scripted mandate is essential for assisting employees in the delivery of service and the handling of complaints.

Employees' knowledge of the service standards and the service delivery system are essential, as indicated by Peccei and Rosenthal (2001). It is this knowledge that enables employees to inform customers of the reasons why a service failure has occurred and what can be done to rectify such a situation. In addition, the acknowledgement of service failure, including the provision of information, can mitigate the failure to a certain extent. Standardised responses or actions can be used in some cases. However, in most instances, a response must be personalised to the specifics of the incident. Employee training to develop a repertoire of responses is useful for handling service failure situations, as indicated by Bitner et al. (1990). However, not only should the employees be taught ordered procedures to be followed in certain types of situations (scripts), but they should also receive instructions with regard to the necessary information required for managing different types of service encounters and

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then be allowed to select from the choices offered. The findings of my study indicate that effective service management requires an understanding of the types of behaviour patterns that are required of employees in order to achieve satisfactory service encounters and then to train, motivate, and reward employees in order to encourage them to achieve these goals.

After a service failure, the service provider has an opportunity to correct the mistake (Gronroos, 1988). For instance, during the service processes of a hotel, a customer goes through various service steps, starting with the reservation at the hotel and ending with checking out from the hotel. If a service failure occurs during this process, then the service provider has an opportunity to address that service issue. For example, the hotel staff can actively contact the guest in order to rectify the mistake, or at least explain why things went wrong and offer apologies. Prior research indicates that service failure and recovery encounters provide a critical opportunity for a "moment of truth" through which the service organisation can rebuild its relationship with the customer (Maxham & Netemeyer, 2002; Smith & Bolton, 1998).

This study's findings confirm that, even within the standardised and low-skill context of hotels, adopting HR practices that enhance employee job competence and job impact can have a positive impact on the service recovery of hotel employees. Training is effective for the employees, as they feel more competence in their job. Job autonomy and job impact result in increased responsibility; therefore it links with the reward systems in these hotels. Hotel managers exercise structured work procedures for the workers. In the cultural context of Sri Lanka, the design of the jobs of customer service employees provides a small degree of autonomy for them to be able to handle service failures and service recovery.

9.4 Limitations of the study

Most of the operational employees came from local areas and, having already completed their school education, their level of English knowledge was inadequate for understanding the English version of the questionnaire. Therefore, the questionnaires were translated into the predominant local language (Sinhalese) and then translated back into English. In such cases, certain linguistic issues may have arisen. Some of the survey scales (empowerment) were adopted to the Sri Lankan context. However, conducting a pilot study helped to minimize these problems by enabling the editing of certain inaccurate translations.

This study is cross-sectional. Therefore, it cannot examine the causal nature of relationships between variables. Hence, longitudinal research is required to determine the causal direction between variables. There can be instances where the direction of causality can be reversed: for example, SRP can influence the job satisfaction of individuals. Cross-sectional studies were carried out only at a single time point. Longitudinal studies allow us to measure the individual level of change, i.e. by asking the same person at a different point in time, which shows how individual attitudes have changed or remain unchanged. If we measure the construct once, we cannot tell whether, for example, their job satisfaction caused them to make a better service recovery or whether service recovery leads to job satisfaction. We can only measure the relationship between these two variables. By talking to the same people every year, researchers can observe which event happened first, and so can draw out the causal relationship between job satisfaction and performance. Future research needs to focus in greater depth on longitudinal studies of job satisfaction and performance.

Even though three aspects of psychological empowerment have been studied in detail, thinking in wider terms, there is one area that could be added to the area of psychological empowerment;

this is the 'meaning' dimension of psychological empowerment, which has not been addressed in this study. Prior researchers (e.g. Peccei and Rosenthal (2001) and Boxall et al. (2011)) only used the dimensions of job autonomy and job competence as the most relevant dimensions of empowerment. Sprizer (1997) suggested that both the job competence and meaning dimensions are highly related, and Gazoli (2010) conceptualised both dimensions as having task meaningfulness. Therefore, consistent with the prior literature, this study chooses three dimensions of empowerment.

In this study, scales were developed for the independent variables - HR practices and management styles - based on interview data and referring to prior literature. The factor analysis resulted in excluding the performance evaluation variable, which is another limitation. As indicated in Boxall et al. (2011), the item reduction has reduced the measurement of the entire HRM system. The scale development has its own barriers such as validating the scales and ensuring the construct validity of the performance evaluation scale. All the scales that were used in the final research model have been validated using a split sample and avoided sample-specific reliabilities. Therefore, scales developed in this study can be generalised to an independent sample. The initial sample (625 employees in 30 hotels) was large enough to validate the scales using the split-sample method.

There are a wide range of antecedents that can be present and can affect service recovery, which is a broad concept that can be explored from the perspectives of both customer and employee, as well as in terms of organisational level factors, such as operational procedures, delivery processes (Michel et al., 2009) and leadership style (Wen-Bao, 2011). I investigated the service recovery performance of the employees, and the primary research question provided the basis for the conceptual framework and the choice of study variables. In this

study, most of the theoretically and statistically relevant and justified empowerment dimensions and context-relevant HR practice variables were included in the model. Certain HR practices were excluded from the analysis due to poor factor loadings and limitations in the scale development processes. Also, job satisfaction was found to be non-significant in terms of manager-rated SRP. Therefore, a relatively small variance in SRP (13.7%) is explained by the DV in the conceptual model, although other outcomes variables explained a greater variation in the present model (job satisfaction 26.2%, job autonomy 22.9%, job competence 18.2% and job impact 17%).

