

**Total Quality Management Commitment to Service
Recovery Performance: An Empirical Study of
Front-Line Hotel Employees in the USA**

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ABSTRACT

The aim of this research is to examine the relationship between **Total Quality Management (TQM)** factors and service recovery performance through the mediating role of job satisfaction and affective commitment in hotels with casinos. TQM factors used in this study which are relevant to the literature in the hotel industry are top management leadership, teamwork, empowerment, reward and training. The research was conducted through a quantitative method using questionnaires which were distributed personally to a sample chosen from frontline employees of three, four, and five-star hotels with casinos in Las Vegas, USA. Having convergence, discriminant, and reliability validities, the collected data was subsequently analyzed by SPSS and AMOS programs. The results of correlation and path analyses confirmed a significant positive relationship between TQM factors and their affective outcomes which are employees' job satisfaction and affective commitment plus a significant positive relationship between these two elements and their behavioral outcome which is service recovery performance. The implications and limitations of the study are also discussed.

Keywords: Total Quality Management (TQM); service recovery performance; job satisfaction; affective commitment; casino hotels; United States.

ÖZ

Mevcut çalışma toplam kalite yönetimi (TKY) faktörleri ile hizmet iyileştirmesi performansları arasındaki ilişkiyi ortaya çıkarmayı hedeflemektedir. Bu amaçla, Las Vegas Nevada’da faaliyet gösteren ve kumarhanesi olan 3, 4, ve 5 yıldızlı otellerin çalışanları seçilmiştir. Çalışanlara yönelik anketler uygulanmış ve SPSS ile AMOS paket programları aracılığı ile faktör analizleri, uyumluluk testleri ve yapısal modeller gibi istatistikî yöntemler uygulanmıştır. Sonuçlar, TKY faktörleri ile hizmet iyileştirme performansının, çalışma eğilimlerinin, ve çalışan memnuniyetinin pozitif yönde ilişkili olduğunu ortaya koymuştur. Politika önerileri çalışma sonunda verilmiştir.

Anahtar Kelimeler: Toplam Kalite Yönetimi (TKY); Hizmet İyileştirme Performansı; İş Memnuniyeti; Çalışma Eğilimi; Kumarhane; Oteller; Birleşik Devletler.

To my family who supported me each step of the way...

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TABLE OF CONTENTS

| | |
|---|-----|
| ABSTRACT..... | iii |
| ÖZ..... | iv |
| DEDICATION..... | v |
| ACKNOWLEDGEMENTS..... | vi |
| LIST OF TABLES..... | x |
| LIST OF FIGURES..... | xi |
| 1 INTRODUCTION..... | 1 |
| 1.1 Rationale..... | 1 |
| 1.2 Aim and Objectives of the Research..... | 2 |
| 1.3 Importance of the Research..... | 3 |
| 1.4 Research Methodology..... | 5 |
| 1.5 Organization of the Thesis..... | 5 |
| 2 THE UNITED STATES OF AMERICA..... | 7 |
| 2.1 Introduction..... | 7 |
| 2.2 The United States of America..... | 7 |
| 2.3 The State of Nevada..... | 11 |
| 2.4 Las Vegas and Tourism Industry..... | 12 |
| 3 LITERATURE REVIEW..... | 16 |
| 3.1 Introduction..... | 16 |
| 3.2 TQM..... | 16 |

| | | |
|-------|---|----|
| 3.2.1 | Top Management Leadership..... | 17 |
| 3.2.2 | Teamwork | 20 |
| 3.2.3 | Empowerment | 20 |
| 3.2.4 | Reward | 21 |
| 3.2.5 | Training..... | 22 |
| 3.3 | Job Satisfaction..... | 23 |
| 3.4 | Affective Commitment..... | 27 |
| 3.5 | Service Recovery Performance | 28 |
| 3.6 | Theoretical Background | 30 |
| 4 | RESEARCH MODEL AND HYPOTHESES | 34 |
| 4.1 | Introduction | 34 |
| 4.2 | Conceptual Model | 34 |
| 4.3 | Hypotheses | 35 |
| 4.4 | Control Variables | 38 |
| 5 | RESEARCH METHODOLOGY | 40 |
| 5.1 | Deductive Approach..... | 40 |
| 5.2 | Sample and Study Setting..... | 40 |
| 5.3 | Measures..... | 41 |
| 5.4 | Psychometric Properties of the Instrument | 43 |
| 5.5 | Tests for Significant Differences..... | 47 |
| 5.6 | Correlation Analysis and Proposed Regression Model..... | 47 |
| 6 | RESULTS AND DISCUSSION | 49 |

| | | |
|-------|--|----|
| 6.1 | Descriptive Analysis..... | 49 |
| 6.1.1 | Frequencies | 49 |
| 6.1.2 | Mean Score and Reliability Analysis | 51 |
| 6.1.3 | Tests for Significant Differences | 52 |
| 6.2 | Correlation and PATH (Regression) Analysis | 52 |
| 6.2.1 | Correlation Analysis..... | 52 |
| 6.2.2 | Path (Regression) Analysis | 53 |
| 7 | CONCLUSION | 57 |
| 7.1 | Conclusion..... | 57 |
| 7.2 | Implications | 60 |
| 7.3 | Limitations and Further Research | 63 |
| | REFERENCES..... | 64 |
| | APPENDIX..... | 79 |
| | Appendix A: Sample of the Questionnaire | 80 |

LIST OF TABLES

| | |
|--|----|
| Table 1: Top touristic destination states in the USA in 2010 | 10 |
| Table 2: Top touristic destination cities in the USA in 2010..... | 13 |
| Table 3: Las Vegas hotels with casinos according to employee count | 14 |
| Table 4: Convergent and discriminant validity of the model instruments | 44 |
| Table 5: Frequency of control variables..... | 50 |
| Table 6: Significance of control variables | 52 |
| Table 7: Correlations..... | 53 |
| Table 8: Unstandardized Regression Weights | 54 |
| Table 9: Standardized Regression Weights | 55 |

LIST OF FIGURES

| | |
|---|----|
| Figure 1: Map of the United States of America | 8 |
| Figure 2: Conceptual Model of the Research..... | 35 |
| Figure 3: Unstandardized Estimates..... | 55 |
| Figure 4: Standardized Estimates..... | 56 |

Chapter 1

INTRODUCTION

1.1 Rationale

Nowadays with the growing competition in the globalized world, in every industry, organizations are doing their best to survive via finding a competitive advantage over their rivals. An increase in competition atmosphere of the industries would lead to an increase in customers' demand as well. Service industries are facing the challenge much more than the other industries due to the specific characteristics of service (intangibility, perishability, inseparability and heterogeneity) which are also valid for the hotel industry. Considering the literature, **Total Quality Management (TQM)** has been proven to be a key strategy for maintaining competitive advantage plus helping organization's leadership or management team to improve their organizations' effectiveness and performance so that to achieve a higher status in the market (Ooi *et al.*, 2007; Chapman and Al-Khawaldeh, 2002; Zhang *et al.*, 2000).

Moreover, the crucial role of frontline employees in the service industries has been confirmed in the previous studies in building relations with the customers and also in the quality of the service delivered (Ashill *et al.*, 2008; Babakus *et al.*, 2003). Due to the fact that mistakes or failures in the service delivery occurs frequently and they are unrelated to the level of commitment to service excellence (Babakus *et al.*, 2003; Lewis and Spyropoulos, 2001; Yavas and Yasin 2001), the high level of interactions of frontline employees with the customers (human factors) makes it even

more difficult to lessen the mistakes done by them leading to customer dissatisfaction of the service provided. As a result, the way frontline employees are dealing with service failures (service recovery performance) is definitely an important strategic concern of services industries and is significantly presented in the previous literature (Ashill *et al.*, 2008; Bendall-Lyon and Powers, 2001; Ruyter and Wetzels, 2000; Boshoff and Allen 2000). The importance of service recovery performance is also mentioned in the services literature by showing the effects of it on the business success; keeping the satisfied and committed frontline employees would help the organization reduce its costs (Ashill *et al.*, 2008; Alexandrov *et al.*, 2007).

1.2 Aim and Objectives of the Research

As argued above, the purpose of this thesis is to examine the relationship of total quality perception and practices on job satisfaction and affective commitment of the front-line hotel employees, plus searching for the indirect relationship of these factors on service recovery performance mediated by job satisfaction and affective commitment. The indicators of TQM to job satisfaction and affective commitment used in this thesis are top management leadership, teamwork, empowerment, reward and training, which have been previously used in the hotel industry e.g. Arasli (2002). Data are collected from a sample of full-time frontline employees in three-, four- and five-star hotels with casinos in Las Vegas, USA for assessing these relationships. In order to achieve our aim, the following objectives have been targeted in the present research:

1. To acquire necessary knowledge in the related literature about TQM factors and their effects on job satisfaction and affective commitment, plus the effect of these two latter elements on service recovery performance.
2. To prepare some questionnaires according to the literature reviewed to gain the information needed. Measuring the factors by collecting questionnaires leads to have a quantitative approach. The questionnaires were to be given to the full-time employees working in the 3-, 4- and 5-star hotels with casinos in Las Vegas, USA.
3. To put all the data in the Statistical Package for Social Science (SPSS) program (version 20) and also AMOS program (version 20), to analyze the findings of the study according to the information collected.
4. And at the end, contribute to the literature by comparing our findings with the previous ones existed in the literature plus preparing some implications for the managers.

As a result, it was anticipated to have a valuable outcome going through all these objectives, for not only the research was analyzing quantitative data, but also it was going to show the results and the knowledge gained in depth with their implications and suggestions. It is hoped that the managers of the hotels with casinos in Las Vegas and also the other places similar to it would be able to use the information and improve their situation in this competitive world.

1.3 Importance of the Research

As mentioned before, finding a competitive advantage is of the most important targets of any corporation or organization in the world. Even it has been known as the only most important goal of a hotel firm (Kim and Oh, 2004; Porter, 1980).

Therefore, the findings of this research would be of great significance not only because of its importance in competitive advantage issues, but also in helping managers to find a solution for maintaining current customers. Maintaining current customers is of the key factors in the hotel industry, so as stated in the literature, only hotels, who attract, maintain, satisfy and retain customers, would be able to survive in this competitive business (Sim *et al.*, 2006; Choi and Chu, 2001).

On the other hand, this research has significant contribution to the literature as well for at least five reasons. First, the model provided in this study is consists of multiple factors and relationships which would be examined for the first time in the literature to the best of our knowledge. There has been a study on the relationship of TQM factors on job satisfaction (Ooi *et al.*, 2007), but there has been no study considering the complex relationships considered in the model provided in this thesis. Second, there have been very few studies on frontline employees in the case of hotel industry. Third, there has been no study in the literature review conducted about total quality management in Las Vegas, more importantly using the sample of hotels with casinos. According to Walker and Salameth (1990), “only a small percentage of hotels have heard the siren call of TQM implementations” even in the developed countries such as the USA. Fourth, the number of previous studies on the small and medium sized hotels is limited in the literature. And at last, the existing literature has mainly focused on job performance in general and just a few studies have focused specifically on service recovery performance (Ashill *et al.*, 2008).

1.4 Research Methodology

This research is an empirical study which uses deductive approach for model development and testing. It uses an efficient sample of full-time frontline employees in three-, four- and five-star hotel of Las Vegas which is one of the major touristic destinations of the USA and the most important one considering the sample of hotels providing the casino services as well.

Choosing a quantitative approach, we designed a questionnaire with the help of existing literature and studies conducted before in the same areas of research, plus employing a pilot study for the questionnaires used. Thereafter the collected data was entered to the Statistical Package for Social Science (SPSS) program and AMOS program to compute the information needed for the study. The outcomes of study and the conclusion are based on the information gathered from these analyses.

