ANTECEDENTS AND CONSEQUENCES OF EMPLOYEE ENGAGEMENT: EMPIRICAL
STUDY OF HOTEL EMPLOYEES AND MANAGERS

by

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AN ABSTRACT OF A DISSERTATION

submitted in partial fulfillment of the requirements for the degree

DOCTOR OF PHILOSOPHY

Department of Hospitality Management and Dietetics
College of Human Ecology

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Abstract

Employee engagement has received a great deal of attention in the last decade in the popular business press and among consulting firms and the practitioner community. They claim employee engagement is a new human resource practice that business organizations can use in order to cope with the uncertainty of turbulent industry conditions. However, in the academic community, the concept remains new, and therefore, the concept requires rigorous seminal studies to validate it. Given that practical interest in work engagement has outstripped the currently available research evidence, fundamental questions, like how it can be increased and how and why it benefits individuals and organizations, still require answers.

Therefore, this study empirically tested relationships among antecedents and consequences of employee engagement in the hotel setting. In particular, this study provided theory-based empirical evidence regarding whether employee evaluations of self (i.e., core self-evaluations) and perceptions of organizational environment (i.e., psychological climate) affect employee engagement. This study also investigated how employee engagement directly and indirectly leads to intrinsic rewards, job satisfaction, personal attachment to an organization (i.e., organizational commitment), and the leader-member exchange relationship (LMX). In accordance with the purpose and objectives of the study, 11 hypotheses were proposed based on several theories: Kahn's three psychological conditions theory, job demands-resources model, social exchange theory, and conservation of resources theory.

To test the hypotheses, data were collected from 394 hotel employees and managers in the United States. The proposed relationships were examined using hierarchical multiple regression and structural equation modeling. Results of hypothesis testing showed that core self-evaluations and three components of psychological climate (managerial support for service, interdepartmental service, and team communication) positively influence employee engagement. The results also revealed that employee engagement is positively associated with all the outcome variables. This study further demonstrated that LMX mediates the relationships of employee engagement with job satisfaction and organizational commitment; job satisfaction mediates the relationships between employee engagement and organizational commitment and between LMX and organizational commitment.

Given that employee engagement is an important current issue for hospitality companies, the findings should provide the hotel industry with a more complete picture of how employee engagement is associated with its antecedents and outcomes. A discussion of managerial implications is included along with theoretical implications of the findings, an evaluation of research limitations, and directions for future research.

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Dedication

To my parents, for their unconditional love, support, patience, and sacrifice to enable me to realize my dreams. I owe everything to you.

Chapter 1 - Introduction

Today, organizations are faced with an increasingly competitive and rapidly changing business environment. Globalization and rapid advances in communications and information technology emerging in the last twenty years have led to a substantial increase in competition among companies (Burke & Cooper, 2004; O'Toole & Lawler, 2006; Sisodia, Wolfe, & Sheth, 2007; Society for Human Resource Management [SHRM], 2006). Contemporary consumers have also changed consumption behaviors. They demand higher quality, reliability, variety, customization, speed, and convenience on the goods and services they purchase. They also push companies for new performance standards as they have more choices in goods and services and shrinking disposable income, and they change their needs and wants quickly (Aburdene, 2005; Rao, 2005; Schwandt & Marquardt, 2000; Thomas, 2000). Growing deficits and soaring costs due to the recent global economic downturn have also spurred today's organizations to compete by cutting prices and costs. Refining business processes, delayering management structures, and downsizing the number of employees have become common practices (Aburdene, 2005; Luthans, Norman, Avolio & Avey, 2008; Bakker & Schaufeli, 2008; Cartwright & Holmes, 2006). In addition, labor trends have changed. Employees are expected to sustain high quality performance with enhanced efficiency and productivity in virtually continual states of uncertainty and change. So they face increasing pressure to undertake more work and to work longer hours (Aburdene, 2005; Cartwright & Holmes, 2006). These substantial changes in the business environment and increasing competition mean that organizations attempt to provide improved performance and efficiency at lower costs through innovative processes (Buchner, 2007; Buckingham & Coffman, 1999; Covey, 2004; SHRM, 2006).

In the vortex of this hyper-aggressive business environment, new philosophies and new strategies have emerged to help organizations produce more with fewer resources (Bakker & Schaufeli, 2008; Burke & Cooper, 2005; Gratton, 2000; Lawler, 2003, 2008; Luthans, et al., 2008). To this end, more and more prudent operators have realized that retaining intellectual capital has become an important source of competitive advantage as the vitality, sustainability, and profitability of organizations depend on essential employee qualities like competence, commitment, and contribution (Crabtree, 2005; Echols, 2005; Ferrer, 2005; Gubman, 2004; Ulrich, 2004, 2007). As a result, the concept of employee engagement has gained a considerable

recognition from many contemporary human resource and management professionals as one of the most prominent, critical drivers for business success today (Bakker & Schaufeli, 2008; Bashinsky, 2004; Bates, 2004; Baumruk, 2004; Endres & Mancheno-Smoak, 2008; Harter, Schmidt, & Hayes, 2002; Leiter, 2005; Lockwood, 2007; Richman, 2006; Robinson, Perryman, & Hayday, 2004).