9.5 Significance of the study findings and future directions

This study contributes to our broader understanding of HRM theory and practice. It first contributes by testing hypotheses derived from the theoretical framework encompassing the theories of empowerment and AMO. The conceptual framework proposed in this research integrated and tested these theories, and the findings demonstrate the value of the AMO framework and empowerment theory. Second, the conceptual framework investigated both HRM-performance and HRM-well-being relationships by using SRP and job satisfaction. This may be the first study that has investigated the effect of job level and its impact on job autonomy, job impact and SRP, and how these relationships vary in relation to two job levels, using multi-level data. Further, the empowerment dimensions were measured using responses from two categories of workers, and the performance dimension was reported by the managers. Both HRM performance and HRM well-being relationships were examined.

Second, this study used interview data, and based on these interview data, survey scales have been developed following the previous researchers Boxall et al. (2011) and Peccei and Rosenthal (2001). Therefore, this study reported contextual findings as well as generalised

findings. One of the context-relevant findings is that job autonomy is not so important among these hotel service workers. The reasons might be: having strong power distance, the authoritative coaching style of the managers, and the positive association of job autonomy and job level, where supervisors perceived having higher autonomy than service workers. Job autonomy did not predict either job satisfaction or SRP. However, the three HRM variables for training, rewards and management styles explained 22.9% of the variance in the job autonomy variable. Further work should be done to explore job autonomy and to identify its effects on job satisfaction and SRP in different cultural contexts.

Third, consistent with the previous literature, my study confirmed that the empowerment aspects of job autonomy and job impact vary with the job level. This may be the first study that measures job level and service recovery performance in a standardised service context. These findings indicate the importance of empowerment in the service recovery process. In the Sri Lankan hotel context, to recover the service failures, employees need to have job competence and they should be able to exercise an influence on work unit outcomes, which is represented through job impact. Job competence is a universal construct in terms of both Sri Lanka and other studies (e.g. Sprizer, 1997), which showed similar results and relationships to work effectiveness. Also, in relation to STD theory, this study reports that, among the lower level employees, it is job competence that predicts job satisfaction, with job autonomy having a less important role in these routines and in the repetitive nature of the jobs.

Fourth, the relationship between employee-perceived job satisfaction and manager-rated SRP showed a non-significant effect. As indicated in the literature review and Chapter 5 (section 5.4), the nature of the relationship between satisfaction and performance can vary from study to study. Further, there are different ways of specifying this relationship. As indicated by Judge

et al. (2000), there can be a causal relationship where job performance can cause job satisfaction and can be reciprocally related. Boshoff and Allen (2000) indicated that SRP could cause job satisfaction. Judge et al. (2000) noted that there can be other factors that affect this relationship such as the complexity of the job, and occupational categories which can affect this relationship. More longitudinal studies could result in an accurate measurement of the relationship between job satisfaction and performance.

Fifth, due to service failures, the business could lose the economic benefits of positive comments and customer loyalty. For instance, comments on social media sites such as Trip Advisor and Trivago can heavily affect business promotion, which may affect business growth. Sri Lankan hotels highly value the awards from Trip Advisor and other social media sites and acknowledge that these positive comments in the social media can promote their businesses. The goal of service recovery is satisfying complaining customers in order to not lose them, and in fact, to retain and enhance their loyalty, appreciation and satisfaction. Future research should focus on comparisons of the perceptions of the manager, customer, and the contact employee in critical incidents occurring during service encounters and on their specific role expectations.

Finally, I conducted a comprehensive literature review and identified certain gaps in the existing literature with regard to HRM in the hotel sector. As contextualisation is crucial to studies of HRM (Boxall & Macky, 2009), initial qualitative interviews were conducted and context-relevant scales were developed for HR practices and managerial styles in the study context, and context-relevant questions were added to service recovery scale. Then, a comprehensive statistical analysis was conducted with multilevel data, controlling for the nested effects. To avoid measurement errors, all study variables were analysed as latent

constructs. Three distinct dimensions of empowerment provided a clearer understanding of the applicability of empowerment in terms of competence and the freedom to perform in the service setting. Because this research was conducted in thirty international hotels with 625 employees and 104 managers, the findings may be generalised to the hotel industry in Sri Lanka and possibly in other countries.

9.6 Conclusion

This thesis tells a subtle story in relation to the hotel employees in Sri Lanka. Empowerment theory has relevance for service recovery performance in this hotel sector, but only if we appreciate the multi-dimensional nature of empowerment. The workers who are more competent are likely to perform better at SRP, and it is not necessarily workers who have more autonomy. Sri Lankan hotel context was hierarchical in structure; there was greater job influence in higher level jobs in the hierarchy, which therefore played a greater role in service recovery performance. Job autonomy and job impact was strongly related to the job level in the organisational hierarchy. There was a strong relationship between job impact and SRP. Therefore, this thesis suggests that empowerment is important in this hotel context. This study underlines the relevance of the specific context in studying empowerment and HRM.