1.5 Organization of the Thesis

The conducted study consists of seven chapters. Chapter one reveals the importance of the study plus the aims and objectives prepared for gaining the results. Chapter two contains information about the United States, its historical background and the importance of tourism industry in there. More specifically it covers the facts about the casino hotels in Las Vegas where the thesis has taken place. Chapter three reviews the relevant literature on all the factors included in the thesis, explaining them and pointing out the gap in the literature. Chapter four includes the research model and introduces the hypotheses based on the literature reviewed. Chapter five contains the methodology of the study. Chapter six brings out the results gained from the data collected and analyzes the findings of the research conducted. And in the

end, the conclusion of the research, its comparing to the existing literature, its limitations and implications for the further research are included in chapter seven.

Chapter 2

THE UNITED STATES OF AMERICA

2.1 Introduction

This part of the thesis is composed of three main titles. The first part provides brief information about the USA and its geographical background plus the historical background of tourism industry in the country. The second part discusses the importance of tourism industry in Nevada, the most important state of the US as an entertainment touristic destination. The last part contains the information about Las Vegas, where the current study was conducted, and more specifically it clarifies the importance of tourism sector in there.

2.2 The United States of America

The United States of America is a federal union consisting of fifty states plus a federal district that is Washington D.C. Mostly the country is located in central North America e.g. forty-eight out of its fifty states are situated between the Pacific and Atlantic Oceans. It has two other states namely Alaska which is in the northwest of the America continent, and Hawaii which is a group of islands in the middle of Pacific Ocean. United States is bordered in the north side by Canada and in the south side by Mexico. Considering the total area, United States is the fourth largest country, and considering the land area and population, it is the third largest in both (Wikipedia, n.d.).



Figure 1: Map of the United States of America

(Source: www.mapsofworld.com)

The economy of the United States is said to be the largest national economy in the world. United States is the world's largest manufacturer where most of the economy is considered as services. Tourism in the United States is among the top industries for most of the states (Wikipedia, n.d.).

Tourism industry grew rapidly during the late nineteenth and early twentieth centuries in the form of urban tourism. By the 19th century, tourism in the United States was founded not only as an industry, but also as a cultural activity. In the end of 20th century, by the revolution of air travel, tourism industry developed significantly in the United States. But in the 21st century, a series of terrorists' attacks on September 11 brought the industry to the ground using American airlines as

weapons of destruction. In the first week after flights resumed, the number of passengers fell by 45% from 9 million to 5 million which was a great loss for the industry plus lots of cancellations in the hotel and other related tourism sectors. But the situation improved positively over the following months and the industry met its past reputation again. For the United States, tourism is one of the large industries which not only serves the international and domestic tourists, but also acts as an employer for large number of people (Wikipedia, n.d.).

As one of the largest and most diverse countries in the world, the United States touristic attractions consist of lots of different types as well: natural sceneries, historical places, the cities themselves, amusement parks, gambling, landmarks, museums, buildings, sports, even hotels, spas, restaurants and also entertainment venues. As it is stated in the statistics (Table 1), top touristic destination states in the US in 2010 are New York, Florida, California and Nevada.

When defining tourism, entertainment has always been acting a great role there. With the world becoming more and more mechanized, people are trying to escape to places so that to forget about all the pressures and therefore they search for some kind of entertainment. Entertainment tourism consists of amusement parks, casinos, shopping malls, music venues, theaters, and even betting offices.

Table 1: Top touristic destination states in the USA in 2010

Overseas Visitors to U.S. States and Territories: 2009 – 2010

| 2010 Rank | Destination (State / Territory) | 2009 Market Share (%) | 2009 Visitation (000) | 2010 Market Share | 2010 Visitation (000) | Volume Change (%) |
|------------------|--|------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| 1 | New York | 33.7 | 8,006 | 32.8% | 8,647 | 8 |
| 2 | Florida | 22.2 | 5,274 | 22.1% | 5,826 | 10 |
| 3 | California | 19.5 | 4,632 | 21.3% | 5,615 | 21 |
| 4 | Nevada | 8.0 | 1,900 | 9.5% | 2,504 | 32 |
| 5 | Hawaiian Islands | 7.8 | 1,853 | 8.1% | 2,135 | 15 |
| 6 | Guam | 4.8 | 1,140 | 5.0% | 1,318 | 16 |
| 7 | Massachusetts | 5.3 | 1,259 | 4.9% | 1,292 | 3 |
| 8 | Illinois | 4.9 | 1,164 | 4.5% | 1,186 | 2 |
| 9 | Texas | 3.8 | 903 | 3.9% | 1,028 | 14 |
| 10 | New Jersey | 3.9 | 926 | 3.7% | 975 | 5 |
| 11 | Pennsylvania | 3.7 | 879 | 3.5% | 923 | 5 |
| 12 | Georgia | 2.9 | 689 | 3.1% | 817 | 19 |
| 13 | Arizona | 2.8 | 665 | 2.9% | 765 | 15 |
| 14 | Washington | 1.6 | 380 | 1.9% | 501 | 32 |
| 15 | Utah | * | * | 1.8% | 475 | n.a. |
| 16 | Virginia | 1.6 | 380 | 1.4% | 369 | -3 |
| 17 | Colorado | 1.4 | 333 | 1.3% | 343 | 3 |
| 18 | North Carolina | 1.3 | 309 | 1.3% | 343 | 11 |
| 19 | Ohio | 1.3 | 309 | 1.2% | 316 | 2 |
| 20 | Connecticut | 1.2 | 285 | 1.1% | 290 | 2 |

* : According to OTTI statistical policy, states having sample size fewer than 400 would not be shown

n.a. : Not Available

Source: Office of Travel and Tourism Industries

Talking about entertainment tourism, one for sure will mention Las Vegas. The city has also been recognized as the gambling mecca of the world. Mentioned in the above table, Nevada is the fourth tourism destination in the United States because of having lots of entertainment venues taking place in it. In the following chapters, the importance of tourism in Nevada, and more specifically in Las Vegas will be discussed.

2.3 The State of Nevada

Nevada is one of the fifty states of the United States, located in the west part, with the capital of Carson City. Considering economics of the state, its agricultural products are dairy products, alfalfa, potatoes, hay, cattle, and onions; and its industrial products are mining, printing and publishing, machinery, electric equipment, food processing, and tourism. Although Nevada is the fourth largest producer of gold in the world and mining industry continues to be a considerable segment of the economy, but tourism industry has remained Nevada's largest employer (Wikipedia, n.d.).

The name of the state, "Nevada", comes from Spanish language, meaning "snow-covered". From world-class ski resorts to luxury entertainment, one may find 24 hours of enjoyment in this diverse state. Statistically, Nevada is the fourth state with the high capacity of attracting tourists in the US (Table 1). There is no shortage for doing anything in Nevada for its having plenty of outdoor recreation, lots of different attractions, exciting events, world-class shows, and distinct exhibits (Travel Nevada, n.d.).

As it is obvious from the name too, Nevada attracts many tourists for skiing with having more than annually 33 feet of snow in some ski resorts. Moreover, visitors may find historic, artistic and niche museums ranging from small to large size ones in nearly every town in the state (Travel Nevada, n.d.). To cut it short, the state has them all; amusement parks, heavenly mountain resorts, museums, ski resorts and etc.; however, Nevada is mostly famous in the world for its entertainment programs in Las Vegas.

More than two-thirds of Nevada's residents live in the Las Vegas metropolitan area. In the 20th century, foundation of legalized gambling organizations plus marriage and divorce events, transformed Nevada, and more specifically Las Vegas, into a major tourist destination. You may find hundreds of entertainments in Vegas at any time of the day. They range from stage shows, world class sporting events, world famous entertainer performances of music, dance and comedy, plus all the gambling facilities which you may find all around the city in the luxurious hotels and casinos. This city never seems to sleep.

2.4 Las Vegas and Tourism Industry

Las Vegas is a city which needs no introduction. It is named as the largest adult playground in the world. The city is one of the world's leading tourist destinations, and no one can accuse Las Vegas of being a gambling spot these days. It is interesting to know that the gross gambling revenue of the city in 2010 was \$8,908,630,029 (source: State of Nevada Gaming Control Board) which reveals why Las Vegas is so famous for its casinos and therefore is a gambling destination. As stated in Table 2, the city has ranked sixth in the most visited cities of the US in 2010 with the market share of 9.2%.

Las Vegas is not only famous of all the entertainments and gambling spots in it, but also for the size of the hotels it has. 15 out of the top 20 largest hotels in the world are located in Las Vegas only within a two-mile radius, e.g. MGM Grand Hotel, Caesars Palace, Hotel Bellagio, and etc.

Table 2: Top touristic destination cities in the USA in 2010

Overseas Visitors to U.S. Cities: 2009 – 2010

| 2010 Rank | Destination (City) | 2009 Market Share (%) | 2009 Visitation (000) | 2010 Market Share | 2010 Visitation (000) | Volume Change (%) |
|------------------|---------------------------------------|------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| 1 | New York City- WP-Wayne, NY- NJ | 32.8 | 7,792 | 32.1% | 8,462 | 9 |
| 2 | Los Angeles | 10.6 | 2,518 | 12.7% | 3,348 | 33 |
| 3 | Miami | 11.2 | 2,661 | 11.8% | 3,111 | 17 |
| 4 | Orlando | 10.1 | 2,399 | 10.3% | 2,715 | 13 |
| 5 | San Francisco | 9.4 | 2,233 | 10.0% | 2,636 | 18 |
| 6 | Las Vegas | 7.8 | 1,853 | 9.2% | 2,425 | 31 |
| 7 | Washington, DC | 6.5 | 1,544 | 6.6% | 1,740 | 13 |
| 8 | Honolulu | 6.3 | 1,497 | 6.2% | 1,634 | 9 |
| 9 | Boston | 4.8 | 1,140 | 4.5% | 1,186 | 4 |
| 10 | Chicago | 4.7 | 1,117 | 4.3% | 1,134 | 2 |
| 11 | San Diego | 2.6 | 618 | 2.9% | 765 | 24 |
| 12 | Atlanta | 2.4 | 570 | 2.7% | 712 | 25 |
| 13 | Philadelphia | 2.5 | 594 | 2.4% | 633 | 7 |
| 14 | Flagstaff-Grand Canyon-Sedona | 1.8 | 428 | 1.9% | 501 | 17 |
| 15 | Seattle | 1.5 | 356 | 1.8% | 475 | 33 |
| 16 | Houston | 1.8 | 428 | 1.7% | 448 | 5 |
| 17 | Anaheim-Santa Ana | 1.3 | 309 | 1.4% | 369 | 19 |
| 18 | Tampa-St. Petersburg | 1.7 | 404 | 1.3% | 343 | -15 |
| 19 | Dallas-Plano- Irving | 1.2 | 285 | 1.3% | 343 | 20 |
| 20 | San Jose | 1.1 | 261 | 1.1% | 290 | 11 |

* : According to OTTI statistical policy, states having sample size fewer than 400 would not be shown

n.a. : Not Available

Source: Office of Travel and Tourism Industries

Las Vegas is located in the heart of the southern Nevada desert. Casinos can be found throughout the city, but most of the casinos of the city are located on the Strip, a stretch of Las Vegas Boulevard South. And many of the largest

hotels, casinos and resorts of the world can be found in that specific area. Las Vegas Strip contains giant mega-casino hotels, which are decorated extravagantly to detail, so to create a fantasy-like atmosphere (Touropia, n.d.).

Table 3: Las Vegas hotels with casinos according to employee count

| Employee Count | Companies | |
|----------------|-----------|-----|
| 1-4 | 57% | 150 |
| 5-9 | 8% | 21 |
| 10-19 | 10% | 27 |
| 20-49 | 6% | 15 |
| 50-99 | 1% | 3 |
| 100-249 | 2% | 4 |
| 500-999 | 4% | 10 |
| 1K-4999 | 7% | 19 |
| 5K-9999 | 2% | 5 |
| 10K+ | 3% | 9 |
| Other | 1% | 2 |

Source: www.manta.com

In casinos one may find slots, blackjack, poker, roulette, craps, different kinds of table games and so many more to choose from. Other than casinos, there are popular free attractions on the Strip, such as water fountains at Bellagio Hotel, the volcano in Mirage Hotel, the “glass-sided lion habitat” inside the casino area of MGM Grand Hotel, the “Sirens of TI show” at Treasure Island Hotel, and the “Fall of Atlantis and Festival Fountain” at Caesars Palace Hotel. To put it in a nutshell, for every kind of taste, there are different kinds of entertainment available in Las Vegas which is why the city is one of the premier tourist destinations of the world.