Employee engagement refers to the positive, affective psychological work-related state of mind that leads employees to actively express and invest themselves emotionally, cognitively, and physically in their role performance (Catlette & Hadden, 2001; Rurkkhum, 2010; Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). Although there are slightly different views in defining employee engagement (e.g., Harter et al., 2002; Kahn, 1990; Maslach et al., 2001; May, Gilson, & Harter, 2004; Schaufeli et al., 2002; Sirota, Mischkind, & Meltzer, 2005), in the human resources literature, employee engagement is generally agreed to be a psychological facet that encompasses energy, enthusiasm, and engrossed effort (Gruman & Saks, 2010; Macey & Schneider, 2008). Researchers commonly describe engaged employees as individuals who are highly energized and resilient in performing their job; put their heart into their jobs with persistence and willingness to invest effort; exhibit strong work involvement along with experiencing feelings of significance, enthusiasm, passion, inspiration, pride, excitement, and challenge from their work; and fully concentrate and immerse themselves in their work without noticing that time passes (Bakker & Demerouti, 2008; Schaufeli & Bakker, 2004).

The topic of employee engagement has gained tremendous attention from practitioners in the industry because of its possible link to an extensive range of individual and business outcomes (Stroud, 2009). Many consulting firms have presented various business outcomes of employee engagement, including individual productivity (Corporate Executive Board [CEB], 2004; Kenexa, 2008), sales and revenue growth (DDI, n.d.; Gallup, 2007; Hewitt Associates, 2004; International Survey Research [ISR], 2007; Towers Perrin, 2003; Wellins, Bernthal & Phelps, n.d.), cost of goods sold (Hewitt Associates, 2004; Towers Perrin, 2003), financial performance (Gallup, 2003; Hewitt Research Associates [HRA], 2004; ISR, 2004; Towers Perrin, 2003), reduced accident rates in organizations (Gallup, 2004), managerial effectiveness (Harter et al., 2002; Luthans & Peterson, 2002), reduced absenteeism (DDI, n.d.; Gallup, 2004), reduced turnover (CEB, 2004; DDI, n.d.; Towers Perrin, 2003), reduced malpractice costs (Tritch, 2003), and reductions in quality errors (DDI, n.d).

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Employee engagement has also been tied to customer satisfaction, retention, and loyalty (Bates, 2004; Coffman, 2000; Coffman & Gonzalez-Molina, 2002; Ellis & Sorensen, 2007; Fleming, Coffman, & Harter, 2005; Heintzman & Marson, 2005; HRA, 2004; Salanova, Agut & Peiró, 2005; Towers Perrin, 2003). According to research, when employees are engaged in their work, they have good relationships with their coworkers, and the company climate is better for service. Also engaged employees help fulfill the company's promise to customers. Customers who receive better-quality service make repeat purchases and recommend the store to friends, thus promoting customer loyalty (Salanova, Agut, & Peiro, 2005). Empirical studies by Wagner and Harter (2006) and Vance (2006) showed that engaged employees scored between 12% (Wagner & Harter, 2006) and 34% (Vance, 2006) higher on customer satisfaction-rating scales and average $80,000 to $120,000 in higher sales each month (Wagner & Harter, 2006).

The term employee engagement, in its present usage, originated in the popular book, *First Break All the Rules* by the Gallup Research group in 1999 (Buckingham & Coffman, 1999). For the following decade, employee engagement has become an overnight sensation in the business consulting world for its statistical relationship with productivity and profitability (Buckingham & Coffman, 1999; Coffman & Gonzalez-Molina, 2002). It has been written up widely in the human resource practitioner literature, popular press, and on websites, mostly by the consulting firms and survey houses who quickly staked their claims to expertise in the employee engagement arena (Rafferty, Maben, West, & Robinson, 2005; Sen, 2009). Consulting firms and survey houses like Gallup, Towers Perrin-ISR, DDI, CEB, and SHRM quickly developed their own perspectives and approaches to employee engagement and created many employee opinion surveys that represent their own strategy and framework (Shuck & Wollard, 2010). These consulting firms' heavy marketing, which mostly referred to presumed positive bottom-line consequences, created a craze in recent years, with many organizations within corporate circles and professional societies surveying their employees and applying engagement to correct deficiencies as a panacea for organizational success (Endres & Mancheno-Smoak, 2008; Macey & Schneider, 2008; Shuck & Wollard, 2010).