Appendix 01

Final scales of HR practices and management style after exploratory factor analysis

(1) Training Scale

	SD						SA
I received customer service training before I came into contact with customers	1	2	3	4	5	6	7
I receive continuous training on customer service	1	2	3	4	5	6	7
I have been trained to handle customer complaints	1	2	3	4	5	6	7
My hotel identifies its training needs by examining customer complaints	1	2	3	4	5	6	7
Rotating in different hotels with in the group helps me to improve my customer service (removed after EFA)	1	2	3	4	5	6	7

(2) Performance Evaluation Scale (Removed after EFA)

	SD						SA
My performance evaluation helps me to understand what good customer service is	1	2	3	4	5	6	7
The importance of customer service is emphasised in my performance evaluation	1	2	3	4	5	6	7
My competencies in customer service are evaluated by my boss	1	2	3	4	5	6	7
My boss's regular feedback helps me to improve my service performance	1	2	3	4	5	6	7

(3) Rewards Scale

	SD					SA
I am rewarded for serving customers well	1	2	3	4	5	6	7
I am rewarded for handling customer complaints effectively	1	2	3	4	5	6	7
The rewards I receive are linked to providing exceptional customer service	1	2	3	4	5	6	7

(4) Statements on managerial behaviour scale

	SD					SA
My boss recognises me for providing good service to customers	1	2	3	4	5	6	7
My boss shows me how to provide a good customer service	1	2	3	4	5	6	7
My boss offers new ideas to improve customer service	1	2	3	4	5	6	7
My boss is an example of good customer service in his/her daily job	1	2	3	4	5	6	7
My boss is genuinely committed to customer service	1	2	3	4	5	6	7
The management team in my hotel sets a personal example of good customer service (removed after EFA)	1	2	3	4	5	6	7
My boss encourages me to take prompt action to solve customer problems	1	2	3	4	5	6	7

Appendix 02: Ethics Approval, Interview Schedule and Questionnaires

Office of the Vice-Chancellor
Finance, Ethics and Compliance

The University of Auckland
Private Bag 92019
Auckland, New Zealand

Level 10, 49 Symonds Street
Telephone: 64 9 373 7599
Extension: 87830 / 83761
Facsimile: 64 9 373 7432

UNIVERSITY OF AUCKLAND HUMAN PARTICIPANTS ETHICS COMMITTEE (UAHPEC)

10-Jun-2014

MEMORANDUM TO:

Prof Peter Boxall
Management & Intl Business

Re: Request for change of Ethics Approval Ethics Approval (Our Ref. 010565): Amendments Approved

The Committee considered your request for change for your project entitled **Human Resource Management and Service Recovery in the Hospitality Sector** and approval was granted for the following amendments on 10-Jun-2014.

The Committee approved the following amendments:

1) To proceed with the second round of data collection using the questionnaires.

The expiry date for this approval is 27-Dec-2016.

If the project changes significantly you are required to resubmit a new application to the Committee for further consideration.

In order that an up-to-date record can be maintained, it would be appreciated if you could notify the Committee once your project is completed.

The Chair and the members of the Committee would be happy to discuss general matters relating to ethics approvals. If you wish to do so, please contact the UAHPEC Ethics Administrators at ro-ethics@auckland.ac.nz in the first instance.

Please quote reference number: **010565** on all communication with the UAHPEC regarding this application.

(This is a computer generated letter. No signature required.)

UAHPEC Administrators
University of Auckland Human Participants Ethics Committee

c.c. Head of Department / School, Management & Intl Business
    Prof Peter Boxall

Human Ethics Amendment Request Form   Complete

PROTOCOL

Protocol Number: 010565

Current Title: Human Resource Management and
                                        Service Recovery in the Hospitality
                                        Sector

Current Principal Investigator (PI):

Associated Department: * Management & Intl Business

Note: Only the PI can submit these Amendments to the existing protocol. If they are no longer available,
then a delegate of the PI will need to be setup. Please contact researchoffice@auckland.ac.nz.

FORM VERSION

V 1.2   **12/07/2013**

SECTION A: Description

A:1 Proposed Title (if different from current):

*** A:2 Summary of changes – please provide a numbered list of the proposed changes and how these
changes vary from the approved application(s). (max 2000 characters including spaces).**
Amendment (1) Submitting the questionnaires as indicated in our initial ethics
application

The researcher (Gayani Hewagama) has successfully completed the first phase of
data collection and all the participating hotels have agreed to the second phase
of data collection through questionnaires. The CEO or a Senior Manager has
signed the consent form provided by the researcher and have given their
consents as the initial contact of data collection.
After the preliminary interviews, the questionnaires were finalized. Please note
that there are two questionnaires; one for the employees of the department and
another for the department managers. The same approved PIS and consent
form will be used for both questionnaires. We will be investigating the front-line
employees' service quality and recovery as the outcome variables of this study.
The questionnaire given to the employees is to get their view on service quality,
recovery and other variables, as indicated in our initial ethics application. Then
their department managers will be requested to fill the second questionnaire,
which contains a similar set of questions that ask about their opinion with respect
to service quality and recovery of each staff member. The identification number
will be used to pair the questionnaires together for the data analysis. The
Physical data collection procedure is same as indicated in our memo dated 18th
Dec 2013. The employee's questionnaire will be administered first, and after
collecting those questionnaires by the researcher, the questionnaire for managers
will be distributed.

The questionnaires have translated to Sinhala by the researcher, Gayani
Hewagama, whose native language is Sinhalese.

We seek your approval to proceed with the second round of data collection.

(As below, please note there as there is no option to upload more than one
document, we have uploaded four documents as one, in order, "Final
Questionnaire English version.docx", "Final Questionnaire Sinhala version.docx,
"Managers Questionnaire English version.docx" and finally "Managers
Questionnaire Sinhala version.docx". If there is an issue with this, please reply
immediately."

If more space is required, please attach a more detailed description of the amendment which allows the
Committee to assess its significance.

