

**Management Commitment to Service Quality, Job
Embeddedness, and Performance Outcomes: A
Study of Hotel Employees in Romania**

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Submitted to the
Institute of Graduate Studies and Research
in partial fulfillment of the requirements for the Degree of

Master of Science
in
Tourism Management

Eastern Mediterranean University
June 2011
Gazimağusa, North Cyprus

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ABSTRACT

The purpose of this thesis is to develop and test a conceptual model that examines the relationships among management commitment to service quality, job embeddedness, and performance outcomes. Training, empowerment, and rewards are the indicators of management commitment to service quality. Service recovery performance and extra-role customer service are the performance variables. The aforementioned relationships were tested via data obtained from employees in the four- and five-star hotels in the Poiana Brasov region in Romania using hierarchical multiple regression analysis. These hotel employees are the ones having intense face-to-face or voice-to-voice interactions with customers.

According to the results of the study, training, empowerment, and rewards have significant positive effects on job embeddedness. Empowerment and rewards enhance service recovery performance, while training has no significant effect on service recovery performance. The results of this study demonstrate that training and empowerment increase extra-role performance, while rewards are not significantly related to extra-role performance. Employees who are embedded in the job have better service recovery performance. However, this is not valid for the relationship between job embeddedness and extra-role customer service. The results also demonstrate that empowerment and rewards influence service recovery performance directly and indirectly through job embeddedness.

In addition, management implications are provided based on the results of the study, and information regarding the limitations of the study as well as implications for future research is presented in the thesis.

Key Words: Commitment to service quality, hotel employees, job embeddedness; performance, Romania

ACKNOWLEDGMENT

First of all, I want to thank God for everything that He offered me, helping me to accomplish all my goals until now for which I am so grateful.

I would like to express my gratitude to Assoc. Prof. Dr. Osman M. Karatepe for his supervision, advice, and guidance from the beginning of my Master Thesis process, as well as for making sure that my knowledge and research is worthwhile. Moreover, he provided me permanent encouragement and support in various ways. His personality, experiences, and talents have truly inspired me and motivated me all the way. I owe all my achievements to him.

I would like also to acknowledge the members of my graduate committee and all my teachers for their advice and support without which I would not have succeed.

My thanks go also to my husband for his support and love to me, to all my family members, my friends, my colleagues and my work supervisors for all their care, support and contribution all the way of my experience.

Thank you all!

ÖZ

Bu tezin amacı, işletme yönetiminin hizmet kalitesine olan bağlılık değişkeni, iş ile iç içe olma değişkeni ile performans değişkenleri arasındaki ilişkiyi inceleyen kavramsal bir modeli geliştirip test etmektir. Eğitim, güçlendirme ve ödüllendirme işletme yönetiminin hizmet kalitesine olan bağlılığını temsil etmektedir. Performans değişkenleri ise, hizmet iyileştirme performansı ve ekstra rol performansıdır. Yukarıdaki ilişkiler, Romanya'nın Poiana Brasov Bölgesi'nde faaliyet gösteren dört ve beş yıldızlı otel çalışanlarından elde edilen veriler kapsamında hiyerarşik çoklu regresyon analizi yöntemiyle test edilmiştir. Bu otel çalışanları, müşterilerle yoğun bir şekilde karşılıklı etkileşimde bulunan çalışanlardır.

Çalışmanın bulgularına göre, eğitim, güçlendirme ve ödüllendirme değişkenlerinin iş ile iç içe olma değişkeni üzerinde anlamlı ve olumlu etkileri vardır. Güçlendirme ve ödüllendirme hizmet iyileştirme performansını artırırken, eğitimin hizmet iyileştirme performansı üzerinde herhangi bir anlamlı etkisi bulunmamaktadır. Çalışmanın bulguları, eğitim ile güçlendirmenin ekstra rol performansını artırdığını gösterirken, ödüllendirmenin bu performans değişkeni üzerinde herhangi bir anlamlı etkisinin bulunmadığını ortaya koymaktadır. İş ile iç içe olan çalışanlar daha iyi hizmet iyileştirme performansı sergilemektedirler. Ancak, bu durum, iş ile iç içe olma ve ekstra rol performansı arasındaki ilişki için geçerli değildir. Çalışmanın bulguları, güçlendirme ve ödüllendirmenin hizmet iyileştirme performansını hem doğrudan hem de iş ile iç içe olma değişkeni vasıtasıyla etkilediğini de göstermektedir.

Ayrıca, tezde, çalışmanın bulgularından hareketle yönetsel belirmeler üzerinde durulmuş, araştırmanın sınırları ile ileride yapılacak arařtırmalara yönelik bilgilere yer verilmiştir.

Anahtar Kelimeler: Hizmet kalitesine baēlılık, iş ile iç içe olma, otel çalışanları, performans, Romanya

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Chapter 1

INTRODUCTION

The current chapter gives information about the research philosophy of this thesis. This is followed by aims and objectives of the empirical study conducted with frontline hotel employees in the Poiana Brasov region in Romania and its potential contributions to the hospitality management and marketing literature. This chapter further provides information about the proposed methodology.

1.1 Research Philosophy

Delivery of service quality is a key to organizational success and survival (Babakus, Yavas, Karatepe, & Avci, 2003), and many empirical studies have centered upon service quality due to its implications and consequences within organizations. Frontline employees have a crucial role in service quality and service excellence (Babakus et al., 2003). As discussed by Ashill, Carruthers, and Krisjanous (2006), Babakus et al. (2003), and Kim, Tavitiyaman, and Kim (2009), these employees should receive sufficient support from top managements of service firms to be able to deliver quality services to customers and display effective service recovery. Otherwise, frontline employees' efforts are doomed to failure unless top management of the organization is committed to service quality (Babakus et al., 2003).

A careful examination of the services marketing literature suggests that training, empowerment, rewards, organizational support/supportive management, and service technology are among the drivers of management commitment to service quality (Ashill, Rod, & Carruthers, 2008; Babakus et al., 2003; Kim et al., 2009). Such indicators lead to positive affective and performance outcomes such as job

satisfaction, service recovery performance, job performance, extra-role performance, and organizational commitment (Ashill et al., 2008; Babakus et al., 2003; Kim et al., 2009; Rod & Ashill, 2010).

In addition, the availability of good connections to individuals in the workplace keeps employees in the organization and enhances their performance (Bergiel, Nguyen, Clenney, & Taylor, 2009; Karatepe & Ngeche, 2011; Lee, Mitchell, Sablynski, Burton, & Holtom, 2004; Mitchell, Holtom, Lee, Sablynski, & Erez, 2001). This is also valid for the ones whose future goals fit their careers (Bergiel et al., 2009; Karatepe & Ngeche, 2011; Lee et al., 2004; Mitchell et al., 2001). That is, job embeddedness is an employee retention theory and has been shown to enhance employees' performance outcomes.

In light of the abovementioned information, this thesis tests the relationships among management commitment to service quality, job embeddedness, and performance outcomes. Specifically, it develops and tests a conceptual model that examines job embeddedness as a mediator of the effect of management commitment to service quality (i.e., training, empowerment, and rewards) on service recovery performance and extra-role customer service.

This thesis uses deductive approach to develop the abovementioned relationships. Neuman (2003) states, "In a deductive approach, you begin with an abstract, logical relationship among concepts, then move toward concrete empirical evidence" (p. 51). With this in mind, this thesis uses job embeddedness theory and a number of relevant conceptual and empirical studies to develop the study relationships and assess them

based on data obtained from a sample of full-time frontline employees with a one-week time lag in Romania.

1.2 Aims and Objectives

Management commitment to service quality refers to “employees’ appraisal of an organization’s commitment to nurture, develop, support and reward its employees to achieve service excellence” (Babakus et al., 2003, p. 275). Accordingly, top managements of the hospitality firms need to pay utmost attention to their frontline employees’ needs and expectations and provide them with resources needed for effective performance (i.e., service recovery performance and extra-role customer service) in the workplace.

Consistent with prior and recent studies (Ashill et al., 2006, 2008; Babakus et al., 2003; Kim et al., 2009), this thesis focuses on training, empowerment, and rewards as the important indicators of management commitment to service quality. Management’s simultaneous emphasis on training, empowerment, and rewards is critical (Babakus et al., 2003), because empowerment practices are doomed to failure if hospitality managers do not provide frontline employees with adequate training and rewards. There is also evidence that these indicators of management commitment to service quality positively influence employee performance outcomes (Ashill, Carruthers, & Krisjanous, 2005; Yavas, Karatepe, Avci, & Tekinkus, 2003; Yavas, Karatepe, & Babakus, 2010).