Las Vegas has totally 265 hotels with casinos which according to the statistics on 2010 (source: Las Vegas Convention and Visitors Authority), 148,935 hotel rooms were available in the city with the occupancy rate of 80.4% which shows the high

touristic spirit of the city. As shown in the Table 3, the employee count of the hotels have been mentioned which reveals the size of the hotels. Among these hotels with casinos, 259 ones are private companies and only 6 of them are publicly owned.

Chapter 3

LITERATURE REVIEW

3.1 Introduction

The third chapter of the study includes four main sections, all of which review the relevant literature on the instrument constructs. The first part talks about TQM factors in detail; the second and third parts consider the literature on the affective outcomes of those TQM factors; and at last, in the fourth section, service recovery performance which is the behavior outcome of the instrument constructs would get into discussion.

3.2 TQM

Total Quality Management (TQM) can be defined as the satisfaction of everyone who is involved in the creation and consumption of the product, who are “social-shareholders, customers, staff, owner/s and suppliers by implementing hard issues, such as effective planning, programs, policies and strategies, as well as using soft issues, such as human and all other assets, efficiently and continually within an organization” (Arasli, 2002).

As indicated before, total quality management is a strategy that is used to improve the organization so to compete in the competitive market. The aim of organizations is to achieve or even exceed customer expectations, therefore their achieving improvement in the market is not possible unless they concentrate on employee

involvement and also continuous improvement of quality, for the competition in the market never stops (de Menezes, 2012; Molina-Azorín *et al.*, 2009; Kaynak, 2003).

TQM has been applied not only to manufacturing industries, but also to service firms as well, therefore both of these industries can adopt it successfully (Claver-Cortés *et al.*, 2008; Prajogo, 2005; Brah *et al.*, 2000). The purpose of this research is to focus on hotel industries, therefore, with the help of previous literature, TQM factors used for this study were chosen accordingly. The factors which were selected are as follows: top management leadership, teamwork, empowerment, reward and training. And it is important to notice that the quality management strategy cannot be successful unless each of its factors is fulfilled effectively.

Moreover, it should be considered that all of these TQM factors only collectively have a significant impact on satisfaction and commitment of employees, so to achieve an excellent service recovery performance; thus they should be implemented at the same time, and none of them alone is capable of having such an impact on commitment and satisfaction of employees (Rod and Ashill, 2010; Babakus *et al.*, 2003; Forrester, 2000; Boshoff and Allen, 2000).

3.2.1 Top Management Leadership

Leadership is one of the most commonly cited factors of the quality management in the literature. Defining leadership, it is allied with the top management's commitment in implementing continuous improvements to the organization (de Menezes, 2012). Also mentioned by Arasli (2002), top managers' commitment, both mentally and physically, creativity, and their policy support is one of the most critical causes of succeed in quality management; for it is impossible to increase the

satisfaction and commitment of lower-leveled employees without the top management's endeavor for bringing quality excellence in the organization.

Leadership in any organization needs the courage to sacrifice personal or team objectives to gain the superior community good. But we should note that an organization is not simply a place for making money, but rather it is where employees should not only feel like that they belong to it, but also they should be proud of working there too. As a result, a responsible leader should do his best to provide these issues for his employees, for the employees need appreciation and respect, plus he should lead them somehow so that they gain a vision as well (Sheng-Hsun Hsu, 2007).

According to the research approaches, leadership theories are divided into three categories: trait, behavioral and situational theory. These theories are going to be slightly discussed below. In the 1920's and 1930's, research on leadership was focused on understanding the traits which were differentiating between leaders and non-leaders. The findings were stating that leaders possess specific psychological and physiological characteristics. Trait theory believed that even though certain traits can be achieved by learning, leadership is genetic and not conditioned later in life. As mentioned above, these theories, focusing much on the needs of employees, were unable to explain the causes of those effects, therefore behavioral theories were developed (Tsai, 2008).

Focusing on actual leadership behaviors, these theories emphasized on the leadership process to define the most effective leadership. Of these theories is Likert's (1961) theory which divides leadership into two; job-oriented which associates with low

productivity and low job satisfaction, and employee-oriented which results in high productivity and high job satisfaction. Another important theory of this kind is Michigan State University's research, dividing leadership into two orientations; employee oriented which pays more attention to interpersonal relationships and accepts the differences between group members, whereas production oriented paying attention more on technical dimensions of work and caring about achieving objectives. The results of this theory was the same as Likert's (1961), showing employee oriented leadership behaviors leading to high group productivity and high work satisfaction.

As none of the above mentioned theories were considering administrator's situation, situational theories were developed to fill the gap. They believed that several complicated factors should be mixed to have an effective leadership. These factors include the leadership style, leader's characteristics, leadership situation, and employees' features (Tzeng, 1999). As a result, different types of leadership, as relationship-oriented or mission-oriented, can be effective, but the leader should use them according to the situation. Flexible leadership emphasized in this theory means that different methods should be used for different employees; and also by developing the competence, willingness and confidence of the employees, the situation can be changed (Tsai, 2008).

To conclude all, certain relationship-oriented leadership methods would lead to the satisfaction and commitment of the employees. Moreover, situational and behavioral theories results show that the leaders emphasizing on the needs of the employees and having good relationships with them would gain the targets of the organization even faster than the ones focusing on the objectives themselves.

3.2.2 Teamwork

The extent to which the organization efforts to increase the spirit of working together and also employees' control over their work is called teamwork (Ooi *et al.*, 2007). This practice done by the organization allows employees to get involved greatly in their job plus helping them to work together not only in a particular section, but also throughout the whole organization (Ooi *et al.*, 2007; Noorliza and Zainal, 2000).

Cooperation is a very essential need of any organization, therefore the employees at all levels should be provided with the opportunity to work as a team. It is only with teamwork that the employees can communicate with each other very well which is the vital essence of bringing any change to the organization. Market is always changing and to have a competitive advantage, organizations should be ready to change accordingly at any time; and therefore, the management should reduce the obstacles on the way of changing. As a result, teamwork is considered an inseparable factor of total quality management.

3.2.3 Empowerment

Empowerment given to the employees by management has been defined as having the opportunity and motivation to use skills and talents to improve (Rod and Ashill, 2010; Chebat and Kollias, 2000). Previous studies have revealed that empowered employees can perform very well in contact with dissatisfied customers and recover the service failure quickly (Rod and Ashill, 2010; Boshoff and Allen, 2000). The reason behind these empirical findings can be revealed by some simple facts.

Among all employees, front-line service employees are the ones who have the most contact with customers and therefore have the greatest impression on them. There is

evidence in the literature that empowered frontline employees have more control over their work plus having a great understanding of the responsibilities they are dealing with. As a result, they can better identify the most desirable job characteristics which can lead to the improvement of their self-confidence and job satisfaction (Ashill *et al.*, 2008; Ackfeldt and Wong, 2006; Ugboro and Obeng, 2000). Subsequently, satisfied frontline employees can have more desirable impacts on the customers whose satisfaction is the most significant aim of the organization.

Moreover, previously conducted researches have revealed that empowerment not only have a significant impact on increasing employees' job satisfaction (Rod and Ashill, 2010; Ugboro, 2006; Upenieks, 2003; Laschinger *et al.*, 2001; Eylon and Bamberger, 2000), but also its impacts on employees' affective commitment to the organization is not regrettable (Rod and Ashill, 2010; Kuokkanen *et al.*, 2003; Laschinger *et al.*, 2001; Liden *et al.*, 2000). That is why empowerment is said to have such significant impacts on service recovery performance.

3.2.4 Reward

Reward has been defined as to support and reinforce desirable behavior of employees by allocation of benefits to them. Suggested in the literature, there is a significant relationship between the employee rewards giving to employees and increasing the quality of the service delivered, or the service performance (Rod and Ashill, 2010; Kassiech and Yourstone, 1998). The evidence lies in that giving rewards to employees not only persuades them to provide higher quality services for the customers, but also persuades them to deal with customer complaints more efficiently (Rod and Ashill, 2010; Yavas *et al.*, 2003).

Moreover, as the frontline employees have universally low salaries, the impact of the reward the organization gives them would be very significant (Forrester, 2000) and therefore can affect their satisfaction of the job they are doing, plus their commitment to the organization considerably (Lawler, 2000).

3.2.5 Training

Training is teaching the needed information and instructions to employees, so that they gain the required level of skill and knowledge. It is generally accepted that the training of managers, supervisors, and employees has a great impact on implementing a TQM strategy successfully (Kassicieh and Yourstone, 1998). TQM is all about the change for better in the organizations, and for gaining it, all the managers and employees should communicate well the tools and strategy of change with each other. Communication is a skill taught in training, therefore only well-trained managers and employees can adopt themselves well to the organizational changes. Moreover, training should be on an ongoing basis, for growth and improvement in the organizations never stops. As a result, total quality management stresses on releasing the potential inside employees in the training programs so that they be able to prevent the service defects in the organizations (Cardy and Dobbins, 1996). This cannot be achieved without a good training to help employees generate innovative ideas, and more importantly, to help them utilize what they have learnt.

As stated in the services literature, employees who do not have the necessary skills of the job they are dealing with, and also the ones who lack interpersonal skills, not only fail in providing a good service, but also cannot deal with the customers' complaints properly (Rod and Ashill, 2010; Ashill *et al.*, 2008; Lytle and Timmerman, 2006; Liao and Chuang, 2004; Yavas *et al.*, 2003; Boshoff and Allen,

2000). It has been always stated that customer is the most valuable part of the service businesses, therefore, to be successful, the service providing organizations, such as hotels, should avoid this improper behavior of their employees. Likewise it is proved that the more effective employees care about the customers, the better would be the outcome quality of the service they provide (Claver-Cortés *et al.*, 2008; Tsaor and Lin, 2004). As a result, to improve employees' quality levels in service performance, they should be trained in quality-related issues (Claver-Cortés *et al.*, 2008).

Service industry is riskier than the manufacturing industry for the specific characteristics of service which are perishability, intangibility, inseparability and variability (heterogeneity). Hotels are one of the most noticeable service organizations, hence training has become an important strategic concern for them (Claver-Cortés *et al.*, 2008; Boudreau *et al.*, 2001; Tihanyi *et al.*, 2000). Frontline employees are the ones who have the most interaction with the customers, and previous studies have revealed the importance of customer service training effects on frontline employees' job satisfaction (Rod and Ashill, 2010; Ashill *et al.*, 2008; Babakus *et al.*, 2003); because customer service training leads to develop the skills needed for handling service failures efficiently. Moreover, there are other studies showing that in the organizations where customer service trainings have been conducted, the frontline employees are more committed (Rod and Ashill, 2010; Ashill *et al.*, 2008; Babakus *et al.*, 2003; Sweetman, 2001).

3.3 Job Satisfaction

Job satisfaction has been defined well as “the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values” (Locke, 1969). To make the concept used here more clarified, out of

numerous theories which try to explain job satisfaction, three most important ones are chosen to be discussed slightly in this study: content theory, process theory and situational theory.

Content theory describes the satisfaction of employees as meeting their need of growth and self-actualization by the job they are doing. Talking about the needs, Maslow's (1954) hierarchy model explains those best. According to his findings, when needs are satisfied, they no longer motivate the individuals; therefore, the more one's job allows for growth and acquiring higher positions, the more satisfy the individual will be.

Process theory, on the other hand, emphasizes on how well the job meets expectations and values of the employee. J. Stacy Adam's (1963) theory in this case explains that job satisfaction of the employees is the direct result of their perceptions about how well they are treated in comparison to the other employees according to their effort they put on doing the job and the outcome they receive.