Files of the following formats can be uploaded: .doc, .docx, .xls, .xlsx, .pdf, .jpg

* A:3 Are personnel being added, removed or the PI changed as part of this Amendment?
Yes ☐ No ☑

* A:4 Are any supporting documents (such as a PIS) being modified as part of this Amendment?
Yes ☐ No ☑

PROJECT TITLE: Human Resource
Management and Service
Recovery in the Hospitality Sector
Researcher: Gayani Hewagama
Supervisor: Professor Peter Boxall

Data collection will be conducted in the form of semi-structured interviews. The questions that are planned for the interviews are listed below. However, please note that because follow-up questions may depend on answers, it is not possible to present a complete inventory of all the questions that might be asked in the interviews.

Recruitment and Selection

1. What kind people do you hire?

2. How do you recruit and select frontline staff?

Training and career development

3. What are the training do frontline employees have?

4. What are the promotion opportunities for frontline staff?

Performance Evaluation

5. What do you consider as good performance?

6. What are the qualities do you see in a good performer?

Rewards and Benefits

7. How do you encourage good performance?

8. What are the employee rewards and benefits given to frontline staff?

Service failures and recovery

9. What are the incidents of service failures?

10. How does frontline staff handle these service failure incidents?

PARTICIPANT INFORMATION SHEET

Title of the Project: "Human Resource Management and Service Recovery in the Hospitality Sector"

Dear Participants,

I am Gayani Hewagama, the researcher for this project. I am a PhD candidate, at the Department of Management and International Business, The University of Auckland Business School, New Zealand. I am under the supervision of Professor Peter Boxall, a Professor of Management in The University of Auckland Business School. Also, I am senior lecturer at University of Kelaniya, Sri Lanka.

Research Project Description and Initiation

The main objective of this study is to increase our understanding of how frontline employees are managed in the hospitality sector in Sri Lanka and how this relates to service recovery. Service recovery refers to the actions taken by an organization in response to a service failure. Further, this study will investigate the societal and industry contexts of Sri Lankan hotels and identify the nature and range of HR practices and managerial behaviours used to manage service recovery in this setting.

I would like to invite you to participate in this research project. Your participation in this study is voluntary basis.

Research Procedure

- The data will be collected using questionnaires
- Questionnaires will be numbered and identification is necessary for the research purpose only.
- The CEO or Senior Management (or equivalent) of your organization has given the assurance that your participation or non-participation in this research project will not affect your employment status.
- All information provided in the questionnaire will be kept confidential by the researchers.

- You are also offered the opportunity to receive a summary report of the overall findings at the end of the project.

Data Storage / Retention / Destruction / Future use

Any information provided through the questionnaires and interviews will only be used for the purposes of this research. This information will be kept in a locked cabinet in New Zealand, and its location will be known only to the researchers. After six years all original data (in paper or digital format) will be destroyed and transcription files permanently erased. Data will be also deleted from any electronic storage media used to retain original data (e.g. USB flash drives).

The findings will be used as a part of a PhD thesis and may also be reported in academic publications in the form of journal articles, book chapters and conference proceedings.

Confidentiality

The identity of the individual participants and the organisations in this study will be kept strictly confidential. You and your organisation will remain strictly confidential and will not be identified in any publications resulting from this research.

Thank you very much for your time and help in making this study possible. Your participation in the research would be greatly appreciated. There is a consent form attached to this information sheet. If you wish to take part in this research, please sign the consent form provided. Please keep this information sheet for future reference.

Please feel free to ask any questions you might have relating to the study. My contact details are provided below.
New Zealand Contact
Gayani Hewagama
Department of Management and International Business,
The University of Auckland Business School, New Zealand.
Email: g.hewagama@auckland.ac.nz

Sri Lanka Contact: Gayani Hewagama, 55/19 Vidarshana Mawatha, Galawila watta, Homagama. Tel: +94 112 855798

It will take about 20 minutes to complete this questionnaire. Please complete the questionnaire and place it in the envelope provided, which is addressed to me:
> Gayani Hewagama,
> 55/19 Vidarshana Mawatha,
> Galawila watta,
> Homagama

Please return the questionnaire to me within 7 days

Supervisor: Professor Peter Boxall, Department of Management and International Business, The University of Auckland Business School, New Zealand.
For any queries regarding ethical concerns you may contact:
The Chair, The University of Auckland Human Participants Ethics Committee, The University of Auckland, Research office, Private Bag 92019, Auckland 1142.
APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIAPNTS ETHICS COMMITTEE ON 21/10/2013 FOR (3) YEARS, Reference Number 010565

Department of Management and International Business
The University of Auckland Business School
Level 4
Owen G Glenn Building
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Auckland
New Zealand
Telephone: +64 9 923 7154
The University of Auckland
Private Bag 92019
Auckland, New Zealand

Consent Form

Title of the Project: "Human Resource Management and Service Recovery in the Hospitality Sector"

I have read the Participant Information Sheet and I understand the nature of the research, why I have been selected and what is expected of me.

- I have had the opportunity to ask questions and have them answered to my satisfaction.
- I agree to take part in this research.
- I understand that the CEO or Senior Management (or equivalent) of my organization has given the assurance that my participation or non-participation in this research project will not affect my employment status.
- I wish / do not wish to receive the summary of findings (Circle your decision). If you wish to receive a summary of findings please provide your email …………………………………………..
- I understand that questionnaires will be numbered and identification is necessary for the research purpose.
- I understand that all information provided in the questionnaire will be kept confidential by the researcher.
- I understand that I will not be identified in any publications resulting from this research.
- I understand that all data will be kept for 6 years, after which they will be securely destroyed.