However, at the same time, the explosive popularity of employee engagement in the practitioner communities has been subject to criticism because many consulting groups offered different interpretations and applications of the concept. For example, Harter et al. (2002) from the Gallup Organization defined employee engagement as "an individual's involvement and

satisfaction with as well as enthusiasm for work" (p. 269). On the other hand, Hewitt Associates defined employee engagement as "the state in which individuals are emotionally and intellectually committed to the organization as measured by three primary behaviors: Say, Stay and Strive" (Wellins, Bernthal, & Phelps, n.d., p. 2). Unlike Gallup's definition, which focuses on employees' work, the latter emphasized a psychological connection to the organization. This has led to an unfortunate outcome called 'conceptual bleed' (Gibbons, 2007, p. 2): competing definitions and increasing confusion about the validity of the conceptualization and measurement of employee engagement (Gruman & Saks, 2011). Focusing only on its presumed positive consequences, both human resources consultants and operators spent little time defining and validating the construct of employee engagement (Little & Little, 2006; Shuck & Wollard, 2010). As Gibbons (2007) noted, "… executives are beginning to realize that employee engagement doesn't mean the same thing to everyone in every company" (p. 1); definitions and measurements of employee engagement varied greatly across different organizations and consulting groups, and a precise definition of employee engagement remains somewhat elusive (Gibbons, 2007; Saks, 2006; Vance, 2006).

In addition to conceptual bleed, criticism has also centered on how indistinct the concept remains. Many organizations and consulting firms conceived engagement as similar to other important work-related constructs like job satisfaction, job involvement, organizational commitment, or organizational citizenship behavior. For example, the definitions by the Gallup Organization and Hewitt Associates used or incorporated other related constructs (i.e., job satisfaction, job involvement, and organizational commitment) to explain the employee engagement concept. Another consulting firm, Towers Perrin, defined engagement as "the extent to which employees put discretionary effort into their work, beyond the required minimum to get the job done, in the form of extra time, brainpower or energy" (Vance, 2006, p. 3), which combines energy and extra effort, which may further confuse engagement with other well-known constructs, including organizational citizenship behavior. Therefore, academic researchers suggest substantial overlap and redundancy between engagement and other constructs, making engagement a simple rebranding of these other constructs, or possibly aggregating other established constructs (Bakker & Schaufeli, 2008; Newman & Harrison, 2008; Macey & Schneider, 2008; Maslach et al., 2001; Schaufeli et al., 2002; Schaufeli, Bakker, & Salanova, 2006; Saks, 2006; Schneider, Erhart, Mayer, Saltz, & Niles-Jolly, 2005; Thomas, 2007; Wefald

& Downey, 2009; Zigarmi, Nimon, Houson, Witt, & Diehl, 2009). Academia, for the most part, has been skeptical of employee engagement, speculating that engagement might just be the latest management fad (Saks, 2006; Shuck & Wollard, 2010). For this reason, unlike the practitioner communities, academia remained relatively quiet on the subject of employee engagement (Macey & Schneider, 2008; Saks, 2006; Winton, 2009).

Recently, contemporary organizational behavior research has shifted its focus to the role of positive organizational behavior concepts and positive emotions in improving organizational functioning (Lopez & Snyder, 2009; Seligman & Csikszentmihalyi, 2000). In contrast to the earlier trend in organizational behavior research, which emphasized negative concepts and emotions such as burnout, job dissatisfaction, and withdrawal, this positive psychology approach emphasizes studying and using human resource strengths and psychological capacities, optimal functioning, and positive experiences at work, not weaknesses and malfunctioning (Luthans, 2002; Mauno, Kinnunen, & Ruokolainen, 2007; Schaufeli et al., 2002; Seligman & Csikszentmihalyi, 2000). Notable among these positive psychologies is employee engagement. Thus, employee engagement has gained increasing research attention in academic community in very recent years, reflecting this emphasis (Kahn, 1992; Leiter, 2005; Luthans et al., 2008; Schaufeli & Bakker, 2004; Schaufeli et al., 2006; Van den Broeck, Vansteenkiste, De Witte, & Lens, 2008).

In the academic community, the employee engagement concept is rather new as an emerging concept, as is the whole emerging trend of positive psychology. Research into the concept is in the embryonic stage; only working definitions have been proposed and are being tested for validity; a very limited number of antecedents and consequences have been identified (e.g., Bakker, Demerouti, & Euwema, 2005; Czarnowsky, 2008; Hakanen, Bakker, & Schaufeli, 2006; Harter et al., 2002; Kahn, 1990; Macey & Schneider, 2008; Maslach et al., 2001; May et al., 2004; Rurkkhum, 2010; Saks, 2006; Shuck & Wollard, 2010; Vance, 2006; Winton, 2009). Thus, the concept remains in need of more rigorous seminal studies (Saks, 2006) so that theoretical underpinnings and practical application of employee engagement can be established, along with a more accurate understanding of the employee engagement concept and relational mechanism.