And at last, situational theory defines job satisfaction as the extent to which employee's personal characteristics interact well with the organizational characteristics. Therefore, two factors explaining the job satisfaction are situational characteristics such as salary, promotional opportunities, supervision, company policies, and working conditions; and situational occurrences which are the things occurring after taking a job that can be tangible, intangible, positive or negative such as extra vacation time or strained co-worker relationships (Worrell, 2004).

Previous studies suggest that job satisfaction not only shows the employee's contentment about the job, but also is a decent indicator of organizational performance (de Menezes, 2012; Rod and Ashill, 2010; Culbertson, 2009; Malhotra and Mukherjee, 2004; Korunka *et al.*, 2003); therefore, we can assume that there is a positive relationship between organizational performance and job satisfaction.

Moreover, the significant impacts of job satisfaction would be more obvious when employees are given opportunities to have responsibilities over their work and also solve the problems occurring at work, because the intrinsic rewards of work are increased (de Menezes, 2012). Consequently several conducted studies have shown a positive significant relationship between job satisfaction and service quality (Rod and Ashill, 2010; Malhotra and Mukherjee, 2004; Korunka *et al.*, 2003).

On the contrary, a recent study conducted by de Menezes (2012) has shown opposing result that quality management is not associated with employee job satisfaction at all. Even though the results of this study are dissimilar, but he has suggested that the difference in results may be because of transitory events that are variety in factors such as age, position, tenure and etc.

As mentioned previously, customer satisfaction is a goal of quality management. Several studies on quality management in service industries have indicated that there is a positive significant relationship between the employees' job satisfaction and customers' satisfaction of the service provided (de Menezes, 2012; Akdere, 2009; Brown and Lam, 2008). Therefore it is suggested that job satisfaction can work as a mediator for achieving customer satisfaction.

In the current research, the element being studied along with job satisfaction in the affective outcomes of the total quality factors is affective commitment. It is confirmed in the previous studies that satisfied employees are expected to be more committed to their job (de Menezes, 2012; Hsu and Wang, 2008). However there is a big difference between these two affective outcomes; previous researches revealed that job satisfaction may change easily with the changes in the study setting, therefore, its constancy is suggested to be less than affective commitment (Ashill *et al.*, 2008; Paulin *et al.*, 2006).

It is interesting to note that in relation to job satisfaction, different variables have been investigated such as demographic variables (e.g. gender, age and race), extrinsic variables (e.g. working conditions, supervision and salary), and intrinsic features of the job (e.g. responsibility, advancement and recognition).

Talking about the gender of the respondents, although many studies reached to the result that there is no difference between males and females in job satisfaction, but the ones experiencing differences in the result mention that they are closely linked to differences among expectations, respect, promotional prospects, salary, social interactions, and coping strategies of males and females and the jobs they often hold (Gruneberg, 1979). Considering demographic variables, it is suggested that job satisfaction tends to increase gradually with age (Spector, 1997). And at last there has been little evidence showing satisfaction differences among different races, and any differences that do exist, by controlling the factors such as status education, and salary, seem to get disappeared.

Of the working conditions that lead to dissatisfaction of employees is their working in rural settings versus urban settings. Of the most common disadvantages of rural settings are lack of opportunity for professional development and professional isolation. Another factor of extrinsic variables is the supervision. Positive supervisory relationships means treating the employees with respect and fulfilling employee's interpersonal and functional needs (Locke, 1970). Considering salary of the employees, if they feel that the outcome of their amount of working is either too high or too low, dissatisfaction will occur.

And at last, intrinsic factors are employees' affective reactions to the job, such as their satisfaction about the freedom of choosing their own methods of working, the opportunity they are given to use their own abilities, and the recognition that they receive for working good (Worrell, 2004).

3.4 Affective Commitment

Affective commitment has been defined in the literature as the extent to which a person is involved in an organization and more importantly, identifies himself with the organization (Ashill *et al.*, 2008; Jaramillo *et al.*, 2005). In an easier way to define it, as in this study, the affective responses of frontline employees are considered, therefore, if job satisfaction be defined as the feelings of employees toward their job, affective commitment can be defined as the feelings of employees toward the organization where they are working (Babakus *et al.*, 2003). Being obvious, affective commitment is all about the emotional attachment of the employees to the organization.

Emotional states of employees play a crucial role in the outcome of services they are providing, their interactions and also their behaviors with the customers (Babakus *et al.*, 2003). The reason behind such a great influence is that customer's evaluation of the service recovery performance is also affected by their affective states (Babakus *et al.*, 2003; Smith and Bolton, 2002; Menon and Dube, 2000). As a result, proved also through an empirical study by Pugh (2001), positive emotions of employees can influence customers' evaluation of the service recovery performance positively.

According to Meyer and Herscovitch (2001), in the case of service failure, employees who are emotionally committed to their organizations have the desire to take an action, which is recovery from service failure, to support their organization, for satisfying the customer is the goal of any service organization. As a result, affective commitment is suggested to have a significant impact on service recovery performance. Previous studies have revealed that committed employees, especially committed frontline employees, provide service for the customers with higher quality (Rod and Ashill, 2010; Malhotra and Mukherjee, 2004) and also perform better in service recovery (Rod and Ashill, 2010; Babakus *et al.*, 2003; Boshoff and Allen, 2000).

3.5 Service Recovery Performance

As stated before in the rational of the study, service recovery performance refers to the way frontline service employees are dealing with service failure with their own abilities and actions so that to satisfy the complaining customers (Ashill *et al.*, 2008; Babakus *et al.*, 2003; Bendall-Lyon and Powers, 2001; Ruyter and Wetzels, 2000; Boshoff and Allen 2000). Being clear, the most important part of bringing quality service to the customers is frontline employees. As the frontline employees in the

service industries are the interaction point of the organization with its customers, and keeping in mind that these people are the lowest paid members of the organizations with a lot of stress put on them, how managers deal with the frontline employees is a key to achieve the objectives of their organizations.

Service failures do happen frequently in service organizations, but only a few organizations learn from them (Johnston and Mehra, 2002). So the only choice of service organizations to retain their complaining customers is to resolve the failures effectively. The importance of the frontline employees' behavior would be more obvious in the study of Maxham and Netemeyer (2002) who reached a noticeable conclusion that if an unsatisfactory service recovery be followed by a satisfactory recovery, it can have positive effects on the customers as well. In a recent study by Karatepe (2006), it is also mentioned that if service failures be resolved effectively, positive outcomes such as repurchase intentions and customer satisfaction may be gained.

Satisfaction of the customer is of the main goals of any organization, for the customers who are content with the service provided are more likely to show favorable intentions toward the success of the organization, while dissatisfied customers may express unfavorable intentions such as spreading negative word-of-mouth or not being loyal to the organization, and changing it to a more favorable one (Rod and Ashill, 2010; Ramsaran-Fowdar, 2008; Karatepe, 2006; Osborne, 2004; Babakus *et al.*, 2003).

3.6 Theoretical Background of the Proposed Model

The reason behind examining the relationships between Total Quality Management (TQM) factors and service recovery performance is that, as Deming (1982) stated, higher performance quality leads to have lower costs and also increases productivity, which as a result provides greater market share and improves competitiveness of the organization in the market. Consequently, the impact of total quality management on performance is reinforced in this way (Heras, 2006; Kaynak, 2003; Flynn et al., 1995); but only effective TQM implementations can result in the improvement of performance in organizations (Brah et al., 2000; Hendricks and Singhal, 1997). And as argued before, both manufacturing and service organizations can successfully adopt total quality management practices, for quality performance levels do not differ significantly concerning these two industries (Prajogo, 2005).

Mentioned before, there are previous studies which have discussed some of the relationships between the instrument construct of the current research before and the most recent ones (i.e. not discussing studies such as Babakus *et al.*, 2003 and Yavas *et al.*, 2003) are going to be talked over in here.

There is a recent study by Ooi *et al.* (2007) in which they evaluated the relationship between five total quality management factors, namely: organizational trust, customer focus, rewards and recognition, teamwork and organizational culture, on the job satisfaction of employees. The study has taken place in a large award-winning TQM OSAT organization located in the state of Perak, Malaysia and the data was collected using questionnaires. The results revealed that there is a strong association of TQM practices with job satisfaction, when teamwork is perceived as a

dominant factor. In contrast, the relationship would get weak when reward of the employees is considered. All the other TQM factors were also proven to have significant impact on job satisfaction. As a result, it was confirmed that job satisfaction is significantly related to perceptions of TQM practices and thus implementing TQM does have great outcomes.

The next study which is going to be discussed is a recent study by Ashill *et al.* (2008) where total quality management practices were not evaluated, but the other proposed relationships of the current study were assessed. The research was based on the Bagozzi's (1992) reformulation of attitude theory and considers the relationship between Management Commitment to Service Quality (MCSQ) factors, namely: training, empowerment, employee rewards, supportive management, servant leadership, and service technology, on service recovery performance and turnover intentions as the behavioral outcomes, through the mediating role of job satisfaction and affective commitment as affective outcomes of the appraisals.

The study was taken place in Wellington, New Zealand's capital city using the sample of frontline employees of 20 branches of a former public sector service organization and the method of data collection was using questionnaires. The results showed that there is a significant relationship between MCSQ practices and job satisfaction plus a less significant relationship between these practices and affective commitment. Moreover, a significant positive relationship between job satisfaction and affective commitment was confirmed plus their significant relation to the service recovery performance. Interestingly in their relationship to service recovery performance, the significance of affective commitment was higher. The relationship between service recovery performance and turnover intentions was negative and

significant. While arriving to the same relationship between job satisfaction and turnover intentions, the results of the study showed no significant relationship between affective commitment and turnover intentions.

The most recent study which is also more relevant to the current study which is going to be discussed is a study conducted by Rod and Ashill (2010). In this study also TQM factors were not considered and the study was based on the impacts of MCSQ practices, namely: employee rewards, customer service training, empowerment, and customer service orientation, on service recovery performance, through the mediating role of organizational commitment and job satisfaction. Rod and Ashill (2010) also have used Bagozzi's (1992) theory to construct their model.

The research was conducted using a sample of frontline employees of public and private hospitals of a large New Zealand city through the usage of questionnaires as the data collection method. According to the results of the study, MCSQ factors were found to positively affect organizational commitment and also organizational commitment was found to have significant impact on the service recovery performance. However, although MCSQ factors were proven to positively affect job satisfaction, job satisfaction was found to have no significant impacts on service recovery performance.

Based on the above mentioned studies conducted and the results they gained, plus the other relevant literature existing on Total Quality Management (TQM) and service recovery performance, adding to the Bagozzi's (1992) reformulation of attitude theory, the model of the current study was constructed and the proposed relationships were decided to be evaluated, but in a service industry setting. The setting of the

current research was decided to be Las Vegas in the United States where was assessed to be the best setting for hotels with casinos. Moreover, knowing that Bagozzi's (1992) theory was founded in the United States, the results of this research would be more accurate and therefore having higher relevance too.

Chapter 4

RESEARCH MODEL AND HYPOTHESES

4.1 Introduction

This chapter includes the model on which this study is based, plus the hypotheses arisen from the model. Firstly the model itself is discussed and afterwards all the hypotheses of the study with the reasons behind them are brought into the discussion.

4.2 Conceptual Model

In this study, Bagozzi's (1992) reformulation of attitude theory is used which itself was based on Lazarus's (1991, 2001) cognitive appraisal theory of emotions. Bagozzi's (1992) reformulation of attitude theory was developed and also conducted in the United States; therefore, this study's setting and culture are consistent with the theory and is of great help to support the results' reliability. In the Bagozzi's framework, the individual evaluates past, present and future outcomes in a self-regulation process which lead to emotions (affective outcomes) and then coping responses (behaviors). Therefore if the individual experience a positive event, the emotional responses would be positive as well and it leads to a positive behavior in the end. Then the importance of the individual's cognitive evaluation of an event, outcome and situation would be obvious, for it precedes his or her affective reaction, and further it directs the individual's behavior (Bagozzi, 1992).