Name: _____

Signature:_____ Date:_____

APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIAPNTS ETHICS COMMITTEE ON 21/10/2013 FOR (3) YEARS, Reference Number 010565

The following section contains number of statement relating to your job in the hotel. Please respond to each of these statement using the following scale and circle the most relevant number.

1=Strongly Disagree (SD) ……………………………… 7=Strongly

Service Quality

		SD						SA
1	When I promise to do something by a certain time, I do so	1	2	3	4	5	6	7
2	I show sincere interest in solving our customers'* problems	1	2	3	4	5	6	7
3	I perform service right the first time	1	2	3	4	5	6	7
4	I provide accurate information to our customers	1	2	3	4	5	6	7
5	I provide prompt service to our customers	1	2	3	4	5	6	7
6	I am always willing to help our customers	1	2	3	4	5	6	7
7	I am never too busy to respond to our customers' request	1	2	3	4	5	6	7
8	My behaviour instils confidence in our customers	1	2	3	4	5	6	7
9	I can be trusted by our customers	1	2	3	4	5	6	7
10	I am consistently courteous to our customers	1	2	3	4	5	6	7
11	I have the required knowledge to answer our customers' questions	1	2	3	4	5	6	7
12	I give individual attention to our customers	1	2	3	4	5	6	7
13	I always think of the best interest of our customers	1	2	3	4	5	6	7
14	I understand the specific needs of our customers	1	2	3	4	5	6	7
15	Overall I am satisfied with my service performance	1	2	3	4	5	6	7

*Customers are the guests of the hotel

Service Recovery

		S D						S A
1	I handle dissatisfied customers well	1	2	3	4	5	6	7
2	I don't mind dealing with complaining customers	1	2	3	4	5	6	7
3	During a service failure, I admit there is a problem	1	2	3	4	5	6	7
4	I apologise for poor service	1	2	3	4	5	6	7
5	No customer I deal with leaves with problems unresolved	1	2	3	4	5	6	7
6	Satisfying complaining customers is a thrill to me	1	2	3	4	5	6	7
7	Complaining customers I have dealt with in the past are among today's most loyal customers	1	2	3	4	5	6	7
8	During a service failure I am given authority to take actions quickly to solve customer complaints	1	2	3	4	5	6	7
9	Overall I am satisfied with the way I handle customer complaints	1	2	3	4	5	6	7

Organisational Commitment

	S D					S A
I would be very happy to spend the rest of my career with this organisation	1	2	3	4	5	6	7
I enjoy discussing my organisation with people outside it	1	2	3	4	5	6	7
I really feel as if this organisation's problems are my own	1	2	3	4	5	6	7
I do not feel 'emotionally attached' to this organisation	1	2	3	4	5	6	7
I do not feel 'part of the family' at my organisation	1	2	3	4	5	6	7
This organisation has a great deal of personal meaning for me	1	2	3	4	5	6	7
I feel a strong sense of belonging to my organisation	1	2	3	4	5	6	7

Job Satisfaction

	S D					S A
All in all, I am satisfied with my job	1	2	3	4	5	6	7
In general, I like my job	1	2	3	4	5	6	7
In general, I like working here	1	2	3	4	5	6	7
I am thinking of searching for another position with another organisation	1	2	3	4	5	6	7
I often think of leaving the organisation within the next year	1	2	3	4	5	6	7

	EMPOWERMENT	S D						S A
1	The work I do is very important to me	1	2	3	4	5	6	7
2	My job activities are personally meaningful to me	1	2	3	4	5	6	7
3	The work I do is meaningful to me	1	2	3	4	5	6	7
4	I am confident about my abilities to do my job	1	2	3	4	5	6	7
5	I am self-assured about my capabilities to perform my work activities	1	2	3	4	5	6	7
6	I have mastered the skills necessary for my job	1	2	3	4	5	6	7
7	I have significant autonomy in determining how I do my job	1	2	3	4	5	6	7
8	I can decide on my own how to go about doing my work	1	2	3	4	5	6	7
9	I have considerable opportunity for independence and freedom in how I do my job	1	2	3	4	5	6	7
10	My impact on what happens in my department is large	1	2	3	4	5	6	7
11	I have a great deal of control over what happens in my department	1	2	3	4	5	6	7
12	I have significant influence over what happens in my department	1	2	3	4	5	6	7
13	I am encouraged to handle customer problems by myself	1	2	3	4	5	6	7
14	I do not need to get management approval to handle customer problems	1	2	3	4	5	6	7

Compliance Behaviour

		S D					S A	
1	I follow the complaint handling procedures given by the hotel	1	2	3	4	5	6	7
2	I follow the standards of my hotel for customer service	1	2	3	4	5	6	7
3	I follow the instructions given by my superiors in service delivery	1	2	3	4	5	6	7
4	I always conform to the instructions given in my job description/ duty list	1	2	3	4	5	6	7
5	I work as quickly and efficiently as possible	1	2	3	4	5	6	7
6	If I am asked to work after my shift, I am happy to do so	1	2	3	4	5	6	7

The following statements are on your hotel's Human Resource Practices

(5) Orientation

		SD						SA
1	I was given a general induction to the hotel	1	2	3	4	5	6	7
2	I have read and understood the employee hand book	1	2	3	4	5	6	7
3	I was given a departmental induction before I started my work	1	2	3	4	5	6	7
4	The induction helped me to understand the values and the mission of the organisation	1	2	3	4	5	6	7
5	During the induction process, my job duties were explained to me by my superior	1	2	3	4	5	6	7
6	The induction process helped me to understand my duties within the organisation	1	2	3	4	5	6	7