It is obvious that hospitality managers need to provide their employees with sufficient resources to retain them in the organization and increase their performance outcomes. That is, the presence of training, empowerment, and rewards in the

organization is likely to send signals to employees that the organization considers them as strategic partners. Such employees in turn are embedded in the job and the organization and have effective performance in the workplace.

Job embeddedness has three dimensions: links, fit, and sacrifice (Mitchell et al., 2001). Links are characterized as “formal or informal connections between a person and institutions or other people” (Mitchell et al., 2001, p. 1104). Such links are also important for employees regarding their connections to people in the community. Fit refers to “an employee’s perceived compatibility or comfort with an organization and with his or her environment” (Mitchell et al., 2001, p. 1104). Finally, in Mitchell et al.’s (2001) study, sacrifice is defined as “the perceived cost of material or psychological benefits that may forfeited by leaving a job (p. 1104). Managements of the hospitality firms should make sure that there are sufficient job resources or useful human resource practices that help their employees remain in the organization. They should also make sure that their employees have good connections to people in the community and there is fit between employees’ expectations and the services or facilities in the community. Otherwise, leaving the organization will lead to various sacrifices associated with the community. There is also evidence that job embeddedness increases employees’ job performance and extra-role performance (Karatepe & Ngeche, 2011; Lee et al., 2004).

In light of the abovementioned information, this thesis develops and tests a conceptual model that examines job embeddedness as a mediator of the effects of training, empowerment, and rewards on two important performance outcomes, service recovery performance and extra-role customer service. Specifically, training,

empowerment, and rewards influence these performance outcomes directly and indirectly through job embeddedness. These relationships are tested using data collected from a sample of frontline hotel employees with a one-week time lag in the Poiana Brasov region in Romania.

1.3 Contributions of the Thesis

There are two important reasons for testing the previously mentioned relationships. First, very little is known about job embeddedness in the hospitality management and marketing literature (Karatepe & Ngeche, 2011; Karatepe & Shahriari, 2011). More importantly, there is a dearth of empirical research regarding the relationships between the indicators of management commitment to service quality, job embeddedness, and performance outcomes.

Second, this study tests the relationships among the indicators of management commitment to service quality, job embeddedness, and performance outcomes through data collected from frontline hotel employees in Romania. Romania is a developing European Union country. Bucharest having over 1.9 million inhabitants is the capital city of the country (Pop, Cosma, Negrusa, Ionescu, & Marinescu, 2007). According to the World Travel and Tourism Council and its research partner (Oxford Economic Forecasting), Romania ranks fourth with an expected average annual growth of 7.9% in travel and tourism demand between the years of 2007-2016 in the world in terms of long-run growth (World Travel & Tourism Council, 2006).

Hospitality firms in Romania are aware of the fact that they have to deliver service quality for success and survival in today's global competitive market environment (Butnaru, 2009). However, there are a number of problems in the hospitality

industry of this country. For example, poor touristic services are frequent occurrences in the Romanian market. Poor services and insufficient complaint management practices appear to be among the most critical problems. Many educated Romanian individuals work in foreign countries to have satisfactory wages and better career opportunities (Marin-Pantelescu & Lupu, 2009). It also appears that the hospitality industry in Romania has a bad image due to inadequate training and rewards (Marin-Pantelescu & Lupu, 2009). Under these circumstances, the hospitality industry in this country is devoid of qualified human resources, and such conditions trigger voluntary turnover (Simon, Popescu & Chivu, 2008). Consequently, the hospitality industry in Romania seems to be one of the most appropriate settings to investigate the relationships among the indicators of management commitment to service quality, job embeddedness, and performance outcomes. Finally, the results of this thesis would delineate a number of useful implications for managers regarding management commitment to service quality and employee retention.

1.4 Proposed Methodology

This thesis used judgmental sampling. In judgmental sampling, “the sample elements are selected because it is believed that they are representative of the population of interest” (Churchill, 1995, p. 582). Accordingly, data were collected from a judgmental sample of full-time frontline employees in the four- and five-star hotels with a one-week time lag in the Poiana Brasov in Romania.

Collecting data with a one-week time lag is important for decreasing the potential threat of common method bias to the magnitudes of the relationships (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). The time I questionnaire included the

training, empowerment, rewards, and job embeddedness measures. It also consisted of items about respondents' age, gender, education, and organizational tenure. The time II questionnaire included the service recovery performance and extra-role customer service measures.

Training (six items), rewards (five items), and service recovery performance (five items) were measured using items from Boshoff and Allen (2000). Empowerment was measured using five items adapted from Hayes (1994). Job embeddedness was measured using seven items from Crossley, Bennett, Jex, and Burnfield (2007). Five items from Bettencourt and Brown (1997) were used to measure extra-role customer service. Responses to items in training, empowerment, rewards, job embeddedness, service recovery performance, and extra-role customer service were rated on five-point scales ranging from 5 (*strongly agree*) to 1 (*strongly disagree*).

All items in the two questionnaires were originally prepared in English and then translated into Romanian using the back-translation method (Parameeswaran & Yaprak, 1987). These questionnaires were also tested with two different pilot samples of ten frontline employees.

In this thesis frequencies were used to report frontline employees' age, gender, education, and organizational tenure. Confirmatory factor analysis was employed using LISREL 8.30 (Joreskog & Sorbom, 1996) for addressing issue of convergent validity (Anderson & Gerbing, 1988). Reliability coefficients were reported via Cronbach's alpha (Nunnally, 1978). The correlation coefficients among the study variables were given using Pearson product-moment correlation analysis.

Discriminant validity and the relevant conditions for a mediation analysis were also assessed based on these correlation results. Hierarchical multiple regression analysis was used to test the relationships.

1.5 Outline of the Thesis

There are seven chapters in the present thesis. Chapter 1 consists of information about the research philosophy as well as aims and objectives of the empirical study. This chapter also explains the potential contribution of the thesis to the relevant literature and its methodology.

Literature review is presented in Chapter 2. It provides a description of the relevant literature about management commitment to service quality. It offers a background for the indicators of management commitment to service quality (e.g., training, empowerment, and rewards). In addition, it covers issues related to job embeddedness and discusses its potential relations to management commitment to service quality. In this chapter performance outcomes of management commitment to service quality and job embeddedness are discussed. The relationships among the indicators of management commitment to service quality, job embeddedness, and performance outcomes are developed based on the job embeddedness theory. As for chapter 3, it includes the conceptual model and research hypotheses.

The methodology of the thesis can be found in Chapter 4. Information about deductive approach is provided. Information about sampling, data collection, and questionnaire structure is given and measures used in the thesis are discussed as well. Finally, this chapter reveals information about the analytical methods.

Chapter 5 delineates the findings (e.g., hypothesis). Chapter 6 includes discussions of the empirical findings, implications for managers, limitations of the study, and implications for future research. The last chapter is chapter 7. It consists of conclusion of the thesis.

Chapter 2

LITERATURE REVIEW

The literature review chapter includes detailed information about the importance of the indicators of management commitment to service quality in determining job embeddedness and performance outcomes. In this chapter the relationships among the indicators of management commitment to service quality, job embeddedness, and performance outcomes are discussed. This chapter also gives information about the mediating role of job embeddedness on the relationship between the indicators of management commitment to service quality and performance outcomes using job embeddedness theory.

2.1 Management Commitment to Service Quality

Service quality based on customers' point of view can be described as the difference between their expectations and perceptions from a service product (Berry, Parasuraman, & Zeithaml, 1988). Service quality is perceived as one of the components of the firm's competitive advantage, which is achieved through frontline employees (Pfeffer, 2005). Not surprisingly, frontline employees are the pillars of the firm delivering quality services to customers and establishing and maintaining strong long-term relationships with customers (Babakus et al., 2003; Yoon, Beatty, & Suh, 2001).

One of the critical factors for delivery of service quality in hospitality firms is the management's commitment to service excellence (Kim et al., 2009). If frontline employees find that the management of the firm is not committed to service quality, their efforts do not mean much. Although frontline employees play a critical role in

service delivery process, they are unable to deliver quality services to customers without the commitment and support of the management. With this recognition, it is important that managers need to establish and maintain a work environment where employees will perceive that service quality is a philosophy of the firm.

Management commitment to service quality is defined as “employees’ appraisal of an organization’s commitment to nurture, develop, support, and reward its employees to achieve service excellence” (Babakus et al., 2003, p. 275). Unlike other studies in the services marketing literature (Hartine & Ferrell, 1996; Sureschchandar, Rajendran, & Anantharaman, 2002), in this thesis management commitment to service quality is defined from the frontline employee’s perspective. This is important, because frontline employees should also perceive the same meaning of service quality as perceived by the management of the firm (Forrester, 2000).