Consistent with Bagozzi's (1992) framework, total quality management factors were set as the appraisal variables. These factors were hypothesized to lead to emotional

responses which in this case are affective outcomes toward the organization. In the current study, the affective outcomes of TQM factors are frontline hotel employees' job satisfaction (their feelings toward their job), and affective commitment (their feelings toward the organization). Moreover, a relationship from job satisfaction to affective commitment is hypothesized in this study. And at last, the relationship between those job attitudes and frontline hotel employees' service recovery performance is hypothesized, which is their behavior or action toward the customers in resolving a service failure.

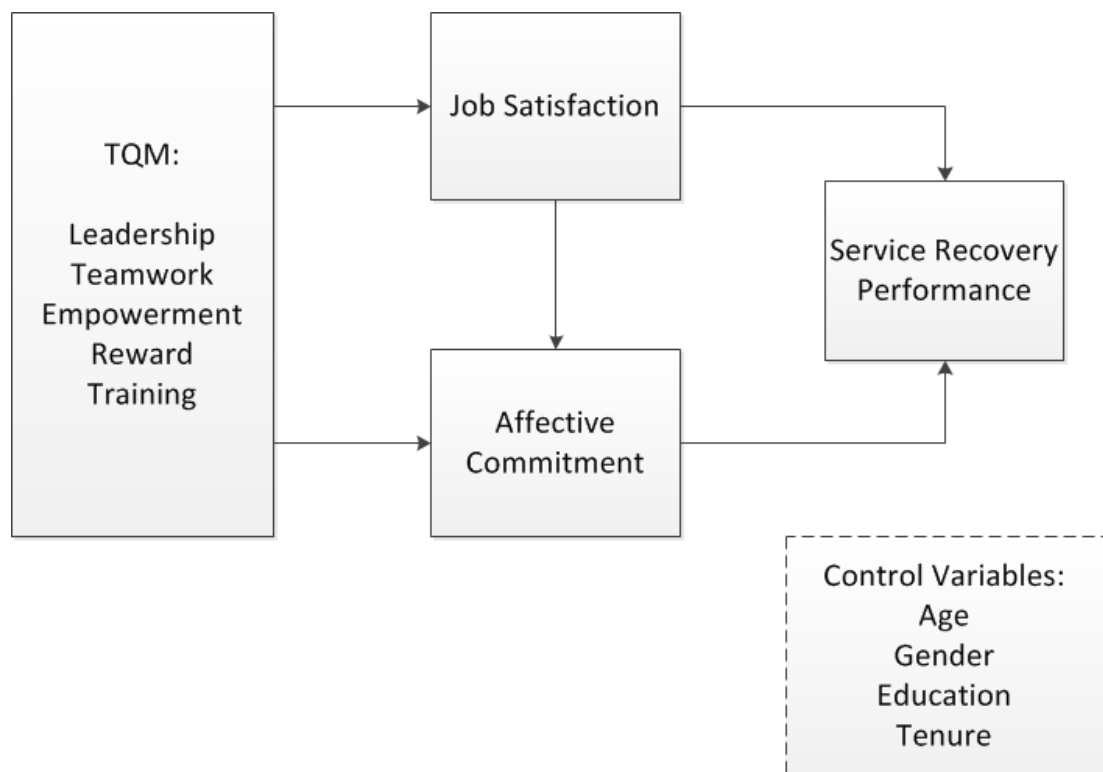


Figure 2: Conceptual Model of the Research

4.3 Hypotheses

As illustrated in the research model, total quality management (TQM) factors, namely: top management leadership, teamwork, empowerment, reward and training,

are suggested to positively influence the frontline employees to have satisfaction in their job. Moreover, as it was proposed, they also positively influence the frontline employees to have more committed to their organization affectively. As presented in the literature, none of these total quality management factors by themselves are effective enough to increase job satisfaction and commitment of the employees in the organization and therefore they should be implemented simultaneously (Rod and Ahill, 2010; Ashill *et al.*, 2008; Babakus *et al.*, 2003; Boshoff and Allen, 2000; Forrester, 2000). On this basis the first two hypotheses of the study was developed as below:

H₁. There is a significant positive relationship between the TQM factors (top management leadership, teamwork, empowerment, reward and training) and frontline hotel employees' job satisfaction.

H₂. There is a significant positive relationship between the TQM factors (top management leadership, teamwork, empowerment, reward and training) and frontline hotel employees' affective commitment.

The next relationships we are going to consider are lying between job satisfaction and affective commitment followed by the subsequent relationship of these two on the service recovery performance.

The reason behind putting the relationship from job satisfaction to affective commitment is that affective commitment develops over time and without the satisfaction of employees, commitment cannot come to existence (Ashill *et al.*, 2008; Meyer and Herscovitch, 2001). Consequently, as suggested, to generate highly

affective committed employees, firstly the employees should experience multiple satisfactory job experiences (Ashill *et al.*, 2008; Meyer *et al.*, 2002).

The relationship from job satisfaction to affective commitment is previously supported in the services literature (Ashill *et al.*, 2008; Alexandrov *et al.*, 2007; Jones *et al.*, 2007; and Paulin *et al.*, 2006). Accordingly, the third hypothesis of the study was brought as below:

H₃. There is a significant positive relationship between frontline hotel employees' job satisfaction and their affective commitment to the organization.

Being mentioned previously in the literature reviewed on job satisfaction and affective commitment, there are relationships between these two elements and service recovery performance. In the services literature a significant positive relationship has been reported between the frontline employees' job satisfaction and what customers perceive of employees' performance in delivering the service (Yoon *et al.*, 2001), especially service recovery performance (Ashill *et al.*, 2008; Babakus *et al.*, 2003).

Although previous researches have reported less impact on the service recovery performance by job satisfaction than affective commitment (Babakus *et al.*, 2003; Finnie and Randall, 2002) and just recently in their study, Rod and Ashill, 2010, were unable to find any significant relationship between these two, but we brought the hypothesis of our study based on the majority of the findings to evaluate the results afterwards. Therefore:

H₄. There is a significant positive relationship between frontline hotel employees' job satisfaction and service recovery performance.

As mentioned in the literature, the more committed the employees are, more successfully they can perform in recovering the failure (Rod and Ashill, 2010). Therefore, as also stated above, affective commitment is reported frequently in the services literature to have a positive significant impact upon service recovery performance (Rod and Ashill, 2010; Babakus *et al.*, 2003; Finnie and Randall, 2002).

Likewise to the above mentioned studies, there are another two researches which proof the significant relationship between affective commitment and job performance (Jaramilli *et al.*, 2005; Meyer *et al.*, 2002). It should be highlighted that studies generally have focused on overall job performance and only few studies such as Rod and Ashill, 2010; Ashill *et al.*, 2008; Babakus *et al.*, 2003 and Boshoff and Allen, 2000 have precisely focused on service recovery performance. Based on what has discussed, the last hypothesis of the study would be as follows:

H₅. There is a significant positive relationship between frontline hotel employees' affective commitment and service recovery performance.

4.4 Control Variables

Although the findings of studies are never fixed and they vary from one to another according to the differences in the geographical regions, the types of organizations, the time when the studies are conducted and etc. but as antecedents of elements such as job satisfaction, organizational commitment, and service recovery performance, demographic variables have been examined in the previous studies (Babakus *et al.*, 2003).

In this study, control variables, namely: respondents' age, gender, education and tenure have been measured to examine the links discussed above more deeply. The use of these control variables would be of help to understand the background of respondents which is believed to have a significant impact on the results of the conducted study (de Menezes, 2012).

Previous researches suggest that culture can moderate relationships between the events experienced and affective outcomes of the employees experiencing those events (Robert *et al.*, 2000). That is why Robert *et al.* (2000) in their cross-cultural study were not able to find a positive relationship between empowerment and continuous improvement practices with job satisfaction in India, while the relationship was confirmed in the United States, Mexico and Poland.

Chapter 5

RESEARCH METHODOLOGY

5.1 Deductive Approach

As in this research general ideas based on the reformulation of attitude theory of Bagozzi's (1992) has been suggested to be applicable to the specific sample chosen, and thereafter these ideas has been hypothesized and tested to get confirmed, the approach used is deductive. Deductive approach achieves an empirical study by examining different hypotheses on the relationships proposed in the theoretical model constructs stated in the theory (Judd et al, 1991) plus making and testing the subtractions of those model constructs (Graziano and Raulin, 1993).

5.2 Sample and Study Setting

As the aim of this study was to consider the hotels with casinos, the sample best representing the United States is the city of Las Vegas in Nevada for its being famous of its casinos in the world. Data is collected from the frontline employees of three-, four- and five-star hotels with casinos in Las Vegas. A convenient sampling method has been employed in the distribution of the questionnaires. The refusal rate of participants was really high for the employees working in such huge hotels are truly busy and had no time to do anything else but to take care of their customers.

A total of 650 questionnaires were personally distributed among 50 three-, four- and five-star hotels with casinos in the city from June to September 2011. Among collected questionnaires, with a significant response rate of 87 percent, 567 were

completed fully to be considered suitable for conducting the analysis for the usable response rate exceeded the recommended threshold of model estimation. Participants were allowed to respond to the survey anonymously in their working hours and they were assured of their case being remained totally anonymous.

5.3 Measures

The questionnaire used for this research was composed of three parts. The first part considered the respondents' responses about the factors which were going to be evaluated in this study. Second part contained questions about personal profiles of the respondents including age, gender, level of education and their organization tenure. The last part included questions about the institution where the respondents were working, asking about the number of stars of the hotel, which department they are working in, and their position.

For it was a self-report survey, method variance was one of its potential issues, and according to Spector's (1987) research, acquiescence and social desirability bias are found to be most frequent causes of method variance in this kind of surveys. Thus, to reduce the single-source method bias, the questionnaire was organized accordingly into separate sections of dependent and independent variables (Podsakoff *et al.*, 2003).

The scales used in this study are relevant to the ones used in the literature. Service recovery performance literature and more specifically, the literature on hotel sector were analyzed so that to adapt the most appropriate scales for the Research. Therefore, a five-item empowerment scale was adopted from Hayes (1994). A five-item scale used for measuring teamwork was derived from Boshoff and Allen (2000)

and Arasli (2002). Training, rewards and service recovery performance were measured using a five-item scale from Boshoff and Allen (2000). Affective Commitment was measured using five items from Mowday *et al.* (1979). An eight-item job satisfaction scale was derived from Hartline and Ferrell (1996) and finally top management leadership was measured with five items adapted from Zhang *et al.* (2000). All of these items were measured on a five-point Likert scale ranging from ‘Strongly Disagree = 1’ to ‘Strongly Agree = 5’. The questions used in this study can be found in the appendix of this study.

Although service recovery performance was measured via a self-report measure, it is justified on the basis that “the frontline employees are in the best position to evaluate the outcome of their performance” (Babakus *et al.*, 2003); moreover, frontline employees’ perceptions converge with their customers as well (Ashill *et al.*, 2008; Babakus *et al.*, 2003; Bitner *et al.*, 1994). Furthermore, some comparative analyses of performance measurement approach such as Harris and Schaubroeck (1988) and Churchill *et al.* (1985) support the usage of self-report for measuring service recovery performance; besides there are a noticeable recent empirical studies which have used self-report for service recovery measurement (Ashill *et al.*, 2008; Karatepe, 2006; Babakus *et al.*, 2003; Boshoff and Allen, 2000).

As mentioned in the previous chapter, several control variables were examined in this study to test the hypothesized theoretical linkages. In some previous studies (Alexandrov *et al.*, 2007; van Breukelen *et al.*, 2004; Babakus *et al.*, 2003) demographic background of the employees had been tested as antecedents of factors such as job satisfaction, organizational commitment and service recovery performance. In the current study gender of the participants was measured using a

binary variable, being a male or a female; age was examined through a six-point scale; and education and tenure were measured using a four-point scale with higher scores representing older respondents, higher education levels and longer organizational experience. Moreover, institutional variables were measured to gain a better background of the respondents. Accordingly, the number of stars of the hotels with casinos were measured on a three-point scale (three, four and five star hotels), same as the position of the employees (being an employee, chief or a manager). The department where the frontline employees were working had been put blank to be filled by the employees for there could be various departments in the hotels which were not familiar to the other ones and be identical to the hotels.