Statement of Problem

Over recent years, the concept of employee engagement has gained tremendous impetus in the industry, yet the academic community has been slow and late in studying it, leading to a lack of research. Rigorous tests of the theory underlying the topic is thus limited (Macey & Schneider, 2008). A keyword search of employee engagement on Google clearly illustrates this gap between practitioner literature and academic literature. Using keywords 'employee engagement' or 'work engagement' provided more than 3.4 million hits on Google with several hundred sponsored links. A Google Scholar search using the same two keywords provided approximately 14,000 hits. Also, keyword search results for 'employee engagement' found approximately four times more hits than 'job satisfaction' on Google. In contrast, Google Scholar provided only seven articles for employee engagement for every 100 job satisfaction articles. Most of the existing practitioner literature, although voluminous, was opinion based, with employee engagement linking only to its positive consequences. Evidence-based research with theoretical underpinnings is meager, and thus, little research validates the claims that consulting firms and operators make (Kim, Shin, & Swanger, 2009; Pienaar & Willemse, 2008; Saks, 2006; Shuck & Wollard, 2010).

Also, in the few extant empirical academic studies (e.g., Macey & Schneider, 2008; Maslach et al., 2001; Saks, 2006), only a few antecedents and consequences of employee engagement have been identified (Llorens, Schaufeli, Bakker & Salanova, 2007; Mauno et al., 2007; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007). The antecedents of employee engagement identified to date include job characteristics, rewards and recognition, perceived organizational and supervisor support, and organizational justice (Hackman & Oldham, 1980; Hakanen et al., 2006; Saks, 2006; Xanthopoulou et al., 2007). In both theory and practice, little is known about any other factors that predict employee engagement (Saks, 2006). In addition, even though a few models follow the relationship between employee engagement and its outcomes, many of them explain that relationship without theoretical support (Macey & Schneider, 2008). Specifically, the job demands-resources (JD-R) model has been used to explain employee engagement in academic research (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). However, studies on the JD-R model are restricted to job characteristics; personal resources and organizational resources have been neglected even though previous research suggests that personal traits like core self-evaluations and organizational resources like organizational practice

are important determinants of how employees adapt to work environments (Brown & Leigh, 1996; Hobfoll, 1989; James, Harter, Gent, & Bruni, 1978; Judge, Locke, & Durham, 1997; Koys & DeCotiis, 1991; Schaufeli & Salanova, 2008). Little, then, is known about any possible links between core self-evaluations (i.e., fundamental assumptions that individuals hold about their worthiness, functionality, and capability; Judge et al., 1997) and employee engagement and between psychological climate (i.e., an individual's own interpretations of organizational practices and procedure; James & Tetrick, 1986) and employee engagement.

Further, the extant literature on employee engagement shows positive associations with both job satisfaction (e.g., Saks, 2006; Salanova, Llorens, Cifre, Martinez, & Schaufeli, 2003; Sonnentag, 2003) and organizational commitment (e.g., Saks, 2006; Schaufeli & Bakker, 2004; Sonnentag, 2003). However, little is known about how employee engagement positively relates to these variables. Although research evidence suggests these outcome variables may be determined by intrinsic rewards (Herzberg, Mausner, & Snyderman, 1959) and the quality of dyadic relationship between a leader and a member (i.e., leader-member exchange, LMX; Duchon, Green, & Taber, 1986; Green, Anderson, & Shivers, 1996; Kinicki & Vecchio, 1994; Major, Kozlowski, Chao, & Gardner, 1995; Nystrom, 1990; Schriesheim, Neider, Scandura, & Tepper, 1992; Settoon, Bennett, & Liden, 1996; Wayne, Shore, & Liden, 1997), no previous research into employee engagement has examined how these unique variables predict job satisfaction and organizational commitment.

Purpose of the Study

The purpose of this study was to propose and empirically test a theoretical relationship model consisting of the potential antecedents and consequences of employee engagement in the hotel setting. The specific objectives of this study were:

1. To examine the direct effect of core self-evaluations on employee engagement as a potential individual-level antecedent;

2. To examine the direct effect of psychological climate on employee engagement as a potential organization-level antecedent;

3. To explore the effect of psychological climate as a possible moderator that explains the strength of the association between core self-evaluation and employee engagement;

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4. To confirm the relationship between employee engagement and job satisfaction;

5. To confirm the relationship between employee engagement and affective organizational commitment;

6. To test the effect of employee engagement on intrinsic rewards and leader-member exchange relationship;

7. To investigate the mediating effect of intrinsic rewards on the relationship between employee engagement and job satisfaction; and

8. To investigate the mediating effect of the leader-member exchange relationship on the relationship between employee engagement and job satisfaction.

Hypotheses

To achieve the purpose of the study, this study hypothesized that:

H1: Employees' core self-evaluations are positively related to their engagement.

H2: Psychological climate is positively related to employee engagement.

H3: Psychological climate moderates the relationship between core self-evaluations and employee engagement.

H4a: Employee engagement is positively related to job satisfaction.