2.2 Indicators of Management Commitment to Service Quality

According to the services marketing literature, there are various potential indicators of management commitment to service quality. Training, empowerment, rewards, supervisor and coworker support, and perceived organizational support are among the potential indicators of management commitment to service quality (Ashill et al., 2008; Babakus et al., 2003; Kim et al., 2009; Rod & Ashill, 2010). These indicators of management commitment to service quality or human resource practices result in positive attitudinal and behavioral outcomes such as job satisfaction, low levels of turnover intentions, organizational commitment, and job performance (e.g., Babakus et al., 2003; Kim et al., 2009; Rhoades & Eisenberger, 2002). All in all, management service initiatives (e.g., training, empowerment, rewards, and perceived organizational support) are of great importance, especially in the service industry,

due to the fact that they can improve employees' morale and job satisfaction and their overall performance. The following section provides an overview of the previously mentioned indicators of management commitment to service quality.

2.2.1 Training

The relevant literature (i.e., services/hospitality management and marketing literature) proposes that training is critical for delivering superior service quality (e.g., Bettencourt & Gwinner, 1996; Hart, Heskett, & Sasser, 1990; Tsauro & Lin, 2004). Having training programs in the workplace provides employees with an opportunity to improve job-related skills and knowledge for delivery of service quality and effective service recovery (Bitner, Booms, & Mohr, 1994; Boshoff & Allen, 2000; Yavas et al., 2003). Therefore, it is obvious that frontline employees with insufficient training programs or frontline employees in a work environment where training practices are poor cannot resolve problems that seem to be inevitable in frontline service jobs.

Since training improves employees' skills in service delivery process and provides employees with career and promotional opportunities, it enhances job satisfaction, increases overall job performance, and reduces turnover intentions (Babakus, Yavas, & Karatepe, 2008; Karatepe, Yavas, & Babakus, 2007; Yavas et al., 2010).

2.2.2 Empowerment

Empowerment refers to "the freedom and ability to make decisions and commitments" (Forrester, 2000, p. 67). When top management of the firm empowers frontline employees, it allows them to handle service delivery process by acting promptly and dealing with customers' requests skillfully (Ashill et al., 2006; Boshoff & Allen, 2000; Hartline & Ferrell, 1996). However, it should be noted that

empowerment may not be appropriate for all kinds of jobs and cannot be generalizable to all service jobs (Forrester, 2000).

The nature of frontline service jobs in the hospitality industry requires a high degree of interaction with customers. Frontline employees are always expected to pay great attention to customers' requests and deal with customers' problems successfully (Yavas, Karatepe, Babakus, & Avci, 2004). Accordingly, empowerment becomes important for frontline employees who try to deliver service quality and make customers become satisfied with services. Once these employees have the necessary authority, they can make decisions quickly and fairly to resolve customers' problems and complaints (Hartline & Ferrell, 1996). However, training is necessary to teach employees the importance of empowerment and how it should be used in service encounters (Babakus et al., 2003).

Job satisfaction, organizational commitment, effective overall job performance, and reduced turnover intentions are among the potential outcomes for frontline employees. In other words, frontline employees with sufficient empowerment are satisfied with the job, are committed to the organization, have effective overall job performance, and display reduced turnover intentions (Ashill et al., 2008; Karatepe et al., 2007; Liden, Wayne, & Sparrowe, 2000; Yavas et al., 2010).

2.2.3 Rewards

The presence of reward and recognition mechanisms in the workplace sends powerful signals to employees. This is not surprising, because expectations from frontline employees for a better service delivery process make them have expectations from managements of the firm in terms of rewards and recognition.

Therefore, hospitality firms should have reward mechanisms to motivate employees to deliver service quality and deal with service failures according to the expectations of customers (Babakus et al., 2003).

Both financial and non-financial rewards are important for frontline service jobs, because frontline employees in hospitality industry are underpaid (Babakus et al., 2008; Kim et al., 2009). It appears that managements of the hospitality firms need to establish and maintain a work environment where frontline employees' success is recognized, and frontline employees obtain sufficient rewards for better efforts and performance. When organizations have effective reward and recognition mechanisms, employees have positive outcomes such as job satisfaction, organizational commitment, good performance in the workplace, and diminished turnover intentions (Babakus et al., 2008; Farrell & Rusbult, 1981; Podsakoff, MacKenzie, & Bommer, 1996).

2.2.4 Coworker and Supervisor Support

Work social support emerges from sources such as coworker support and supervisor support (Carlson & Perrewé, 1999). Social support refers to “an interpersonal transaction that involves emotional concern, instrumental aid, information, or appraisal” (Carlson & Perrewé, 1999, p. 514). Research indicates that coworker and/or supervisor support can be used as coping mechanisms against stressors and strain (Babakus et al., 2008; Karatepe, 2010; Karatepe, Yorganci, & Haktanir, 2010).

In addition, the availability of social support in the workplace is a signal of top management's commitment to service excellence (Ashill et al., 2008; Kotler, Bowen,

& Makens, 2006). Frontline employees who are able to obtain sufficient support from their coworkers and/or supervisors are engaged in their work, are committed to the organization, and display less quitting intentions (e.g., Babakus et al., 2008; Babin & Boles, 1996; Bakker & Demerouti, 2007; Karatepe, Keshavarz, & Nejati, 2010).

In light of the information given above, it appears that support arising from coworkers and/or supervisors is important in frontline service jobs, because frontline employees are expected to deliver exceptional service quality and handle customers' problems and complaints effectively.

2.2.5 Perceived Organizational Support

Perceived organizational support refers to employees' "global beliefs concerning the extent to which the organization values their contributions and cares about their well-being" (Eisenberger, Huntington, Hutchison, & Sowa, 1986, p. 500). Employees with elevated levels of perceived organizational support are comfortable and pleased with their work and also become committed to the organization (Rhoades & Eisenberger, 2002). As indicated by Kim et al. (2009), perceived organizational support is one of the indicators of management commitment to service quality, because support provided by the organization enables employees to do their job successfully.

Organizational support establishes trust between the employee and the organization and makes him or her carry out job-related tasks successfully (Kim et al., 2009; Yavas et al., 2010). It is important for frontline service jobs, because perceived organizational support creates a felt obligation for employees to contribute to the

organization' welfare and help the organization to achieve its objectives (Rhoades & Eisenberger, 2002).

2.3 Job Embeddedness

Job embeddedness is an employee retention theory and has been shown to enhance employees' performance outcomes (Lee et al., 2004; Mitchell et al., 2001). Although job embeddedness has been studied in the sociological literature focusing on individual, groups, and organizations, this thesis focuses on job embeddedness as an employee retention strategy (Mitchell et al., 2001).

There are some forces making employees stay in the organization. Simply put, job embeddedness is composed of three important dimensions: links, fit, and sacrifice. When employees have good connections to their coworkers and supervisors in the organization or other people in the community and believe that their future career goals suit their job's prescription and the organization, they prefer to keep on working in the organization and display good job performance (Karatepe & Ngeche, 2011; Lee et al., 2004; Mitchell et al., 2001). When employees find that they will lose a number of benefits or opportunities by leaving the organization, they remain in the organization.

2.3.1 Links

Links are usually described as the formal or informal connections between a person and other individuals (Mitchell et al., 2001). These connections are in the organization and in the community. When employees have tight connections, they are more attached to the organization and the community. An increase in the number of relatives, friends, community activities, and other types of off-the-job

links create a normative pressure to remain in the organization (Mitchell et al., 2001).

2.3.2 Fit

Fit refers to “an employee’s perceived compatibility or comfort with an organization and with his or her environment” (Mitchell et al., 2001, p. 1104). Employees do not leave the organization when they have jobs that match their skills. That is, employees’ future plans, career goals, and expectations should fit with the culture in the organization and the requirements of their immediate jobs (Bergiel et al., 2009; Karatepe & Ngeche, 2011; Mitchell et al., 2001). This is also valid for the community.

2.3.3 Sacrifice

Sacrifice is the last dimension of job embeddedness and refers to a number of benefits or opportunities to be lost as a result of leaving the organization. These benefits or opportunities can be associated with on-site child care services, subsidized private health and life insurance, or higher management positions. In addition, leaving the organization makes an employee move to another city. Under these circumstances, their children have to attend other schools and find new friends. These are also costs associated with leaving an organization.

In short, employees have to consider on-the-job embeddedness (organization) and off-the-job embeddedness (community) factors when they think of leaving their current organization.