5.4 Psychometric Properties of the Instrument

To provide support for dimensionality, convergent and discriminant validity concerns, we started with conducting a confirmatory factor analysis (CFA) test individually for each question (Table 4). This is a construct validity test whose aim is to eliminate any measures with either cross-loadings or insignificant loadings. According to the Catell's (1966) criterion, factor loadings that are equal or greater than 0.5 will be retained; therefore two questions assessing affective commitment were omitted from further analysis for having factor loadings less than 0.50. The first question assessing training also had a factor loading of 0.498 which was retained for it was truly close to 0.50 and moreover, it was conceptually meaningful measuring training with this item. All the other items' loadings were significant at the level of ($p < 0.01$) and therefore convergence validity of each item to its main construct was fulfilled (Anderson and Gerbing, 1988).

Table 4: Convergent and discriminant validity of the model instruments

| Variable | Factor Loading |
|---|----------------|
| Top Management Leadership | |
| Mean=4.36; α=0.871 | |
| SD=0.60; AVE=0.66 | |
| Top management actively participates in quality management and improvement process. | .682 |
| Top management strongly encourages employee involvement in quality management and improvement activities. | .675 |
| Top management arranges adequate resources for employee education and training. | .711 |
| Top management discusses many quality-related issues in top management meetings. | .704 |
| Top management pursues long-term business success. | .531 |
| Teamwork | |
| Mean=4.32; α=0.734 | |
| SD=0.52; AVE=0.52 | |
| Everyone in my department contributes to a team effort in serving customers. | .663 |
| I feel that I am part of a team in my department. | .832 |
| My fellow employees and I co-operate more often than we compete. | .642 |
| The activities of the hotel require team-based works rather than personal achievements. | .698 |
| The hotel management is trying to transfer some authority to their workers. | .814 |
| Empowerment | |
| Mean=4.25; α=0.828 | |
| SD=0.67; AVE=0.59 | |
| I have the authority to correct customer problems when they occur. | .751 |
| I am encouraged to handle customer problems by myself. | .816 |
| I do not have to get management's approval before I handle customer problems. | .765 |
| I am allowed to do almost anything to solve customer problems. | .865 |
| I have control over how I solve customer problems. | .834 |
| Reward | |
| Mean=4.13; α=0.870 | |
| SD=0.79; AVE=0.66 | |
| If I improve the level of service I offer customers, I will be rewarded. | .567 |
| The rewards I receive are based on customer evaluations of service. | .663 |
| Employees in this hotel are rewarded for serving customers well. | .721 |
| Employees of this hotel are rewarded for dealing effectively with customer problems. | .715 |
| I am rewarded for satisfying complaining customers. | .647 |

Table 4: Convergent and discriminant validity of the model instruments (Continued)

| Variable | Factor Loading |
|--|----------------|
| Training | |
| Mean=4.23; α=0.873 | |
| SD=0.72; AVE=0.66 | |
| Employees in this hotel receive continued training to provide good service | .498 |
| Employees in this hotel receive extensive customer service training before they come into contact with customers | .640 |
| Employees of this hotel receive training on how to serve customers better | .743 |
| Employees of this hotel are trained to deal with customer complaints | .771 |
| Employees in this hotel receive training on how to deal with complaining customers | .676 |
| Affective Commitment | |
| Mean=4.33; α=0.828 | |
| SD=0.69; AVE=0.61 | |
| My values and those of the hotels' are similar. | .475 |
| I really care about the future of this hotel. | .701 |
| I am proud to tell others that I work for this hotel. | .767 |
| I am willing to put in a great deal of effort beyond that normally expected in order to help the hotel to be successful. | .669 |
| For me, this is the best of all possible organizations for which to work. | .423 |
| Job Satisfaction | |
| Mean=4.14; α=0.855 | |
| SD=0.64; AVE=0.51 | |
| I am satisfied with my overall job. | .542 |
| I am satisfied with my fellow workers. | .784 |
| I am satisfied with my supervisor(s). | .755 |
| I am satisfied with this hotel's policies. | .622 |
| I am satisfied with the support provided by this hotel. | .711 |
| I am satisfied with my salary. | .646 |
| I am satisfied with the opportunities for advancement with this hotel. | .714 |
| I am satisfied with this hotel's customers. | .584 |
| Service Recovery Performance | |
| Mean=3.98; α=0.702 | |
| SD=0.57; AVE=0.48 | |
| Considering all the things I do, I handle dissatisfied customers quite well. | .784 |
| I don't mind dealing with complaining customers. | .790 |
| No customer I deal with leaves with problems unresolved. | .622 |
| Satisfying complaining customers is a great thrill to me. | .693 |
| Complaining customers I have dealt with in the past are among today's most loyal customers. | .718 |

Moreover, according to Nunnally's recommended benchmark (1978), coefficient Cronbach's alpha for all the variables exceeded the minimum value of 0.70, which shows their reliability being sufficient (Table 4). As a result, internal consistency reliability was fulfilled as well. Demonstrated in Table 7, the correlation coefficient among all the factors ranged from 0.208 (job satisfaction and service recovery performance) to 0.607 (job satisfaction and total quality management). According to Tabachnick and Fidell (1996), all the correlation scores brought a good support for discriminant validity for none of the scores are greater than 0.90.

In the next step we also carried out convergent and discriminant validity tests which were advised in the relevant literature as well, using covariance analysis method (Anderson and Gerbing, 1988; Bagozzi and Yi, 1988). The previous research suggest that the average variance extracted scores (AVE) need to be at least 0.50 in order to have convergent validity, where in this case, the variance of the construct and its measure is greater than error (Chin, 1998; Fornell and Larcker, 1981). When Table 4 of this study is considered, it clearly can be seen that the average variances extracted scores are greater than 0.50 for seven out of eight constructs. This suggests that convergent validity has been confirmed for seven out of eight constructs in our instrument.

Finally, discriminant validity tests has been carried out for our instrument using comparative fit index (CFI) as advised in the literature (Bentler, 1990). Our result of CFI is 0.979 and supports discriminant validity since it is greater than 0.90. Therefore, it suggests that model fit in our data is also confirmed. To summarize, results in the present study provide support for the reliability, convergent validity, and discriminant validity for the measures of our instrument.

5.5 Tests for Significant Differences

In addition to mean score analysis which is provided in Table 4 hypothesis testing procedure will be employed in the research to test for significant differences across selected demographic profiles. Tests for significant differences can be implemented by Analysis of Variance (ANOVA) for those factors (as dependent variable) that have at least three categories and by independent sample's t-test for those that have only two categories. These tests will be carried out in SPSS software.

5.6 Correlation Analysis and Proposed Regression Model

Once mean score analysis and hypothesis tests after factor analysis are done, correlation and path analysis will be carried out in the study in order to investigate the validity of the proposed conceptual model in the present research. Correlation analysis is essential in statistics, for it gives the degree and the direction of a linear association between two independent variables in percentage terms. Correlation coefficient can be either positive (implying direct association) or negative (implying indirect association). Expectation is to have a correlation coefficient higher than 0.50 in statistical data analysis (Lind *et al.*, 2005).

After observing the strength and direction of linear association among the variables, path analysis should be carried out to investigate parameters in the conceptual model. Path analysis is a type of regression model which is based on the following linear equation:

$$Y = \beta_0 + \beta_1(X) + \varepsilon_t \quad (1)$$

Where Y denotes dependent variable, X denotes independent variable, and ε_t denotes white noise error disturbance. In path (regression) analysis X variable is regressed on Y variable in order to investigate its impact on Y by β_1 coefficient. β_1 is intercept (drift) of the model. Statistical evidence suggest that β_0 and β_1 should be individually (by employing t-test) and jointly (by employing F-test) significant.

Finally, since questionnaire instruments are a type of cross section data, heterosdecasticity problem is very common. Heteroscedasticity is the situation where the probability distributions of error terms in equation (1) are not homogeneous for each given value of X . One of the assumptions of the Classical Linear Regression Models (CLRMs) is that distribution of error terms should be homoscedastic; otherwise it will cause deviations from the estimation of CLRMs (Lind *et al.*, 2005). Therefore, test for heteroscedasticity will be also carried out in this research.

Chapter 6

RESULTS AND DISCUSSION

6.1 Descriptive Analysis

Next step of the research is to test the proposed structural model which was hypothesized in Figure 2. Taking the lead of previous researchers (Forrester, 2000; Babakus *et al.*, 2003; Ashill *et al.*, 2008; Rod and Ashill, 2010) in using the composite scores (taking the mean of scores), we therefore constructed TQM as a composite score of our indicators, namely: top management leadership, teamwork, empowerment, reward and training to acknowledge the multidimensional nature of the construct (Bagozzi and Heatherton, 1994). Strong correlations among the above mentioned factors provided empirical justification for considering these factors as indicators of TQM.

6.1.1 Frequencies

Data was collected from three-, four- and five-star hotels with casinos in Las Vegas, and the sample consists of 43 percent respondents from three-star hotels, 47 percent from four-star hotels and 9 percent from five-star hotels which is consistent with the star distribution of whole hotels in the city. In the sample of the study ($n = 567$), with a slight difference, the majority of respondents were male (55.4 percent). According to the statistics, the frontline hotel employees were mostly aged between 36-50 years old (33 percent) and with tenure of 4-8 years (41 percent). The sample employees were almost divided into half between having two years and four years of education

with only 4 percent having a master degree and not a single person with a Ph.D. degree. The position distribution of employees was 55 percent employees, 28 percent managers and 18 percent chiefs which shows a proper sample for the study.

Table 5: Frequency of control variables

| Factor | Description | Frequency | % |
|-----------------------|-----------------------------|------------------|----------|
| Age | 17 – 20 | 38 | 6.7 |
| | 21 – 24 | 83 | 14.6 |
| | 25 – 28 | 110 | 19.4 |
| | 29 – 35 | 102 | 18.0 |
| | 36 – 50 | 188 | 33.2 |
| | 51+ | 46 | 8.1 |
| Gender | Male | 314 | 55.4 |
| | Female | 253 | 44.6 |
| Education | Vocational School/Two Years | 262 | 46.2 |
| | Faculty/Four Years | 279 | 49.2 |
| | Master | 26 | 4.6 |
| Tenure | 1 – 4 Years | 202 | 35.6 |
| | 4 – 8 Years | 233 | 41.1 |
| | 8 – 12 Years | 74 | 13.1 |
| | 12+ Years | 58 | 10.2 |
| Stars of Hotel | Three | 245 | 43.2 |
| | Four | 270 | 47.6 |
| | Five | 52 | 9.2 |
| Department | Bell Desk | 33 | 5.8 |
| | Beauty Salon | 46 | 8.1 |
| | Concierge | 25 | 4.4 |
| | Food & Beverage | 102 | 18.0 |
| | Front Desk | 67 | 11.8 |
| | Housekeeping | 50 | 8.8 |
| | Poker | 22 | 3.9 |
| | Player's Club | 21 | 3.7 |
| | Race & Sports | 48 | 8.5 |
| | Slot Machines | 37 | 6.5 |
| | Shows & Tours | 22 | 3.9 |
| | Ticketing | 45 | 7.9 |
| | Table Games | 25 | 4.4 |
| | Wedding Chapel | 24 | 4.2 |
| Position | Manager | 148 | 26.1 |
| | Chief | 102 | 18.0 |
| | Employee | 317 | 55.9 |

Of the interesting items measured in the research was department which was the only item filled written by the respondents as there could be many different departments in the hotels; and the responds confirmed the expectations of the researchers with presenting 14 different departments ranged from front desk and housekeeping to poker and wedding chapel. All in all, these profiles are equivalent to the total number of frontline employees of hotels with casinos in the city.