H4b: Employee engagement is positively related to intrinsic rewards.

H4c: Intrinsic rewards are positively related to job satisfaction.

H4d: Intrinsic rewards mediate the relationship between employee engagement and job satisfaction.

H5a: Employee engagement is positively related to organizational commitment.

H5b: Employee engagement is positively related to the quality of the leader-member exchange relationship.

H5c: The quality of the leader-member exchange relationship is positively related to organizational commitment.

H5d: The quality of leader-member exchange relationship mediates the relationship between employee engagement and organizational commitment.

Significance of the Study

This study is important from both research and practical perspectives. As today's business strives for perfection in delivering products and services in an environment of immense

competition and dynamic changes, employee engagement has increasingly engaged the interest of both academics and practitioners. Many researchers and practitioners have come to consider employee engagement essential to human resource practices through which business organizations can cope with today's uncertain and turbulent conditions. However, previous studies in the industry have used neither a clear conceptual framework nor measurements of employee engagement, focusing simply on finding drivers and outcomes of employee engagement. The theory that should underlie the relationships has been neglected. Consequently, much of the research on these relationships may have yielded either equivocal or biased results. Also, antecedents and consequences identified by extant research are limited because employee engagement is relatively new in the organizational behavior research (e.g., Ellis & Sorensen, 2007; Macey & Schneider, 2008; Rafferty et al., 2005; Saks, 2006). Therefore, through exploring unknown antecedents and consequences with sound theoretical reasoning and through empirically testing the relationships of employee engagement, this study will provide theory-based empirical evidence of how employee engagement develops and how employee engagement affects job- and organization-related attitudes. Ultimately, the findings of this will add to the literature on employee engagement and provide an accurate, comprehensive lens through which to view future research.

In addition to the theoretical significance, the findings of this study should also have practical significance, especially for the hospitality industry. In the hospitality industry, providing quality products and services cannot be replaced by machines, so hospitality employees are the main actors in delivering service quality (Bettencourt & Brown, 2003; Chung & Schneider, 2002; Schneider & Bowen, 1992). Thus, employee attitudes and behaviors are critical to the quality of the product that hospitality firms sell to the customers, and accordingly, tremendously influence customer satisfaction (Bitner, Booms, & Tetreault, 1990; Parasuraman, Zeithaml, & Berry, 1988; Schneider & Bowen, 1992). This unique nature of labor intensiveness and "moment of truth" (Gronroos, 1990) increases the importance of employee engagement. Excellent service provided by engaged employees should help create a sustainable competitive advantage in the dynamic, service-oriented business environment of hospitality. However, employee engagement remains underreported in the hospitality literature (Karatepe & Olugbade, 2009). Given that employee engagement may have greater impact in the hospitality industry than

in other industries (Gronroos, 1990, Olsen, West, & Tse, 2008), this lack of recognition for employee engagement in the hospitality industry is ironic.

This study intends to add knowledge and insights to help hospitality human resources development/management practitioners gain a better understanding of the relationships of employee engagement, along with both its antecedents and consequences. Given that employee engagement has just landed on hospitality operators' discussion lists, examining the relationships of employee engagement with its predictors and outcomes among hotel employees is an important step. In doing so, this study will offer a timely starting point for effective and efficient human resources strategies and new insight into employee engagement.

Limitations of the Study

The first limitation involved in this study is the use of self-report questionnaires. In spite of its usefulness in measuring emotion (Wallbott & Scherer, 1989), the self-report methodology may lead to inflated relationships among variables, and thus the data in this study may be biased by common method variance (CMV) in statistical analysis (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). If the data on employee engagement and LMX is collected from different sources, including supervisors or co-workers of the respondents, the findings may differ from the data reported in this research. However, while this limitation may affect the present study, the researcher took steps during data collection to attenuate the effect of CMV by guaranteeing the anonymity and confidentiality of individual responses.

Another limitation concerns the cross-sectional design of the study. Data were collected at one point in time, so inferences about the causal nature of the relationships examined in this study may be difficult (Bobko & Stone-Romero, 1998). Also, given the cross-sectional data in this study, alternative causal paths or changes in causal directions and sequential orders may exist (Giardini & Frese, 2006).

Also, as being unable to directly contact respondents for data collection, the author relied on hotel managers and executives in the sampling frames to distribute the questionnaires to a broad range of employees in their hotels. Therefore, it should be acknowledged that such a data collection practice might have caused potential biases like selection bias or non-response bias, if the managers and executives did not distribute the questionnaires according to the author's instructions (Blair & Zinkhan, 2006). While this limitation may be the case in present study, the

author conducted a time-trend extrapolation test to verify if the key results differ between early and late respondents (Armstrong & Overton, 1977).