2.4 Performance Outcomes

2.4.1 Service Recovery Performance

Service recovery performance is an important construct, because employees in frontline service jobs should provide quick and equitable service recoveries (Boshoff & Allen, 2000). Otherwise, the service firm will lose the customer forever. Service recovery performance is defined as “frontline service employees’ perceptions of their own abilities and actions to resolve a service failure to the satisfaction of the customer” (Babakus et al., 2003, p. 274). There are a number of studies that have examined the antecedents of service recovery performance. For example, Boshoff and Allen (2000) found that rewards, empowerment, and organizational commitment were significant predictors of service recovery performance among frontline bank employees in South Africa. In a study of frontline bank employees in Turkey, Yavas et al. (2003) showed that empowerment increased service recovery performance, while role ambiguity reduced service recovery performance. Ashill et al. (2005) reported similar results among frontline public hospital staff in New Zealand. In a study conducted with frontline bank employees in Turkey, Karatepe (2006) found that two personality variables, intrinsic motivation and trait competitiveness, enhanced service recovery performance, and role ambiguity decreased service recovery performance.

When managements of the firms invest in human resources in terms of training, empowerment, or rewards, employees’ performance to resolve customers’ complaints effectively increases.

2.4.2 Extra-Role Customer Service

Extra-role customer service is associated with employees' efforts to go beyond their formal responsibilities to make customers satisfied with service delivery. According to Bettencourt and Brown (1997, p. 41), extra-role customer service is defined as "discretionary behaviors of contact employees in serving customers that extend beyond formal role requirements". Going beyond formal requirements is critical in frontline service jobs, because there are a number of problems and complaints facing frontline employees, and these frontline employees should resolve them according to customers' expectations. In order to do this, they usually go beyond their formal role requirements.

Extra-role customer service behaviors also create a competitive advantage for organizations (Kim et al., 2009). This is not surprising, because frontline employees helping their colleagues and volunteering for extra work concerning effective service recovery differentiate their organization from other competing organizations in the marketplace.

2.5 Job Embeddedness Theory

Job embeddedness theory provides guidelines for developing relationships among the indicators of management commitment to service quality, job embeddedness, and performance outcomes. Organizations having appropriate human resource practices or investing in human resources in terms of training, empowerment, and rewards can retain their employees. The availability of sufficient training programs aimed at improving employees' skills and knowledge is important for job stability (Bergiel et al., 2009). By providing appropriate and continuous training programs, it is possible that the fit between the employee and the organization increases.

Empowerment is an important strategy for employees in frontline service jobs, because frontline employees should provide quick and appropriate responses to customers' complaints. Employees with empowerment find that the organization invests in human resources and has confidence in them regarding the effective resolution of customers' problems and complaints. In addition, providing frontline employees with proper financial and non-financial rewards indicates that the organization cares about their employees and regards them as strategic partners. In short, the presence of empowerment and rewards increases the fit between the employee and the organization. Employees remain in the organization, if they find that the current reward mechanisms are consistent with their expectations and efforts.

The abovementioned indicators of management commitment to service quality (i.e., training, empowerment, and rewards) also increase employees' performance outcomes (e.g., Ashill et al., 2005; Boshoff & Allen, 2000; Rod, Carruthers, & Ashill, 2006; Yavas et al., 2003, 2010). There is also evidence that job embeddedness enhances employees' performance outcomes (Karatepe & Ngeche, 2011; Lee et al., 2004).

In light of the information given above, it appears that the availability of human resource practices or management commitment to service quality increases employees' job embeddedness and lead to performance outcomes. In other words, the indicators of management commitment to service quality influence performance outcomes directly and indirectly through job embeddedness.

Chapter 3

RESEARCH HYPOTHESES

This chapter presents the conceptual model that the study intends to develop and test, and it describes the hypothesis development. It shows the mediating role of job embeddedness on the relationship between the indicators of management commitment to service quality and performance outcomes. The indicators of management commitment to service quality analyzed in this study are training, empowerment, and rewards. The performance outcomes consist of service recovery performance and extra-role customer service.

3.1 Conceptual Model

Service firms rely mostly on their frontline employees who are expected to deliver quality services to customers. Delivery of superior service quality can be fulfilled only with the support and commitment of top management (Ashill et al., 2008; Babakus et al., 2003; Kim et al., 2009). Training, empowerment, and rewards are among the most critical indicators of management commitment to service quality elevating frontline employees' performance outcomes (e.g., Ashill et al., 2005; Yavas et al., 2003, 2010).

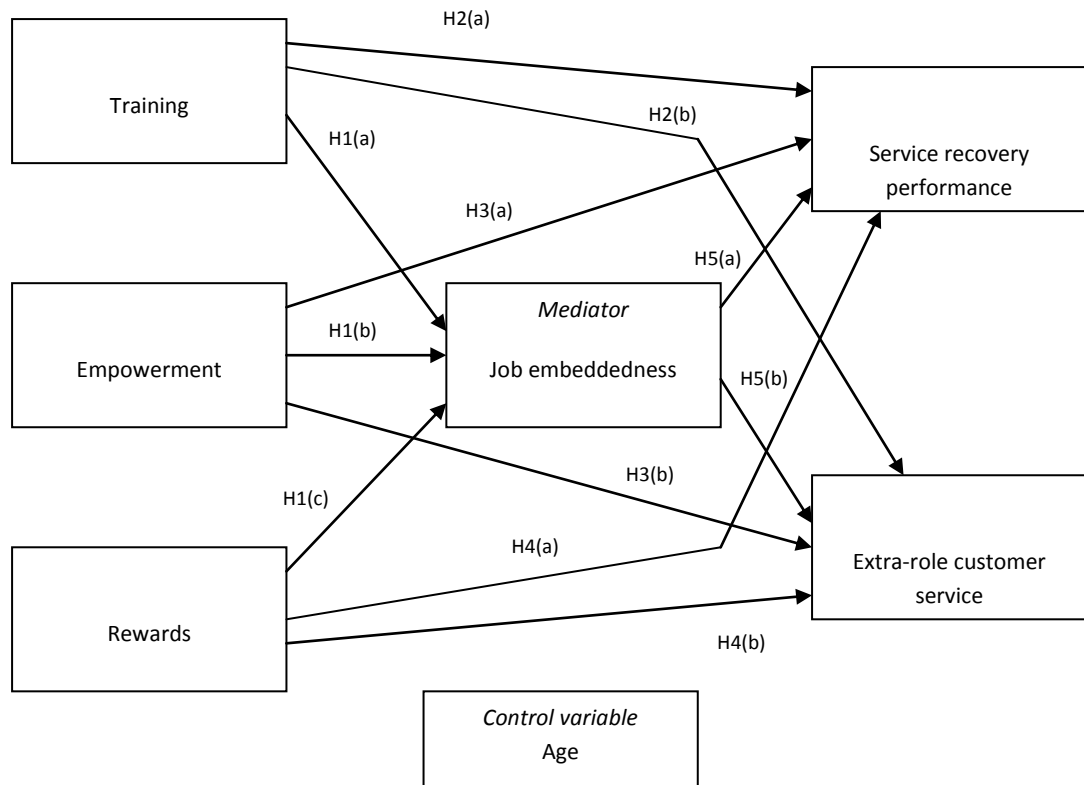


Figure 1. Conceptual Model

The presence of training, empowerment, and rewards in the workplace increases employees' job embeddedness. That is, as long as frontline employees feel linked or connected to their coworkers, supervisors in the organization and other circles in the community and consider themselves appropriate for the specific job, they feel confident and perform successfully (Karatepe & Ngeche, 2011; Lee et al., 2004). In this process job embeddedness has a mediating role on the relationship between the indicators of management commitment to service quality and performance outcomes.

The conceptual model shown in Figure 1 presents the relationships. Specifically, the model proposes that training, empowerment, and rewards increase job embeddedness, service recovery performance, and extra-role customer service. The model also proposes that job embeddedness enhances service recovery performance

and extra-role customer service. According to the model, job embeddedness functions as a partial mediator of the effects of training, empowerment, and rewards on the abovementioned performance outcomes. In the conceptual model age is treated as a control variable, because it may confound the results of the hypothesized relationships (Halbesleben & Wheeler, 2008).

3.2 Hypothesis Development

3.2.1 Management Commitment to Service Quality and Job Embeddedness

Training, as one of the drivers of management commitment to service quality, is considered a signal that top management of the firm cares and supports its employees (Bergiel et al., 2009). Frontline employees can view training programs as a real interest of top management towards quality and perceive them as a solid investment that retains them in the organization (Bergiel et al., 2009). As another driver of management commitment to service quality, empowerment is also regarded as a signal that top management of the firm invests in human resources for delivery of service quality. This is not surprising, because empowered employees have the authority needed to deal with customers' requests effectively. As stated by Ashill et al. (2008), empowered employees have the control over their work and how the work is carried out. This enables them to make on-the-spot decisions. In addition, an organization's reward structure is important for understanding one firm's commitment to service quality. As discussed by Boshoff and Allen (2000), the desired employee behaviors should be rewarded to motivate employees to deliver service quality.