6.1.2 Mean Score and Reliability Analysis

Table 4 presents mean scores, standard deviations (SD), and reliability analysis coefficients (α) in addition to average variances explained. When mean scores of the five dimensions for TQM and the other components of our conceptual model are considered, it is clearly seen that employees in the hotels with casinos in Las Vegas have commonly agree with those statements included in the questionnaire instrument. This is since mean scores are higher than 3. It is “Top Management Leadership” that employees are agreed with at most. They strongly believe that top management members in their hotels are successful in managing employees and organizations and have the most impact in bringing quality service to the organization. When standard deviations are considered, it is seen that SDs are generally low which proves that responses of participants in our instrument are close to each other and therefore consistent. There aren’t big discrepancies in the responses of participants for the dimensions and their items in the instrument. Finally, when Cronbach’s alpha values (α) are considered, they are high (well above 0.70). In addition to factor analysis, these reliability coefficients strongly provide evidence that instrument of the present research is suitable for further analysis.

6.1.3 Tests for Significant Differences

Using one-way ANOVA analysis, the elements constructing TQM were tested to see whether TQM factors in the instrument significantly differ in the selected demographic profiles or not. As can be seen in Table 6, empowerment, reward, and training significantly differ across different age groups since F statistics for these items are statistically significant. Secondly, teamwork, reward, and training significantly differ in tenure; and finally all of the five TQM factors of the instrument significantly differ in different positions of employees. Level of significance of F statistics is denoted in Table 6.

Table 6: Significance of control variables

| | Age | Tenure | Position |
|--------------------|-----------------------|-----------------------|-----------------------|
| Leadership | 01.420 | 01.942 | 16.312 ^{***} |
| Teamwork | 01.818 | 08.184 ^{***} | 21.140 ^{***} |
| Empowerment | 02.900 [*] | 02.489 | 09.536 ^{***} |
| Reward | 04.093 ^{***} | 13.414 ^{***} | 18.216 ^{***} |
| Training | 02.246 [*] | 05.241 ^{***} | 15.266 ^{***} |

Note: *, **, and *** denote the rejection of the null hypothesis (which indicate statistical indifference) respectively at 0.01, 0.05, and 0.10 levels of alpha.

6.2 Correlation and PATH (Regression) Analysis

6.2.1 Correlation Analysis

The next step is to investigate the strength of linear association between TQM, Job Satisfaction, Affective Commitment, and Service Recovery dimensions of the instrument. Table 7 shows that there are statistically significant correlations among these dimensions. The highest correlation has been obtained between TQM and Job Satisfaction (0.607) and the lowest one has been obtained between job satisfaction

and service recovery (0.208), but it is statistically significant. Another important result from Table 7 is that all of the dimensions are positively correlated.

Table 7: Correlations

| | | TQM | Job Satisfaction | Affective Commitment | Service Recovery |
|----------------------|---------------------|--------|------------------|----------------------|------------------|
| TQM | Pearson Correlation | 1 | .607** | .389** | .245** |
| | Sig. (2-tailed) | | .000 | .000 | .000 |
| | N | 567 | 567 | 567 | 567 |
| Job Satisfaction | Pearson Correlation | .607** | 1 | .478** | .208** |
| | Sig. (2-tailed) | .000 | | .000 | .000 |
| | N | 567 | 567 | 567 | 567 |
| Affective Commitment | Pearson Correlation | .389** | .478** | 1 | .210** |
| | Sig. (2-tailed) | .000 | .000 | | .000 |
| | N | 567 | 567 | 567 | 567 |
| Service Recovery | Pearson Correlation | .245** | .208** | .210** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | |
| | N | 567 | 567 | 567 | 567 |

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation analysis has suggested that there are positive and statistically significant relationships among the dimensions of our instrument. Therefore, in the next step, it is essential to investigate the level of impact of dimensions on one another as proposed by that conceptual model in Chapter 4.

6.2.2 Path (Regression) Analysis

The estimations of parameters in equation (1) as defined in Chapter 5 for the proposed conceptual model defined in Chapter 4 will be presented in this section.

Path analysis is a statistical method that estimates the impact of independent

variables on dependent variable through using simple regression models as mentioned previously. Estimates of regression models will be presented in this section with both standardized and unstandardized coefficients. They will be also presented both in figures and tables.

Table 8: Unstandardized Regression Weights

| | | | Estimate | S.E. | C.R. | P |
|------------------------------|---|----------------------|----------|------|--------|------|
| Job Satisfaction | ← | TQM | .802 | .044 | 18.148 | .000 |
| Affective Commitment | ← | TQM | .223 | .065 | 3.416 | .000 |
| Affective Commitment | ← | Job Satisfaction | .410 | .049 | 8.318 | .000 |
| Service Recovery Performance | ← | Job Satisfaction | .125 | .041 | 3.005 | .003 |
| Service Recovery Performance | ← | Affective Commitment | .120 | .039 | 3.096 | .002 |

Table 8 and Figure 3 give the results of path analysis with unstandardized coefficients. Results reveal that TQM factors presented in Figure 2 exert statistically significant and positive impact on both job satisfaction and affective commitment ($p < 0.01$). The impact of TQM factors on job satisfaction is higher (0.802). Job satisfaction has also statistically significant and positive impact on affective commitment and service recovery performance ($p < 0.01$). And finally, affective commitment has again statistically significant and positive impact on service recovery performance ($p < 0.01$).

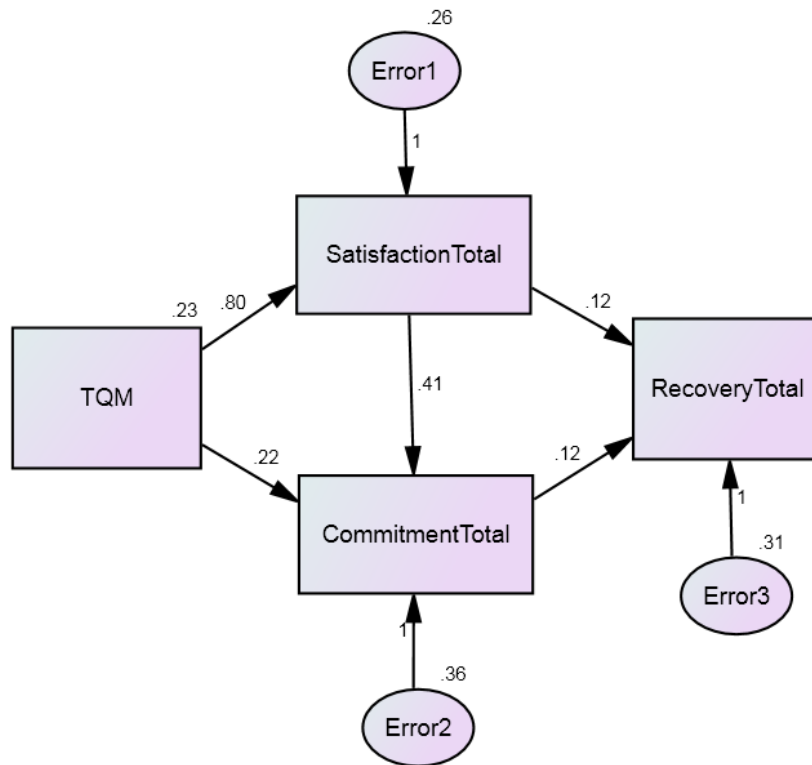


Figure 3: Unstandardized Estimates

In addition to estimated parameters presented in Table 8, Figure 3 also provides information about R-square (squared multiple correlation) of the estimated models. For example, R-square 0.23 is the squared multiple correlation of TQM factors with job satisfaction and affective commitment.

Table 9: Standardized Regression Weights

| | | Estimate |
|------------------------------|------------------------|----------|
| Job Satisfaction | ← TQM | .607 |
| Affective Commitment | ← TQM | .157 |
| Affective Commitment | ← Job Satisfaction | .382 |
| Service Recovery Performance | ← Job Satisfaction | .139 |
| Service Recovery Performance | ← Affective Commitment | .144 |

Finally, as far as standardized coefficients are concerned as can be seen from Table 9 and Figure 4. Results show that our predictions from unstandardized coefficients did not change; that means TQM factors have significant positive impact on job satisfaction and affective commitment, job satisfaction has significant positive impact on commitment and service recovery performance, and affective commitment has significant positive impact on service recovery performance.

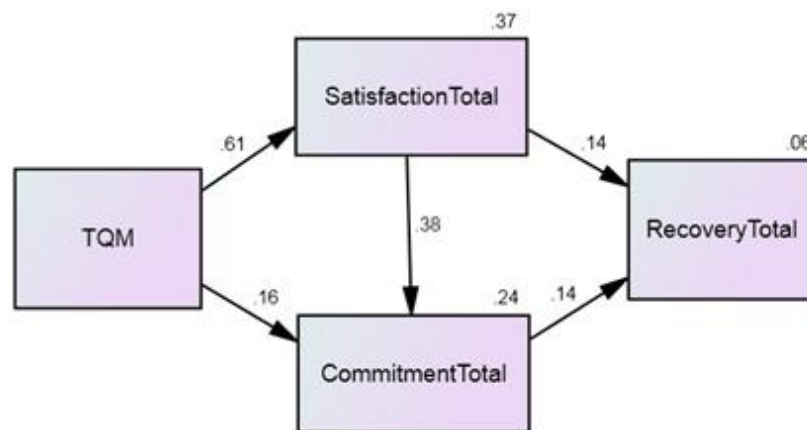


Figure 4: Standardized Estimates

At the end, if results are to be summarized, there are statistically significant and positive interactions throughout the conceptual model proposed in the current research study. TQM factors, which are “Top Management Leadership”, “Teamwork”, “Empowerment”, “Reward”, and “Training”, have positive and statistically significant impact on job satisfaction and affective commitment. Job satisfaction has significant positive impact on affective commitment, and job satisfaction and affective commitment have positively significant impact on the service recovery performance of employees in the industry of hotels with casinos in Las Vegas.

Chapter 7

CONCLUSION

7.1 Conclusion

As discussed before in Chapter one, the aim of this study was to examine the indirect relationship of total quality management perception and practices on service recovery performance mediated by the role of job satisfaction and affective commitment of the employees in the hotels with casinos' industry. The importance of this relationship is emphasized in services literature for maintaining the customers is of the most important objectives of all service industries, and more specifically hotel industry (Sim *et al.*, 2006; Choi and Chu, 2001) to find a competitive advantage which is also stated to be an important objective of hotel industry (Kim and Oh, 2004; Porter, 1980). Improving the performance of employees in service recovery would be of great help to satisfy the complaining customers, retaining them, and therefore progressing in the current competitive market. As the above mentioned relationship has never been examined before, the findings of this study would be of great importance to the managers of services industries, more especially, hotel industries.

The sample chosen for conducting the study was the hotels with casinos in Las Vegas, USA. To the best of our knowledge, there has been no previous study conducted specifically on hotels with casinos, therefore the findings would be significantly novel to the industry. The questionnaires were distributed personally to

frontline employees of three-, four-, and five-star hotels with casinos in Las Vegas. Totally 567 usable questionnaires were collected from 50 hotels with casinos in the city and based on them, the research was conducted to examine the interactions.

The interactions presented in the model went through convergence, discriminant and reliability tests. All the loadings of the model constructs examined were above the threshold of 0.50 introduced by Catell's (1966) except for two factors indicating affective commitment which were omitted. With coefficient Cronbach's alphas more than the criterion of 0.70, average variances extracted (AVE) greater than 0.50, comparative fit index (CFI) higher than 0.90, and all the correlation coefficients being significant, the sample fulfilled all the validity tests.