Definition of Terms

Employee Engagement: Employee engagement is a positive, fulfilling, work related state of mind characterized by vigor, dedication, and absorption (Schaufeli et al., 2002, p. 74). Vigor refers to "high levels of energy and mental resilience while working, the willingness to invest efforts in one's work, and persistence even in the face of difficulties" (Schaufeli et al., 2002, p. 74). Dedication refers to "a sense of significance, enthusiasm, inspiration, pride, and challenge" and thus is the opposite of cynicism (Schaufeli et al., 2002, p. 74). Absorption refers to "being fully concentrated and deeply engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work" (Schaufeli et al., 2002, p. 75).

Core Self-Evaluation: Core self-evaluation is defined as "basic conclusions or bottom-line evaluations that individuals hold about themselves" (Judge & Bono, 2001, p. 80). It is a basic, fundamental assumption that people hold about their worthiness, functionality, and capability as a person in their environment (Judge, Van Vianen, & De Pater, 2004). Core self-evaluation is a higher order construct that comprises four specific traits: self-esteem, generalized self-efficacy, locus of control, and emotional stability/neuroticism (Judge et al., 1997).

Psychological Climate: Psychological climate is an individual's perceptions or interpretations of organizational environments including structures, processes, and events. It pertains to the degree to which an individual feels that the environment is psychologically meaningful and safe enough to influence motivational, affective, and attitudinal reactions (Baltes, Zhdanova, & Parker, 2009; James, James, & Ashe, 1990; Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts, 2003).

Intrinsic Rewards: Intrinsic rewards are positively valued work outcomes that an individual receives directly from performing an activity or role. Intrinsic rewards, such as feelings of achievement and self-fulfillment after accomplishing a particularly challenging or meaningful task, are inherent in the task/role performance and not given by external sources like a company or other people (Kalleberg, 1977; Schermerhorn, Hunt, & Osborn, 2004).

Job Satisfaction: Job satisfaction is the "positive or pleasurable emotional state resulting from one's own appraisal of the job or of one's own work experience" (Locke, 1976, p.1300). It

involves an affective reaction to a job, resulting from an evaluation of the work situation (Mottaz, 1988).

        Leader-Member Exchange: Leader-member exchange, or LMX, is the quality of the dyadic, work-related, interpersonal relationships between employees and their immediate supervisor (Dansereau, Graen, & Haga, 1975; Graen, 1976).

        Organizational Commitment: Commitment is an employee's personal attachment to, identification with, and involvement in the employing organization, resulting in a strong belief in the organization's goals and values and in extra effort on behalf of the organization (Meyer & Allen, 1997).

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Chapter 2 - Review of Literature

This chapter provides a review of the literature on employee engagement, core self-evaluations, psychological climate, job satisfaction, organizational commitment, intrinsic rewards, and leader-member exchange. The review of related literature consists of conceptualization of the constructs and theories that may support relationships between the constructs. Based on the literature review, eleven hypotheses are developed.

Employee Engagement

A review of literature indicates that employee engagement has been conceptualized in three different ways. Kahn's conceptual work was the first to provide a foundation for the theoretical development of employee engagement (Baltes, 2001; Kim, Shin, & Swanger, 2009; Shuck & Wollard, 2010). According to Kahn (1990), personal engagement is "the harnessing of organization members' selves to their roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance" (p. 694). Kahn (1990) further suggested that, "personal engagement is the simultaneous employment and expression of a person's "preferred self" in task behaviors that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performances" (p.700). In contrast, Kahn (1990) defined disengagement as "the uncoupling of selves from work roles" (Kahn, 1990, p. 694) and described a disengaged person as those who "withdraw and defend themselves physically, cognitively, or emotionally during role performances" (Kahn, 1990, p. 694). Thus, disengaged employees become physically uninvolved in their job, cognitively unvigilant, and emotionally detached from co-workers or managers (Kahn, 1990).

Taken together, engagement at work is the degree of physical, cognitive, and emotional involvement in a work role, how much a worker puts into a job and work interactions, and the personal connections with work and co-workers (Ferrer, 2005). Therefore, employees who exhibit engagement are physically involved in their tasks, are cognitively alert and attentive, and are emotionally connected to their work and to others in the workplace.

Rothbard (2001) extended Kahn's (1990) work and provided an alternative view. Rothbard (2001) added two critical components to Kahn's conceptualization of engagement:

attention and absorption. Attention refers to the "cognitive availability and the amount of time one spends thinking about a role" whereas absorption concerns "being engrossed in a role and refers to the intensity of one's focus on a role" (Rothbard, 2001, p. 656). Consequently, employee engagement was defined as psychological presence in a particular work role that involves attention and absorption (Bakker & Schaufeli, 2008; Saks, 2006).