In short, the simultaneous implementation of these practices appears to be critical for keeping employees in the organization. The presence of sufficient and effective

training programs, adequate empowerment practices, and appropriate reward mechanisms in the workplace enhances employees' job embeddedness (cf. Bergiel et al., 2009; Mitchell et al., 2001). Therefore, the following hypotheses are proposed:

H1(a): Training is positively related to job embeddedness.

H1(b): Empowerment is positively related to job embeddedness.

H1(c): Rewards are positively related to job embeddedness.

3.2.2. Management Commitment to Service Quality and Performance Outcomes

Employees in frontline service jobs need training and empowerment to deliver quality services to customers, resolve customers' complaints effectively, and go beyond their role requirements for making customers become satisfied with the overall service delivery (Babakus et al., 2003; Boshoff & Allen, 2000; Kim et al., 2009). This is not surprising, because frontline employees have intense face-to-face or voice-to-voice interactions with customers and are expected to deal with customers' requests and complaints successfully.

There is empirical evidence that training, empowerment, and rewards significantly influence service recovery performance/job performance. For example, Boshoff and Allen (2000) showed that empowerment and rewards significantly and positively affected service recovery performance among frontline bank employees. Ashill et al. (2005) found that empowerment increased service recovery performance of frontline public hospital staff. Yavas et al. (2010) reported that training and empowerment enhanced service recovery performance and job performance among frontline hotel employees. Accordingly, the following hypotheses are proposed:

H2: Training is positively related to (a) service recovery performance and (b) extra-role customer service.

H3: Empowerment is positively related to (a) service recovery performance and (b) extra-role customer service.

H4: Rewards are positively related to (a) service recovery performance and (b) extra-role customer service.

3.2.3 Job Embeddedness and Performance Outcomes

When the number of connections with other people in the organization and the community for the employee increase, he or she is more bound to the organization and the community (Mitchell et al., 2001). In addition, when the employee finds that his or her goals, career plans, and values fit the organizational culture, the demands of his job, and the community, the employee is more tied to the organization (Lee et al., 2004; Mitchell et al., 2001). Finally, if the employee finds that there are a number of costs as a result of leaving the organization, he or she is more bound to the organization (Mitchell et al., 2001). Under these circumstances, the employee is expected to display effective performance outcomes.

In a study of employees in a large international financial organization, Lee et al. (2004) demonstrated that on-the-job embeddedness enhanced job performance and organizational citizenship behavior. In a study of frontline hotel employees in Cameroon, Karatepe and Ngeche (2011) reported that job embeddedness reduced turnover intentions and increased job performance. Therefore, the following hypotheses are proposed:

H5: Job embeddedness is positively related to (a) service recovery performance and (b) extra-role customer service.

3.2.4 Job Embeddedness as a Mediator

As can be inferred from the abovementioned hypothesized relationships, job embeddedness acts as a partial mediator of the effects of training, empowerment, and rewards on service recovery performance and extra-role customer service. Job embeddedness theory also presents guidelines for developing such relationships. Broadly speaking, employees, who find that management of the firm is committed to delivery of superior service quality and pays utmost attention to human resources in terms of training and development, empowerment, and rewards and recognition, are bound to the job, the organization, and the community (cf. Bergiel et al., 2009). Such employees have the opportunity to pursue their career goals. They have good formal or informal connections to coworkers and supervisors in the organization as well as the relevant parties in the community. They are also aware of the fact that leaving the organization leads to loss of the potential benefits emerging from management's commitment to service excellence. Accordingly, they are more tied to the job, the organization, and the community (Burton, Holtom, Sablinski, Mitchell, & Lee, 2010). Employees who are embedded in the job can deal with customers' requests and complaints successfully and even go beyond their role requirements for helping customers (Karatepe & Ngeche, 2011; Lee et al., 2004). Therefore, the following hypotheses are proposed:

H6: Job embeddedness partially mediates the effects of (a) training, (b) empowerment, and (c) rewards on service recovery performance.

H7: Job embeddedness partially mediates the effects of (a) training, (b) empowerment, and (c) rewards on extra-role customer service.

Chapter 4

METHODOLOGY

This chapter focuses on a number of issues associated with the methodology of the empirical study. Specifically, it includes information about deductive approach and explains why this approach is used in the thesis. The present chapter provides information about the sample of the study, data collection, and questionnaire structure. It gives information about the operationalization of study variables and concludes with information regarding data analysis.

4.1 Deductive Approach

As mentioned in the introduction part, this study uses deductive approach to develop and test a conceptual model. That is, when deductive approach is used, “The constructs (the ideas) guide the researcher in making and testing deductions from the constructs. The deductions are empirically tested through research, and thus support or lack of support for the theory is obtained” (Graziano & Raulin, 1993, p. 37). In this thesis job embeddedness is treated as a mediator of the effects of training, empowerment, and rewards on service recovery performance and extra-role customer service. These relationships are developed based on the job embeddedness theory. Data collected from frontline hotel employees in Romania are tested using hierarchical multiple regression analysis.

4.2 Sample and Data Collection

This thesis uses a judgmental sample of full-time frontline employees in the four- and five-star hotels of Poiana Brasov, which is the most important tourism destination in skiing in Romania. These frontline hotel employees (e.g. front desk

agents, food servers, bartenders, door attendants, guest relations representatives, and bell attendants) had boundary-spanning roles and spent most of their time dealing with customers' requests and complaints. In the Poiana Brasov region there were 1 five-star and 7 four-star hotels at the time of this study.

The researcher contacted managements of the abovementioned hotels via a letter, which indicated the objectives of the study and request for permission for data collection. All hotel managements agreed to participate in the study. Despite such permissions, they did not allow the researcher to directly contact their frontline employees. Therefore, hotel managers distributed the questionnaires to their frontline employees. Each questionnaire included information about the assurance of anonymity and confidentiality. Each frontline employee self-administered the time I questionnaire, sealed it in an envelope, and placed it in a special box. Then, the researcher collected the time I questionnaires from this box. The same procedure was also used for the time II questionnaires.

Data were obtained in two waves. Specifically, data were obtained from frontline hotel employees with a one-week time lag to reduce the potential threat of common method bias. This is consistent with the potential solutions for common method bias suggested by Podsakoff et al. (2003). This is also consistent with the data collection of a recent thesis (Ehsani, 2011). The time I questionnaire consisted of the training, empowerment, rewards, and job embeddedness measures. The time I questionnaires also included items for respondents' age, gender, education, and organizational tenure. The time II questionnaire included the service recovery performance and extra-role customer service measures. The researcher prepared a master list

containing the name of each frontline employee in the hotel. This was done through confidentiality. Each employee in this master list had an identification number. Each questionnaire consisted of an identification number so that the time I and time II questionnaires could be matched.

123 time I questionnaires were distributed to frontline employees. By the cut-off date for data collection, 114 questionnaires were retrieved. However, 4 questionnaires were eliminated due to the missing information. Consequently, 110 questionnaires were obtained, providing a response rate of 89.4%. 110 time II questionnaires were then distributed to the same frontline employees. All frontline employees participated in the second stage of this study. This resulted in 100% response rate of the second sample and 89.4% of the first sample.

4.3 Questionnaire Structure and Measures

4.3.1 Questionnaire Structure

All items in the questionnaires (time I and time II) were originally prepared in English and then translated into Romanian using the back-translation method (Parameswaran & Yaprak, 1987). The first step was initiated by testing the time I questionnaire with a pilot sample of ten frontline employees. The time II questionnaire was also tested with a pilot sample of ten frontline employees. According to the feedback received from the managers, employees did not have any difficulty understanding items in the questionnaires. Thus, no changes were made in the questionnaires.

4.3.2 Measures

Training was measured using six items from Boshoff and Allen (2000). This is consistent with prior and recent studies (e.g., Ashill et al., 2008; Babakus et al.,

2003). Consistent with the work of Ashill et al. (2005) and Babakus et al. (2003), empowerment was measured with five items adapted from Hayes (1994). Five items from Boshoff and Allen (2000) were used to measure rewards. Such items were also used in prior and recent studies (e.g., Babakus et al., 2003; Yavas et al., 2010). Job embeddedness was measured through the global measure of job embeddedness developed by Crossley et al. (2007). This global measure of job embeddedness was also used in recent studies (e.g., Karatepe & Ngeche, 2011; Karatepe & Shahriari, 2011).