(6) Training and Development

	SD					SA
I received customer service training before I came into contact with customers	1	2	3	4	5	6	7
My supervisor gave me on-the-job training during my first six months in the hotel	1	2	3	4	5	6	7
I receive continuous training on customer service	1	2	3	4	5	6	7
I have been trained to handle customer complaints	1	2	3	4	5	6	7
My hotel identifies its training needs by examining customer complaints	1	2	3	4	5	6	7
Rotating in different hotels with in the group helps me to improve my customer service	1	2	3	4	5	6	7
Training helps me to progress in my career	1	2	3	4	5	6	7

(3) Performance Evaluation and career progression

	SD					SA
My performance evaluation helps me to understand what good customer service is	1	2	3	4	5	6	7
The importance of customer service is emphasised in my performance evaluation	1	2	3	4	5	6	7
My competencies in customer service are evaluated by my boss	1	2	3	4	5	6	7
The hotel has a consistent performance evaluation policy, which apply to all employees equally	1	2	3	4	5	6	7
My boss gives regular feedback on my performance	1	2	3	4	5	6	7
My boss's regular feedback helps me to improve my service performance	1	2	3	4	5	6	7
The hotel policy is to promote employees who are the best performers	1	2	3	4	5	6	7

I have a good chance in my present organisation to progress in my career	1	2	3	4	5	6	7

(4) Pay and Benefits

	S D						S A
I think my salary is fair considering my duties and responsibilities	1	2	3	4	5	6	7
I am rewarded for serving customers well	1	2	3	4	5	6	7
I am rewarded for handling customer complaints effectively	1	2	3	4	5	6	7
The rewards I receive are linked to providing exceptional customer service	1	2	3	4	5	6	7
I am satisfied with the way I am rewarded at my hotel	1	2	3	4	5	6	7

The following statements on supervision

	S D						S A
My boss appraises me when I do a good job	1	2	3	4	5	6	7
My boss recognises me for providing good service to customers	1	2	3	4	5	6	7
My boss encourages me to speak up when I disagree with a decision	1	2	3	4	5	6	7
My boss shows me how to provide a good customer service	1	2	3	4	5	6	7
My boss offers new ideas to improve customer service	1	2	3	4	5	6	7
My boss is an example of good customer service in his/her daily job	1	2	3	4	5	6	7
My boss is genuinely committed to customer service	1	2	3	4	5	6	7
The management team in my hotel sets a personal example of good customer service	1	2	3	4	5	6	7
My boss encourages me to take prompt action to solve customer problems	1	2	3	4	5	6	7
My boss cares about my personal needs	1	2	3	4	5	6	7
My boss supports me in getting my job done	1	2	3	4	5	6	7
Managers have favourites in this organisation	1	2	3	4	5	6	7

Personal Characteristics

Please respond by ticking only one box to the question unless directed otherwise

1. What occupational group do you belong to?

□ Manager

□ Supervisor / Team leader/ Captain

□ Customer service worker

2. Is your job: 1 □ Permanent   2 □ Fixed-Term contract   3 □ Trainees

3. In which department are you working?

Food and Beverages / Restaurants	□
Front-office	□
Housekeeping	□
Kitchen	□

4. How long have you been working in this organisation?   _____ **Years** _____ **months**

5. How frequently do you have contact with customers in your job?

1 □ Never   2 □ Sometimes   3 □ Most of the time   4 □ All of the time

6. What is your gender?   1 □ Male   2 □ Female

7. What is your age?   _____ Years

8. Education

Tick the category that describes the highest level completed.

□ Below Ordinary Level

□ Ordinary Level – Completed Year 10

□ Advance Level - Completed Year 12

□ Certificate/Diploma from Hotel School or NAITA

□ Bachelor's degree

□ Postgraduate certificate/diploma

□ Postgraduate degree

THANK YOU FOR COMPLETING THE QUESTIONNAIRE

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PARTICIPANT INFORMATION SHEET

Title of the Project: "Human Resource Management and Service Recovery in the Hospitality Sector"

Dear Participants,

I am Gayani Hewagama, the researcher for this project. I am a PhD candidate, at the Department of Management and International Business, The University of Auckland Business School, New Zealand. I am under the supervision of Professor Peter Boxall, a Professor of Management in The University of Auckland Business School. Also, I am senior lecturer at University of Kelaniya, Sri Lanka.

Research Project Description and Initiation
The main objective of this study is to increase our understanding of how frontline employees are managed in the hospitality sector in Sri Lanka and how this relates to service recovery. Service recovery refers to the actions taken by an organization in response to a service failure. Further, this study will investigate the societal and industry contexts of Sri Lankan hotels and identify the nature and range of HR practices and managerial behaviours used to manage service recovery in this setting.

I would like to invite you to participate in this research project. Your participation in this study is voluntary basis.

Research Procedure
- The data will be collected using questionnaires
- Questionnaires will be numbered and identification is necessary for the research purpose only.
- The CEO or Senior Management (or equivalent) of your organization has given the assurance that your participation or non-participation in this research project will not affect your employment status.
- All information provided in the questionnaire will be kept confidential by the researchers.

- You are also offered the opportunity to receive a summary report of the overall findings at the end of the project.

Data Storage / Retention / Destruction / Future use

Any information provided through the questionnaires and interviews will only be used for the purposes of this research. This information will be kept in a locked cabinet in New Zealand, and its location will be known only to the researchers. After six years all original data (in paper or digital format) will be destroyed and transcription files permanently erased. Data will be also deleted from any electronic storage media used to retain original data (e.g. USB flash drives).