The second approach to the concept of engagement was led by burnout researchers, Maslach and Leiter (1997) and Maslach et al. (2001), who conceptualized engagement as the opposite of or the positive antithesis to the three burnout dimensions: exhaustion, cynicism, and sense of inefficacy (Gonzalez-Roma, Schaufeli, Bakker, & Lloret, 2006; Shuck, 2010). Thus, burnout becomes "an erosion of engagement with the job" (Maslach, Schaufeli, & Leiter, 2001, p. 416), and engagement can be measured using scores on the burnout measurement scale called the Maslach Burnout Index (MBI). Low scores on exhaustion and cynicism and high scores on efficacy on the MBI indicate each of the three characteristics of job engagement: energy, involvement, and efficacy (Maslach et al., 2001). Thus, an engaged employee is energetic and positively connected with work activities and can handle the demands of the job (Schaufeli et al., 2002). However, although burnout research developed an operational definition of engagement, assuming that burnout and engagement are situated on the opposite poles of a continuum may not be acceptable, and using a single instrument (i.e., the MBI) to cover the two opposite concepts has been questioned in other research (Schaufeli & Bakker, 2004; Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002).

Schaufeli et al., (2002) provided a third approach for employee engagement, providing a different perspective to the engagement-burnout continuum theory. They defined engagement as a "positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli et al., 2002, p. 74). They also distinguished engagement from other employee-role-related constructs; engagement is a more "persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior", instead of a "momentary and specific state" (Schaufeli et al., 2002, p. 74). Vigor, as the opposite concept of exhaustion in burnout, refers to "high levels of energy and mental resilience while working, the willingness to invest efforts in one's work, and persistence even in the face of difficulties" (Schaufeli et al., 2002, p. 74). Dedication involves "a sense of significance, enthusiasm, inspiration, pride, and challenge" and thus is the opposite dimension of cynicism

(Schaufeli et al., 2002, p. 74). Finally, absorption refers to "being fully concentrated and deeply engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work" (Schaufeli et al., 2002, p. 75). Unlike vigor and dedication, absorption was newly identified as a distinct element of engagement and accordingly, should not be considered a contrasting concept of the burnout dimension of inefficacy (Schaufeli et al., 2002). Therefore, Schaufeli et al. (2002) asserted that job engagement and burnout were independent states of mind inversely related to each other (Schaufeli & Bakker, 2004; Schaufeli et al., 2002).

This dissertation adopts Schaufeli, Taris, Le Blanc, Peeters, Bakker, & De Jonge's (2001) conceptualization as a definition of engagement for three reasons; (1) Kahn (1990) did not develop an operational definition of employee engagement even though he provided a conceptual basis for it (Kim et al., 2009; Schaufeli et al., 2001); (2) burnout research uses an engagement-burnout continuum theory that implies a complementary relationship between engagement and burnout, not an independent relationship (e.g., Maslach & Leiter, 1997; Maslach et al., 2001); and (3) Schaufeli et al.'s (2001) definition and measure of engagement (i.e., Utrecht Work Engagement Scale: UWES, Schaufeli & Bakker, 2003) are cited and used most frequently in contemporary engagement literature and research (Bakker & Schaufeli, 2008; Koyuncu, Burke, & Fiksenbaum, 2006; Schaufeli & Bakker, 2003). Therefore, in this study, employee engagement is defined as "a fulfilling work-related state of mind characterized by feelings of vigor, dedication, and absorption"; engagement includes persistent cognitive and affective states while working, high level of involvement and devotion to work, and immersion in work activities (Schaufeli & Bakker, 2003; Schaufeli et al., 2002).

Although the concept of employee engagement is relatively new and there are different views of work engagement, scholars have begun to agree that the construct differs from related concepts like job involvement, organizational commitment, organizational citizenship behavior, and job satisfaction; employee engagement clearly reflects an employee's persistent psychological state focusing on formal work activities or work itself, not an employee's attitudes or behaviors focusing on the organization (Bakker, Schaufeli, Leiter, & Taris, 2008). For example, job involvement is the degree to which an individual identifies with the job; it develops as the result of a cognitive belief that the job satisfies needs. On the other hand, engagement focuses more on how the both cognitive and emotional experiences of work and work activities make an individual behave while performing the job (May, Gilson, & Harter, 2004). Engagement

also differs from organizational commitment and job satisfaction. Organizational commitment involves a person's strong attitudinal attachment towards the organization (Meyer & Allen 1991). Job satisfaction is an affective attitude toward work that comes from seeing the job or job experience favorably (Brayfield & Rothe, 1951; Locke, 1976). However, engagement is a psychological state or mood in which an individual is engrossed not with the organization but in a performance of the work role (Ferrer, 2005; Saks, 2006). Attitude is constant and stable over time, but a psychological state or mood fluctuates (Ferrer, 2005). Finally, engagement differs from organizational citizenship behavior (OCB) because engagement focuses on employees' additional, discretionary effort to perform their formal role at work; on the other hand, OCB concerns voluntary and informal helping behaviors that aim at co-workers and the organization (Saks, 2006).