Five items from Boshoff and Allen (2000) were obtained to measure service recovery performance. An examination of the relevant literature shows that these scale items have been used to measure service recovery performance (e.g., Ashill et al., 2005; Babakus et al., 2003; Karatepe, 2006; Yavas et al., 2010). Five items from Bettencourt and Brown (1997) were used to measure extra-role customer service. This is consistent with recent studies (Karatepe, 2011; Kim et al., 2009).

Items in training, empowerment, rewards, job embeddedness, service recovery performance, and extra-role customer service were rated on five-point scales 5 (*strongly agree*) to 1 (*strongly disagree*). Higher scores showed higher training, empowerment, rewards, job embeddedness, service recovery performance, and extra-role customer service.

4.4 Data Analysis

In this study a number of analytical tools were used to report the results of the empirical investigation. Specifically, frequencies are used to report the demographic breakdown of the sample. The psychometric properties of the measures are

evaluated based on confirmatory factor analysis (Anderson & Gerbing, 1988; Joreskog & Sorbom, 1996) and using the coefficient alpha (Nunnally, 1978). All measures are subjected to a series of confirmatory factor analyses for issue of convergent validity. In addition to model fit statistics, the magnitudes of the standardized loading estimates and their *t*-values are assessed.

The following fit statistics are used for evaluating model fit statistics: χ^2/df , CFI, NNFI, and RMR. Kelloway (1998: 24-31) define these tests as follows:

Chi-square: Since chi-square test is sensitive to large sample sizes ($n \geq 200$), other fit statistics are to be taken into account.

CFI-Comparative Fit Index: The comparative fit index is based the non-central chi-square distribution.

NNFI-Non-Normed Fit Index: The NNFI results in numbers with a lower bound of 0 but an upper bound greater than 1. Higher values of the NNFI indicate a better fitting model, and it is common to apply the .90 rule as indicating a good fit to the data.

RMR-Root Mean Square Residual: This is the square root of the mean of the squared discrepancies between the implied and observed covariance matrices.”

Discriminant validity is evaluated using the result of correlations to be reported using the Pearson product-moment correlation. Using this analysis for reporting discriminant validity is consistent with other studies (e.g., Karatepe & Ekiz, 2004; Yavas et al., 2004). After the scale purification process, each variable is subjected to an evaluation of the internal consistency reliability. The commonly accepted cut-off level for coefficient alpha is .70.

The hypothesized relationships were tested using hierarchical multiple regression analysis. The guidelines provided by Baron and Kenny (1986) are used to evaluate the mediating effects. In addition, Sobel test is calculated for the significance of the mediating effects.

Chapter 5

RESULTS

This thesis presents the findings in this chapter. Broadly speaking, the findings about the demographic breakdown of the sample are presented. This chapter further presents the findings about issues of validity and reliability. The findings of the hypotheses are given via hierarchical multiple regression analysis and Sobel test.

5.1 Demographic Breakdown of the Sample

As reported in Table 1, 37% of the respondents were between the ages of 18-27, 39% between the ages of 28-37, and the rest were older than 37. Fifty-eight percent of the respondents were male. Six percent of the respondents had primary school education, while 50% had secondary and high school education. Twenty percent of the respondents had two-year college degrees and 18% four-year college degrees. The rest had graduate degrees. The majority of the respondents (54%) had tenures between one and five years. Thirteen percent of the respondents had tenures below one year. Twenty-four percent of the respondents had tenures between six and ten years and the rest had more than ten years.

Table 1. Respondents' Profile ($n = 110$)

	<u>Frequency</u>	<u>%</u>
Age		
18-27	41	37.3
28-37	43	39.1
38-47	10	9.1
48-57	11	10.0
58 and above	5	4.5
Total	110	100.0
Gender		
Male	64	58.2
Female	46	41.8
Total	110	100.0
Education		
Primary School	7	6.3
Secondary and High School	55	50.0
Two-Year College Degree	22	20.0
Four-Year College Degree	20	18.2
Graduate Degree	6	5.5
Total	110	100.0
Organizational Tenure		
Less than 1 year	14	12.7
1-5	59	53.6
6-10	26	23.7
11-15	6	5.5
16-20	2	1.8
More than 20 years	3	2.7
Total	110	100.0

5.2 Measurement Results

The measures in this thesis were subjected to a series of confirmatory factor analyses. According to the results of confirmatory factor analysis, several items were deleted due to cross-loadings. That is, two items from each of the training, empowerment, and service recovery performance measures were deleted. As shown in Table 2, model fit statistics for a six-factor model were as follows: $\chi^2 = 554.01$, $df = 309$; CFI = .92; NNFI = .90; RMR = .053. The result for χ^2 / df value (1.79) was not within a range of acceptable values (2 to 5). However, the results for NNFI and CFI were equal to or higher than .90.

Table 2. Scale Items and Confirmatory Factor Analysis Results

Scale items	Standardized loading estimates	t-values
Training		
I receive continued training to provide good service	.79	9.68
I received extensive customer service training before guests come into contact with customers	.*	-
I receive training on how to serve customers better	.88	11.58
I receive training on how to deal with complaining customers	.90	11.85
I receive training on dealing with customer problems	.88	11.60
I was trained to deal with customer complaints	.*	-
Empowerment		
I am empowered to solve customer problems	.*	-
I am encouraged to handle customer problems by myself	.*	-
I do not have to get management's approval before I handle customer problems	.88	11.52
I am allowed to do almost anything to solve customer problems	.92	12.45
I have control over how I solve customer problems	.96	13.51
Rewards		
If I improve the level of service I offer customers, I will be rewarded	.78	9.69
The rewards I receive are based on customer evaluations of service	.87	11.31
I am rewarded for serving customers well	.87	11.50
I am rewarded for dealing effectively with customer problems	.95	13.34
I am rewarded for satisfying complaining customers	.89	11.94
Job embeddedness		
I feel attached to this hotel	.90	12.17
It would be difficult for me to leave this hotel	.94	13.11
I am too caught up in this hotel to leave	.91	12.37
I feel tied to this hotel	.92	12.66
I simply could not leave the hotel that I work for	.86	11.30
It would be easy for me to leave this hotel (-)	.77	9.51
I am tightly connected to this organization	.84	10.86

Table 2. Continued

Scale items	Standardized loading estimates	<i>t</i> -values
Service recovery performance		
Considering all the things I do, I handle dissatisfied customers quite well	-*	-
I don't mind dealing with complaining customers	.70	7.76
No customer I deal with leaves with problems unresolved	.81	9.52
Satisfying complaining customers is a great thrill to me	-*	-
Complaining customers I have dealt with in the past are among today's most loyal customers	.75	8.58
Extra-role customer service		
I voluntarily assist customers even if it means going beyond job requirements	.87	11.41
I help customers with problems beyond what is expected or required	.87	11.33
I often go above and beyond the call of duty when serving customers	.78	9.51
I willingly go out of my way to make a customer satisfied	.92	12.36
I frequently go out the way to help a customer	.87	11.28
<i>Model fit statistics: $\chi^2 = 554.01$, <i>df</i> = 309; CFI = .92; NNFI = .90; RMR = .053</i>		

Notes: All loadings are significant at the .01 level or better. (-) denotes reverse-scored items.

* Items were dropped during confirmatory factor analysis.

The result for RMR was also deemed acceptable. In short, there was a reasonable fit of the six-factor model to the data based on the abovementioned results. In addition, all standardized loading estimates were significant. Consequently, there was evidence of convergent validity (Anderson & Gerbing, 1988).

The results in Table 3 indicate that the correlation coefficients among the study variables are below $|\cdot 70|$. These results provided evidence of discriminant validity (Karatepe & Ekiz, 2004; Yavas et al., 2004). In addition, the results in Table 3 show that all coefficient alphas are above the cut-off level of $\cdot 70$. Means, standard deviation, correlations of study variables, and coefficient alphas are presented in Table 3. The results demonstrate that older employees have high levels of job embeddedness.

Table 3. Scale Reliabilities, Means, Standard Deviations, and Correlations of Model Constructs and Control Variable

Variables	1	2	3	4	5	6	7
1. Age	1.000						
2. Training	.031	1.000					
3. Empowerment	-.067	.482*	1.000				
4. Rewards	.026	.602*	.434*	1.000			
5. Job embeddedness	.277*	.538*	.461*	.605*	1.000		
6. Service recovery performance	.011	.380*	.550*	.506*	.508*	1.000	
7. Extra-role customer service	.030	.506*	.457*	.382*	.436*	.609*	1.000
Mean	2.06	3.12	2.93	3.24	3.19	3.51	3.33
Standard deviation	1.13	.86	1.04	.94	.89	.69	.88
Alpha	-	.92	.94	.94	.96	.79	.94

Notes: Composite scores for each variable were obtained by averaging scores across items representing that measure. The scores for all study variables ranged from 1 to 5. Age was measured using a five-point scale.