The findings will be used as a part of a PhD thesis and may also be reported in academic publications in the form of journal articles, book chapters and conference proceedings.

Confidentiality

The identity of the individual participants and the organisations in this study will be kept strictly confidential. You and your organisation will remain strictly confidential and will not be identified in any publications resulting from this research.

Thank you very much for your time and help in making this study possible. Your participation in the research would be greatly appreciated. There is a consent form attached to this information sheet. If you wish to take part in this research, please sign the consent form provided. Please keep this information sheet for future reference.

Please feel free to ask any questions you might have relating to the study. My contact details are provided below.
New Zealand Contact
Gayani Hewagama
Department of Management and International Business,
The University of Auckland Business School, New Zealand.

Sri Lanka Contact: Gayani Hewagama, Tel: +94 112 855798

Supervisor: Professor Peter Boxall, Department of Management and International Business,
The University of Auckland Business School, New Zealand.
For any queries regarding ethical concerns you may contact:
The Chair, The University of Auckland Human Participants Ethics Committee, The University of Auckland, Research office, Private Bag 92019, Auckland 1142.

APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIAPNTS ETHICS COMMITTEE ON 10/06/2014 FOR (3) YEARS, Reference Number 010565

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Consent Form

Title of the Project: "Human Resource Management and Service Recovery in the Hospitality

Sector"

I have read the Participant Information Sheet and I understand the nature of the research, why I have been selected and what is expected of me.

- I have had the opportunity to ask questions and have them answered to my satisfaction.
- I agree to take part in this research.
- I understand that the CEO or Senior Management (or equivalent) of my organization has given the assurance that my participation or non-participation in this research project will not affect my employment status.
- I wish / do not wish to receive the summary of findings (Circle your decision). If you wish to receive a summary of findings please provide your email ……………………………………..
- I understand that questionnaires will be numbered and identification is necessary for the research purpose.
- I understand that all information provided in the questionnaire will be kept confidential by the researcher.
- I understand that I will not be identified in any publications resulting from this research.
- I understand that all data will be kept for 6 years, after which they will be securely destroyed.

Name: _____

Signature: _____   _____

APPROVED BY THE UNIVERSITY OF AUCKLAND HUMAN PARTICIAPNTS ETHICS COMMITTEE ON 21/10/2013 FOR (3) YEARS, Reference Number 010565

The following questionnaire is administered to seek your opinion on identifying service performance of your staff member.

1. Your Designation Please: …………………………………..
2. Staff Member's name/ identification number: ……………………………….

Please respond to each of these statements using the following scale and circle the most relevant number.

1=Strongly Disagree (SD) ------------------------ 7=Strongly Agree (SA)

		Strongly Disagree						Strongly Agree
1	When this staff member will promise to do something by a certain time, he/she will do so	1	2	3	4	5	6	7
2	This staff member shows sincere interest in solving our customers'* problems	1	2	3	4	5	6	7
3	This staff member performs service right the first time	1	2	3	4	5	6	7
4	This staff member provides accurate information to our customers							
5	This staff member provides prompt service to our customers	1	2	3	4	5	6	7
6	This staff member is always willing to help our customers	1	2	3	4	5	6	7
7	This staff member is never too busy to respond to our customers' request	1	2	3	4	5	6	7
8	This staff member's behaviour instils confidence in our customers	1	2	3	4	5	6	7
9	This staff member can be trusted by our customers	1	2	3	4	5	6	7
10	This staff member is consistently courteous to our customers	1	2	3	4	5	6	7
11	This staff member has the required knowledge to answer our customers' questions	1	2	3	4	5	6	7
12	This staff member gives individual attention to our customers	1	2	3	4	5	6	7
13	This staff member always thinks of the best interest of our customers	1	2	3	4	5	6	7
14	This staff member understands the specific needs of our customers	1	2	3	4	5	6	7
15	Overall I am satisfied with his/her service performance	1	2	3	4	5	6	7

*The word 'Staff member' is used irrespective of the gender
*Customers are the guests of the hotel

		Strongly Disagree						Strongly Agree
1	This staff member handles dissatisfied customers well	1	2	3	4	5	6	7
2	This staff member doesn't mind dealing with complaining customers	1	2	3	4	5	6	7
3	During a service failure he/she admits there is a problem	1	2	3	4	5	6	7
4	This staff member apologizes to the customer for poor service	1	2	3	4	5	6	7
5	I can't remember any instances where customers have left with problems unresolved when this staff member has been involved.	1	2	3	4	5	6	7
6	Satisfying complaining customers is a thrill to him/her	1	2	3	4	5	6	7
7	Complaining customers this staff member has dealt with in the past are among today's most loyal customers	1	2	3	4	5	6	7
8	During a service failure this staff member has authority to take actions quickly to solve customer complaints	1	2	3	4	5	6	7
9	Overall I am satisfied with the way he/she handles customer complaints	1	2	3	4	5	6	7