Thereafter, one-way ANOVA was conducted to see the divergence of total quality management factors (top management leadership, teamwork, empowerment, reward and training) in accordance to the demographic profiles of the respondents. Considering the F statistics, the results indicated that empowerment, reward, and training significantly differ across different age groups. Moreover, teamwork, reward, and training significantly differ in tenure; and at last all of the TQM factors significantly differ in different positions employees have.

Conducting correlation analyses among the model constructs, the results confirmed the proposed hypotheses of the research. There was support for positive significant relationship of TQM factors with job satisfaction and affective commitment, plus a positive significant relationship from job satisfaction to affective commitment, and finally positive significant relationship of job satisfaction and affective commitment with service recovery performance.

Furthermore, path (regression) analysis was conducted to see the impact of independent variables on the selected dependent ones. As discussed in detail in the previous chapter, both standardized and unstandardized coefficient estimates were assessed. Standardized estimates did not differ much from unstandardized estimates and they significantly confirmed the anticipated relationship proposed in the conceptual model of the research. That is, the TQM factors have a significant positive relationship with job satisfaction and affective commitment which are their affective outcomes, and these two latter elements have a significant positive relationship with service recovery performance as the behavioral outcome.

Considering the previous findings of related literature, there are some similarities and some differences which are going to be discussed. In a recent study by Rod and Ashill (2012) the results revealed no significant relationship between job satisfaction and service recovery performance while the current study found a significant positive relationship between these two factors.

Consequently in the previous literature frontline employees' loyalty was proposed to have a more crucial role than their satisfaction in performing service recovery in encountering complaining customers (Babakus et al., 2003; Finnie and Randall, 2002) or vice versa the satisfaction of frontline employees was more important than their commitment (Ashill *et al.*, 2008) whereas in the current research, job satisfaction and affective commitment have almost the same impact on service recovery performance according to the correlation coefficient and path analysis tests conducted.

The results of our study show that there is significant positive relationship between job satisfaction and service recovery performance which is another empirical support to the previous findings (e.g. Karatepe, 2006; Yavas *et al.*, 2003).

At last, there is a theory that job satisfaction is affected by transitory events. The relationship was confirmed by Robert *et al.* (2000) in the United States, Mexico and Poland but not in India. Babakus *et al.* (2003) reached the same results but not in the United States. Bagozzi's theory (1992) was developed in the United States; reaching the same results in the current study, the findings of this study can be of more evidence in the United States.

7.2 Implications

Findings of this study suggest several guidelines for managerial actions in hotel industries in general and hotels with casinos specifically. As argued in details, TQM is a significant predictor of certain affective outcomes in frontline hotel employees that are job satisfaction and affective commitment. Satisfied and committed employees are confirmed to not only reduce the expenses in the organization, but also retaining the current customers which is of the most important objectives of any organization, specifically service-related ones (Sim *et al.*, 2006; Choi and Chu, 2001). Therefore, implication of quality factors should become a part of managerial actions to satisfy the customers more efficiently. TQM factors discussed here were top management leadership, teamwork, empowerment, reward and training which are of top important quality factors emphasized in the service industry literature.

Moreover, the two affective outcomes which are satisfaction and commitment are significant predictors of service recovery performance. Therefore it can be suggested

that TQM is a significant predictor of service recovery performance via these two mediators. Knowing that delivering higher levels of service recovery performance leads to retaining the current customers of the organizations and as service failures are inevitable in any organization; frontline employees should be able to recover the service failure as well as possible, for how they deal with these failures is emphasized in previous literature (Ashill *et al.*, 2008; Bendall-Lyon and Powers, 2001; Ruyter and Wetzels, 2000; Boshoff and Allen 2000). Therefore to reach the aim of customer satisfaction, management should try firstly to satisfy the employees and with that making the employees loyal to the organization as well for this study suggested that satisfaction of employees precedes their commitment.

Previous studies has shown that satisfied customers are more likely to show favorable intentions toward the success of the organization while dissatisfied ones may have disadvantages for the organization such as spreading negative word-of-mouth or their being disloyal to it (Rod and Ashill, 2010; Ramsaran-Fowdar, 2008; Karatepe, 2006; Osborne, 2004; Babakus *et al.*, 2003). To avoid these disadvantages, managers should try to bring quality excellence to their organization by having a good leadership, encouraging the employees to work as a team, empowering them to have enough power to decide well in the shortcomings, rewarding them to provide better service to the customers, and more importantly train them both for delivering an excellent service and figuring out how to recover the service failures so to satisfy the utmost objectives of the organization that are customers.

Another relationship confirmed in this study is between job satisfaction and affective commitment. The more satisfied frontline hotel employees are, more committed they become to their job. Therefore if the managers want their employees to become loyal

and committed to their organization, they should try to satisfy them. However, none of these two affective outcomes are possible without bringing excellent quality to the organization by leadership, teamwork, empowerment, reward and training.

Of the most important issues in these TQM practices and perceptions is that none of the model constructs discussed in this research may lead to the results explained unless they are applied together (Ashill *et al.*, 2008; Babakus *et al.*, 2003). For example Forrester (2000) in his study argued that if training be implemented solely, it may not lead to the intended results unless it became composed with rewards. Therefore actions taken by the managers should be somehow to consider all of these factors mentioned in this study simultaneously to get the proposed significant results.

At last, it is good to mention that the current study is more specifically for the hotels with casinos in Las Vegas, USA which have been studied for the first time in the literature. Yet, the findings can be generalized to other hotel industries as well for there are similarities in all hotel industries according to delivering service to the customers and the service failures occurring. Casino hotels have more frontline employees in contact to their customers for there are lots of different departments in the casino part which do not exist in hotels, such as table games, poker rooms, slot machines, players' club, race and sports and wedding chapel which is a specific department only for Las Vegas hotels. Hence, managers of hotels with casinos in Las Vegas should be more attentive to the quality management practices plus the satisfaction and commitment of their employees.

7.3 Limitations and Further Research

Of the limitations of the research were the difficulties the researcher faced to do the study in another country. Las Vegas hotels and casinos are highly secured organizations which makes it really hard to go in them for the reason of gathering questionnaires. Moreover, the front-line employees in such hotels are really busy and they are not allowed to answer the questionnaires in their working hours unless the frontline managers let them do so in their free time which the researcher could rarely find them free. As a result the researcher had to wait for each of the employees to fill out the questionnaire at that certain time or it was not possible to collect it afterwards.

As emphasized before in the study, the questionnaire provided for evaluation of service recovery performance was a self-report, assuming that employees can weigh their performance outcomes better than anyone else. Therefore, future research should be conducted to evaluate the actual performance outcomes of the employees both by their perceptions about the outcomes and more importantly by the customers' perceptions of the employees' behavior in performing recovery issues.

Moreover, the current study has focused on the frontline employees of hotels with casinos in Las Vegas. Therefore the concern of generalization may occur for having a particular study setting and a particular culture. It would be helpful if future research examine a comparative study between casino hotels and non-casino hotels in the United States, or between casino hotels in the USA and other country to see the similarities and differences between them.

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APPENDIX

Appendix A: Sample of the Questionnaire

Thank you for participating in this study. The survey should take about 15 minutes to complete. Your responses are kept confidential.

Your answers must fit in the scale of 1(strongly disagree) to 5(strongly agree):

Top Management Leadership:

| | | | | | |
|---|---|---|---|---|---|
| Top management actively participates in quality management and improvement process. | 1 | 2 | 3 | 4 | 5 |
| Top management strongly encourages employee involvement in quality management and improvement activities. | 1 | 2 | 3 | 4 | 5 |
| Top management arranges adequate resources for employee education and training. | 1 | 2 | 3 | 4 | 5 |
| Top management discusses many quality-related issues in top management meetings. | 1 | 2 | 3 | 4 | 5 |
| Top management pursues long-term business success. | 1 | 2 | 3 | 4 | 5 |

Teamwork:

| | | | | | |
|---|---|---|---|---|---|
| Everyone in my department contributes to a team effort in serving customers. | 1 | 2 | 3 | 4 | 5 |
| I feel that I am part of a team in my department. | 1 | 2 | 3 | 4 | 5 |
| My fellow employees and I co-operate more often than we compete. | 1 | 2 | 3 | 4 | 5 |
| The activities of the hotel require team-based works rather than personal achievements. | 1 | 2 | 3 | 4 | 5 |
| The hotel management is trying to transfer some authority to their workers. | 1 | 2 | 3 | 4 | 5 |

Empowerment:

| | | | | | |
|---|---|---|---|---|---|
| I have the authority to correct customer problems when they occur. | 1 | 2 | 3 | 4 | 5 |
| I am encouraged to handle customer problems by myself. | 1 | 2 | 3 | 4 | 5 |
| I do not have to get management's approval before I handle customer problems. | 1 | 2 | 3 | 4 | 5 |
| I am allowed to do almost anything to solve customer problems. | 1 | 2 | 3 | 4 | 5 |
| I have control over how I solve customer problems. | 1 | 2 | 3 | 4 | 5 |

Reward:

| | | | | | |
|--|---|---|---|---|---|
| If I improve the level of service I offer customers, I will be rewarded. | 1 | 2 | 3 | 4 | 5 |
| The rewards I receive are based on customer evaluations of service. | 1 | 2 | 3 | 4 | 5 |
| Employees in this hotel are rewarded for serving customers well. | 1 | 2 | 3 | 4 | 5 |
| Employees of this hotel are rewarded for dealing effectively with customer problems. | 1 | 2 | 3 | 4 | 5 |

| | | | | | |
|---|---|---|---|---|---|
| I am rewarded for satisfying complaining customers. | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|

Training:

| | | | | | |
|--|---|---|---|---|---|
| Employees in this hotel receive continued training to provide good service | 1 | 2 | 3 | 4 | 5 |
| Employees in this hotel receive extensive customer service training before they come into contact with customers | 1 | 2 | 3 | 4 | 5 |
| Employees of this hotel receive training on how to serve customers better | 1 | 2 | 3 | 4 | 5 |
| Employees of this hotel are trained to deal with customer complaints | 1 | 2 | 3 | 4 | 5 |
| Employees in this hotel receive training on how to deal with complaining customers | 1 | 2 | 3 | 4 | 5 |

Affective Commitment:

| | | | | | |
|--|---|---|---|---|---|
| My values and those of the hotels' are similar. | 1 | 2 | 3 | 4 | 5 |
| I really care about the future of this hotel. | 1 | 2 | 3 | 4 | 5 |
| I am proud to tell others that I work for this hotel. | 1 | 2 | 3 | 4 | 5 |
| I am willing to put in a great deal of effort beyond that normally expected in order to help the hotel to be successful. | 1 | 2 | 3 | 4 | 5 |
| For me, this is the best of all possible organizations for which to work. | 1 | 2 | 3 | 4 | 5 |

Satisfaction:

| | | | | | |
|--|---|---|---|---|---|
| I am satisfied with my overall job. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with my fellow workers. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with my supervisor(s). | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with this hotel's policies. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with the support provided by this hotel. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with my salary. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with the opportunities for advancement with this hotel. | 1 | 2 | 3 | 4 | 5 |
| I am satisfied with this hotel's customers. | 1 | 2 | 3 | 4 | 5 |
| I often think about leaving this hotel. | 1 | 2 | 3 | 4 | 5 |

Service Recovery Performance:

| | | | | | |
|---|---|---|---|---|---|
| I don't mind dealing with complaining customers. | 1 | 2 | 3 | 4 | 5 |
| No customer I deal with leaves with problems unresolved. | 1 | 2 | 3 | 4 | 5 |
| Satisfying complaining customers is a great thrill to me. | 1 | 2 | 3 | 4 | 5 |
| Complaining customers I have dealt with in the past are among today's most loyal customers. | 1 | 2 | 3 | 4 | 5 |

Personal Information:

Age: 17-20
21-24
25-28
29-35
36-50
51+

Gender: Female
Male

Education: Vocational School/Two Years
Faculty/Four Years
Master
PhD

Organizational Tenure: 1-4 years
4-8 years
8-12 years
12+ years

Institutional Information:

Number of Stars: Three
Four
Five

Department:

Position: Manager
Chief
Employee