* Correlations are significant at the 0.01 level.

Since the correlations among the study variables are significant, the first three conditions for a mediation analysis are met. Specifically, (1) there is a significant correlation between the indicators of management commitment to service quality and job embeddedness; (2) there is a significant correlation between the indicators of

management commitment to service quality and performance outcomes; and (3) there is a significant correlation between job embeddedness and performance outcomes.

5.3 Model Test Results

Table 4 presents the results for direct effects. Hypothesis 1(a) predicts that training is positively related to job embeddedness. Hypothesis 1(a) is supported, because training has a significant positive effect on job embeddedness ($\beta = .19, p < .05$). Hypothesis 1(b) suggests that empowerment is positively related to job embeddedness. The results in Table 4 indicate that empowerment has a significant positive effect on job embeddedness ($\beta = .22, p < .01$). Therefore, hypothesis 1(b) is supported. Hypothesis 1(c) suggests that rewards are positively linked to job embeddedness. Hypothesis 1(c) is also supported, because rewards significantly and positively influence job embeddedness ($\beta = .39, p < .001$). As a control variable, age is significantly and positively related to job embeddedness ($\beta = .28, p < .01$). That is, older employees are more embedded in the job.

The results in Table 5 show that empowerment ($\beta = .42, p < .001$) and rewards ($\beta = .34, p < .01$) are positively linked to service recovery performance, whereas training is not. Therefore, hypotheses 3(a) and 4(a) are supported. However, there no is empirical support for hypothesis 2(a). The results in Table 5 also show that training ($\beta = .34, p < .01$) and empowerment ($\beta = .27, p < .01$) have significant positive effects on extra-role customer service. Therefore, hypotheses 2(b) and 3(b) are supported. On the other hand, there is no empirical support for hypothesis 4(b), because rewards are not significantly linked to extra-role customer service.

Table 4. Hierarchical Multiple Regression Analysis Results: Direct Effects

		Dependent variable and standardized regression weights	
		Job embeddedness	
Independent variables		Step 1	Step 2
(I)	Control variable		
	Age	.28**	.28***
(II)	Indicators of management commitment to service quality		
	Training		.19*
	Empowerment		.22**
	Rewards		.39***
	<i>F</i>	8.95**	31.55***
	<i>R</i> ² at each step	.08	.51
	ΔR^2	-	.43

Notes: Age was measured using a five-point scale. Higher scores indicated older age. The results regarding variance inflation factors did not demonstrate any problems of multicollinearity.

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

Hypothesis 5(a) suggests that job embeddedness is positively related to service recovery performance. This hypothesis is supported, since the effect of job embeddedness on service recovery performance is significant and positive ($\beta = .24, p < .05$). Hypothesis 5(b) also predicts that job embeddedness is positively linked to extra-role customer service. However, the results in Table 5 show that job embeddedness does not significantly influence extra-role customer service. Therefore, hypothesis 5(b) is not supported.

Table 5. Hierarchical Multiple Regression Analysis Results: Mediating Effects

		Dependent variables and standardized regression weights					
		Service recovery performance			Extra-role customer service		
Independent variables		Step 1	Step 2	Step 3	Step 1	Step 2	Step 3
(I)	Control variable						
	Age	.01	.03	-.04	.03	.04	-.01
(II)	Indicators of management commitment to service quality						
	Training		-.03	-.07		.34**	.31**
	Empowerment		.42***	.37**		.27**	.23*
	Rewards		.34**	.25*		.06	-.01
(III)	Job embeddedness			.24*			.17
	<i>F</i>	.01	22.57***	4.99**	1.00	16.32***	2.21
	<i>R</i> ² at each step	.00	.39	.42	.00	.32	.33
	ΔR^2	-	.39	.03	-	.32	.01

Sobel test for:

Empowerment→job embeddedness→service recovery performance 1.74[†]

Rewards→job embeddedness→service recovery performance 2.00*

Notes: Age was measured using a five-point scale. Higher scores indicated older age. The results regarding variance inflation factors did not demonstrate any problems of multicollinearity.

[†]*p*< .10, **p*<.05, ***p*<.01, ****p*<.001

When job embeddedness is entered in the equation, the effects of empowerment and rewards on service recovery performance are reduced, but remain significant. The results show a significant increment in R^2 of the model ($\Delta R^2 = .03, p < .05$). Sobel test result also lends support for job embeddedness as a partial mediator of the effects of empowerment ($t = 1.74, p < .10$) and rewards ($t = 2.00, p < .05$) on service recovery performance. These results show that job embeddedness partially mediates the effects of empowerment and rewards on service recovery performance. Therefore, hypotheses 6(b) and 6(c) are supported. However, hypothesis 6(a) is not supported, because training is not significantly related to the criterion variable, service recovery performance.

The results in Table 5 do not provide empirical supported for hypotheses 7(a), 7(b), and 7(c), since job embeddedness has no significant positive impact on the criterion variable, extra-role customer service. In closing, the results remain the same with or without age in the model.

Chapter 6

DISCUSSION

The present chapter gives a detailed evaluation of the results regarding job embeddedness as a partial mediator of the effects of training, empowerment, and rewards on service recovery performance and extra-role customer service. This is followed by the presentation of useful implications for business practice in the hotel industry. Then, limitations of the empirical study are discussed and their potential implications for future research are offered.

6.1 Evaluation of Findings

This study developed and tested a conceptual model that investigated the partial mediating role of job embeddedness on the relationship between the indicators of management commitment to service quality and performance outcomes. Training, empowerment, and rewards were treated as the indicators of management commitment to service quality, and service recovery performance and extra-role customer service were the performance outcomes used in this study. These relationships were tested through data obtained from a sample of full-time frontline hotel employees with a one-week time lag in the Poiana Brasov region in Romania.

There are two important contributions of this study to the hospitality management and marketing literature. First, as an employee retention strategy, job embeddedness has not received much empirical attention. In addition, empirical research regarding the relationships among the indicators of management commitment to service quality, job

embeddedness, and performance outcomes is sparse. Second, this study assesses these relationships based on data collected from frontline hotel employees in Romania. Romania appears to be one of the most appropriate settings to examine these relationships, because there are poor human resource practices associated with training, rewards, wages, and career opportunities in the hospitality industry (Marin-Pantelescu & Lupu, 2009).

The results suggest that the indicators of management commitment to service quality enhance employees' job embeddedness. That is, the presence of training, empowerment, and rewards in the workplace makes employees become embedded in their jobs. This is not surprising, because these indicators or human resource practices create a good work environment where employees can exchange their ideas, make decisions on their own for resolving customers' problems and complaints, and receive financial and non-financial rewards for their efforts in service delivery process. These results are consistent with the job embeddedness theory and that of Bergiel et al. (2009) demonstrating that appropriate human resource practices enhance employees' job embeddedness.

According to the results reported in this thesis, empowerment and rewards elevate employees' service recovery performance. That is, employees with adequate authority can serve customers successfully and deal with their problems and complaints effectively. Employees in frontline service jobs are the individuals who are expected to determine what action is needed for resolving customers' complaints. The results regarding the effects of empowerment and rewards are in line with that of Boshoff and

Allen (2000). However, the results do not provide empirical support for the relationship between training and service recovery performance. Though this is an unexpected finding, training programs arranged in hotels in Romania might not have focused on the development of skills pertaining to problem-solving. Therefore, the availability of training programs that does not focus on the development of such skills does not significantly affect employees' service recovery performance.

In addition, the results suggest that employees who receive sufficient training in the workplace and are delegated authority for service delivery display extra-role customer service. That is, trained and empowered employees have discretionary behaviors for being able to resolve customers' problems. This is not surprising, because such employees are expected to go beyond their role requirements for effective service delivery. However, the results suggest that rewards do not have any significant effects on extra-role customer service. One potential explanation is that employees might have been dissatisfied with the existing rewards and recognition policies of the hotel. Under these circumstances, the existing rewards do not encourage them to go beyond their role requirements.