THANK YOU FOR COMPLETING THE QUESTIONNAIRE

Appendix 03

Extracts of selected transcribed interviews

Date of Interview	Manager Desination	Sample of transciption data that is relavant for this study
20th January 2014	Human Resource	In a nut shell, it is the executive and non-executive employees. If you take the front-office mostly the executives empowered. Non-executives are break down to grades from 1-5. E.g. Guest relations officers, housekeeping executives and restaurant supervisors in food and beverages are in Grade 5. Waiters are in grade 3 and belong to food and beverages. Front office handle the room reservation and booking etc. Minimum is that they have to sit for A/L levels exam. But there is exception we take employees from only O/L. Also we see their communication skills, mainly their ability to speak English. The reason is if they can't communicate properly with a guest then they may tend to avoid the guest. A waiter who is working in the restaurant need to have some level of communication ability (English). But for banquet waiter who has a

		different role, English is not necessary as a banquet waiter. Initially we gave all the new comers two days on boarding orientation. After that we deploy them to departments. From the departments they get a mini orientation of half a day. Also they have given an employee handbook. From the Training Need Analysis, we will understand their training needs. Every six months there is an employee appraisal. Most of the operational level employees including trainees given a six-month contract and during this six month their performance is evaluated. HOD will do the appraisal review and let the HR knows about the training needs. We have a system called OPERA for front office management, such as for managing reservations, managing the F & B. This system gives you the information about the occupancy rate, and available staff.
20th January 2014	Executive Housekeeper	A room should be in a best condition and this is monitored by differed levels of people such as room boy, then the supervisor and Assistant Housekeeping executive.

We can't have any mistakes in room preparation for the guest. This is our core product. But there can be lapses in service delivery. A guest might ask 04 bottles of water and our room boy forgotten and keep only two. Then a guest is a coffee lower and asks more coffee in the room and room boy forgotten to keep this. This kind of service failures can happen.

To say sorry they do not need prior approval. We have trained our staff to act on these situations immediately. If they feel that a customer is not happy, let us (superiors) know about it. I can't go and meet each and every customer. I have my second line managers and they will immediately go to the room and take necessary actions. "There is etiquette in complain handling. First, you must listen to the customer". In general, Sri Lankan people do not listen, customer is shouting and they also shouting and trying to explain it. You should not do that. After guest finishes his complain you should apologise first.

"Our hospitality industry people are not left alone themselves. Every line has its reporting line. Every person has his or her immediate supervisor on the floor. In a restaurant even though the waiter is serving the food, supervisor is overlooking".

I believe employees need to empower to a certain extent. I have introduced a new system called one-step up. This

		means uplifts the service quality into another level. In this system, I have incorporated empowerment for the bottom line. If a guest complains that, I did not get a newspaper yesterday then room boy can provide a newspaper. This type of empowerment is there.
21st January 2014	Food and Beverages	Let us take the incident of not serving tea or coffee on time. Then the front line staff needs to apologise and serve this as soon as possible. But sending a complimentary item to the room is handled by the manager. Also, we go to the extent of checking guests' birthday and send a birthday cake. Another example is in a room air conditioning is not working and we cannot give another room, as the hotel has full occupancy. Then in this type of situation we give them whole day stay as complimentary- will not charge for that day. If guest is not happy with a meal then waiter inform this to the supervisor, whoever available on the floor. Then inform to chef and may be offer another dish. This decision is taken immediately. In all floors supervisor has certain authority to react on a service failure. Complain about the food temperature is a critical or fundamental issue. You should understand critical and non-critical incidents. Food is our main product and it should be in right temperature, right portion, correct

		presentation and quality. But guest can complain about the specification/ taste of the product. It is not a major issue. If the guest complains about temperature or quality, then chef has to give explanation about it.
03rd February 2014	General Manager	I think the biggest challenge right now is, the competition in Sri Lanka. There are lot of new international brands that have come in. So the competition is huge. And the expectation from the client's point of view is very very high because the competition. we have got ISO 1801, 4200, HSCCP. So, we have got certain awards on international standard. Next step is, we are moving out to have our own brand standards. And lot of staff moving out overseas. Because there are better opportunities. Of course, at the end of day, get a better income. So Sri Lankan hotels have become a training ground for most of these people who move out. Because of this issue, the staff turnover, and the competition which is from this region, people move for better prospects. You can't hold on to one person. Anybody would – even for a couple of extra dollars – would move out to any hotel. But right now the biggest challenges is, people moving out overseas.

Because this is an industry where you need to smile always, you have to have patience, listen to people. So I think that is one area I always check, because rest of the things we can always make it. Attitude is something that we care in this industry.

Service charge is high. When it comes to the off season from May, June, July, then you will start turning the… It's a kind of a seasonal thing. But the biggest problem is actually the salaries. Right now we are doing a salary survey in the hotels. Because, let's say cook let's say commie one or let's say commie three, salary scale here would be somewhere around Rs.15000 to Rs.16000 plus the full service charge.

Unfortunately, we are finding it very difficult to recruit people. One is you know people have a negative idea of this hospitality industry. When you're recruiting females we have vacancy for female guest relations. Unfortunately, lot of female doesn't want to the come to the hotel. They think the hotels… they have a bad reputation about it. That's why we started this school awareness program. To make sure that you know hotel industry is one of the safest place to work.

08th February 2014	Restaurant	So myself, I'm on the top. I have a supervisor. I have a captain and then I have the senior waiters. We have a chain of command going on. We do regular trainings. That's what I was doing about fifteen minutes before. Even small trainings we always do to refresh their minds and afterwards we always talk about the difficulties they have. There was a guest who wants to smoke while he eats. And we can't allow him to smoke. It is not allowed in our restaurant. And at the same time he is not happy, because we are not giving him… It's a service for him. Letting him smoke. So there are problems like that, but we have to handle it very carefully. What we gave him a private dinner, and we set up a table right in the corner with lighting, and a personal butler service. And so he could smoke. We have to be very tactful in handling such situations.

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