The results reported in the current study suggest that job embeddedness enhances service recovery performance. However, the results do not provide any empirical support for the relationship between job embeddedness and extra-role customer service. These results are partially consistent with that of Lee et al. (2004). It appears that employees who are embedded in the job and the community are encouraged to display effective service recovery. More importantly, empowerment and rewards influence service

recovery performance directly and indirectly via job embeddedness. In other words, job embeddedness partially mediates the effects of empowerment and rewards on service recovery performance. Consistent with the job embeddedness theory, employees having the authority to make decisions in service encounters and receive financial and/or non-financial rewards are embedded in the job. Such employees are also embedded in the community. Job embeddedness in turn leads to service recovery performance.

6.2 Management Implications

There are useful managerial implications on the basis of the findings of the study. First, although hotel managers appear to be cognizant of the critical role of service quality for organizational success and survival, managerial practices associated with training, empowerment, and rewards are not prevalent. Therefore, it is important that frontline employees should be trained in both technical and interpersonal skills to be able to deal with customers' problems effectively. In training programs frontline employees should also be taught about how to practice empowerment. This can be done using video case studies in such training programs. In addition, managements of the hotels should make sure that financial and/or non-financial rewards are given to their frontline employees for their effective performance in the workplace.

Second, hotel managers should ensure that they hire individuals who fit the job, the organization, and the community. Otherwise, having a pool of employees in frontline service jobs whose personalities, skills, goals, and career plans do not fit the job, the organization, and the community leads to high levels of turnover. Therefore, it is important that using tests and/or (video) case studies during the selection process would

be helpful for identifying the right potential individuals for frontline service jobs. Finally, managements of the hotels should invest in their human resources in terms of training, empowerment, and rewards for having a work environment where employees are embedded in the job. This is significant, because many educated individuals in Romania work in foreign countries to have satisfactory wages and better career opportunities.

6.3 Limitations and Future Research Directions

Several future research directions based on the limitations of this study are offered. First, this study collected data in a single industry of a single country. In future studies obtaining data from different countries (e.g., Turkey and Nigeria) using different tourism and hospitality service settings such as airlines, restaurants, and travel agencies would be useful for broadening the database for generalizations. Second, future research could include other potential indicators of management commitment to service quality (e.g., supervisor support and participation in decision-making) in the conceptual model for a finer understanding of the mediating role of job embeddedness.

Third, inclusion of other outcomes such as creative performance, absenteeism, and actual turnover in the conceptual model would be beneficial. Finally, the sample size of this study is small. Future research should obtain a larger sample size for testing the relationships depicted in the conceptual model of this study. Such a research practice is needed for the issue of generalizability. Despite such limitations, the results of this thesis regarding the mediating role of job embeddedness contribute to the hospitality management and marketing literature.

Chapter 7

CONCLUSION

This thesis developed and tested a conceptual model for evaluating the mediating role of job embeddedness on the relationship between the indicators of management commitment to service quality and performance outcomes. Specifically, the conceptual model examines job embeddedness as a partial mediator of the impacts of training, empowerment, and rewards on service recovery performance and extra-role customer service. Data were collected from full-time frontline hotel employees with a time lag of one week in the Poiana Brasov region in Romania. As a developing European Union country, Romania seems to be one of the most proper countries for assessing the abovementioned relationships.

The results suggest that as the indicators of management commitment to service quality, training, empowerment, and rewards increase frontline employees' job embeddedness. The results also suggest that empowerment and rewards are the indicators of management commitment to service quality elevating service recovery performance. However, the results do not lend any empirical support to the relationship between training and service recovery performance. On the contrary, training is one of the indicators of management commitment to service quality increasing frontline employees' extra-role customer service. The other indicator of management commitment to service quality triggering extra-role customer service is empowerment.

According to the results, rewards are not significantly related to extra-role customer service.

Additionally, the results suggest that job embeddedness enhances frontline employees' service recovery performance. The results reported in this thesis suggest that job embeddedness partially mediates the impacts of empowerment and rewards on service recovery performance. However, job embeddedness does not have any mediating role on the relationship between the indicators of management commitment to service quality and extra-role customer service, because it does not significantly affect extra-role customer service. Job embeddedness does not act as a partial mediator of the relationship between training and service recovery performance, since training is not significantly related to service recovery performance.

This thesis delineates several useful implications for managers for business practice based on the results of the empirical investigation. Limitations and avenues for future research are also given in the thesis.

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Appendix

Appendix A

A FIELD STUDY IN THE HOTEL INDUSTRY OF ROMANIA

Dear Respondent:

This research is aimed to better understand your daily experiences at work. Therefore, we kindly request that you self-administer this questionnaire.

Any sort of information collected during our research will be kept in confidential. We appreciate your time and participation in our research very much.

If you have any questions about our research, please do not hesitate to contact Mrs. Georgiana Karadas through her e-mail address: Georgiana.karadas@emu.edu.tr.

Thank you for your kind cooperation.

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SECTION I.

Please indicate your disagreement or agreement with each statement by crossing the number using the following five-point scale:

- (1) I strongly disagree
- (2) I disagree
- (3) I am undecided
- (4) I agree
- (5) I strongly agree

1. I am empowered to solve customer problems.	1	2	3	4	5
2. I am encouraged to handle customer problems by myself.	1	2	3	4	5
3. I do not have to get management's approval before I handle customer problems.	1	2	3	4	5
4. I am allowed to do almost anything to solve customer problems.	1	2	3	4	5
5. I have control over how I solve customer problems.	1	2	3	4	5
6. If I improve the level of service I offer customers, I will be rewarded.	1	2	3	4	5
7. The rewards I receive are based on customer evaluations of service.	1	2	3	4	5
8. I am rewarded for serving customers well.	1	2	3	4	5
9. I am rewarded for dealing effectively with customer problems.	1	2	3	4	5
10. I am rewarded for satisfying complaining customers.	1	2	3	4	5
11. I feel attached to this hotel.	1	2	3	4	5
12. It would be difficult for me to leave this hotel.	1	2	3	4	5
13. I am too caught up in this hotel to leave.	1	2	3	4	5
14. I feel tied to this hotel.	1	2	3	4	5
15. I simply could not leave the hotel that I work for.	1	2	3	4	5
16. It would be easy for me to leave this hotel.	1	2	3	4	5
17. I am tightly connected to this organization.	1	2	3	4	5
18. I receive continued training to provide good service.	1	2	3	4	5
19. I received extensive customer service training before guests come into contact with customers.	1	2	3	4	5
20. I receive training on how to serve customers better.	1	2	3	4	5
21. I receive training on how to deal with complaining customers.	1	2	3	4	5
22. I receive training on dealing with customer problems.	1	2	3	4	5
23. I was trained to deal with customer complaints.	1	2	3	4	5

SECTION II.

Please indicate your answer by placing a (✓) in the appropriate alternative.

1. How old are you?

- 18-27 ()
- 28-37 ()
- 38-47 ()
- 48-57 ()
- 58 and over ()

2. What is your gender?

- Male ()
- Female ()

3. What is the highest level of education you completed?

- Primary school ()
- Secondary and high school ()
- Vocational school (two-year program) ()
- University first degree ()
- Master or Ph.D. degree ()
- More than 20 years ()

4. How long have you been working in this hotel?

- Under 1 year ()
- 1-5 years ()
- 6-10 years ()
- 11-15 years ()
- 16-20 years ()

Thank you for your kind cooperation.

APPENDIX B

A FIELD STUDY IN THE HOTEL INDUSTRY OF ROMANIA

Dear Respondent:

This research is aimed to better understand your daily experiences at work. Therefore, we kindly request that you self-administer this questionnaire.

Any sort of information collected during our research will be kept in confidential. We appreciate your time and participation in our research very much.

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Thank you for your kind cooperation.

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Address:

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Eastern Mediterranean University
Gazimagusa, TRNC
Via Mersin 10, Turkey

Please indicate your disagreement or agreement with each statement by crossing the number using the following five-point scale:

- (1) I strongly disagree
- (2) I disagree
- (3) I am undecided
- (4) I agree
- (5) I strongly agree

1. I voluntarily assist customers even if it means going beyond job requirements.	1	2	3	4	5
2. I help customers with problems beyond what is expected or required.	1	2	3	4	5
3. I often go above and beyond the call of duty when serving customers.	1	2	3	4	5
4. I willingly go out of my way to make a customer satisfied.	1	2	3	4	5
5. I frequently go out the way to help a customer.	1	2	3	4	5
6. Considering all the things I do, I handle dissatisfied customers quite well.	1	2	3	4	5
7. I don't mind dealing with complaining customers.	1	2	3	4	5
8. No customer I deal with leaves with problems unresolved.	1	2	3	4	5
9. Satisfying complaining customers is a great thrill to me.	1	2	3	4	5
10. Complaining customers I have dealt with in the past are among today's most loyal customers.	1	2	3	4	5

Thank you for your kind cooperation.

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