Antecedents of Employee Engagement (Study 1)

Core Self-Evaluations

According to Packer (1985, 1986) and Judge, Locke, and Durham (1997), people subconsciously appraise themselves, other people, and the world or reality. For example, individuals may fundamentally see themselves as weak or view others as untrustworthy. Other individuals might think life is miserable or consider the world a dangerous place (Judge, Locke, Durham, & Kluger, 1998). Packer (1985, 1986) and Judge et al. (1997) suggested that these fundamental appraisals, called core-evaluations, influence nearly all other situation-specific appraisals that people make about themselves, events, objects, and people, which subsequently shapes dispositional states, determining attitudes, and motivating behaviors (Gardner & Pierce, 2009; Packer, 1985, 1986).

Based on this core-evaluation premise, Judge et al. (1997), focusing on the core evaluations of oneself, proposed the concept of core self-evaluations (CSE) as a personal trait that would explain job satisfaction and other attitudes and behaviors. Judge and Bono (2001) defined core self-evaluations as "basic conclusions or bottom-line evaluations that individuals hold about themselves" (p. 80). Core self-evaluation is thus a fundamental assumption that people hold about their worthiness, functionality, and capability as a person in their environment (Judge, Van Vianen, & Pater, 2004). Thus, people with positive core self-evaluations appraise themselves as capable, worthy, and in control of their lives. Like core-evaluation, core self-

evaluations affect people's appraisals, attitudes, and behaviors in any given situation (Judge et al., 1997). Thus, individuals who think they are competent will view a situation (e.g., a job) favorably, like that situation, and behave in a consistently positive manner across situations.

According to Judge et al. (1997), the core self-evaluation concept is a first-order construct composed of four separate but related traits: self-esteem, generalized self-efficacy, locus of control, and emotional stability or neuroticism. Self-esteem refers to the basic appraisal individuals make of themselves and the overall value that they place on themselves as a person (Judge et al., 1997). Self-esteem includes overall self-acceptance, self-liking, and self-respect (Harter, 1990; Judge et al., 1998; Judge, Erez, Bono, & Thoresen, 2003). Self-esteem is the most basic, central component of core self-evaluations because it is the overall value that individuals have for themselves as humans (Harter, 1990). Research indicates that self-esteem has short-term fluctuations but long-term stability (Costa & McCrae, 1998).

The second core self-evaluation trait, generalized self-efficacy, refers to an appraisal of the fundamental ability to perform and cope successfully across a variety of situations (Judge & Bono, 2001; Locke, McClear, & Knight, 1996). Bandura (1997) also defined self-efficacy as the belief that a person has the ability to successfully execute and perform a specific task within a given context (Bandura, 1986, 1997; Stajkovic & Luthans, 1998). However, generalized self-efficacy differs from Bandura's (1997) definition of self-efficacy; Bandura's (1997) definition is task or situation specific while generalized self-efficacy is global not focused on a specific situation. Generalized self-efficacy involves the belief that individuals can successfully handle life's exigencies. Also, while Bandura's (1997) task specific self-efficacy can vary somewhat depending on the task, generalized self-efficacy is stable across domains (Bandura, 1997) because it results from an accumulation of successes and persistent positive experiences (Chen, Gully, & Eden, 2001). Thus, the general perception of one's ability to perform in any context may spill over into specific context (Yeo & Neal, 2006).

The third core self-evaluation trait, locus of control, refers to beliefs about the causes of events in life (Judge, Erez, Bono, & Thoresen, 2002; Rotter, 1966); do individuals control events in their lives or does the environment or fate control events? Thus, individuals with an internal locus of control believe that they are generally in command of the events in their life and their fate is determined by their actions. In contrast, individuals with an external locus of control believe that because the environment or luck controls events, they have no control over those

events (Rotter, 1966). Although locus of control is theoretically related to generalized self-efficacy, the two concepts differ. Generalized self-efficacy relates more to confidence about actions or behaviors while locus of control more on who controls outcomes (Judge et al., 1998b).

Lastly, neuroticism (or, conversely, emotional stability) refers to the enduring tendency to exhibit poor emotional adjustment and experience negative emotional states such as fear, hostility, guilt, and depression (Bono & Judge, 2003; Goldberg, 1990). Neurotic individuals interpret the environment as threatening and thus are anxious, shy, unconfident, and fearful in new situations and environments. They also tend to focus on negative aspects of self, and thus, view themselves as guilty, timid, or dependent on others. Subsequently, neurotic individuals are prone to be dissatisfied with themselves and with their lives in general (Clark & Watson, 1991; Costa & McCrae, 1988; Judge et al., 1998). Neuroticism is one of the Big Five personality traits and constitutes the negative pole of emotional stability, which taps the ability to withstand stress (Judge et al., 1998b). Emotional stability has been used interchangeably with neuroticism to describe the fourth core self-evaluation trait (Judge & Bono, 2001); individuals with low neuroticism have high emotional stability. Neuroticism is also closely related to the negative affectivity trait, which is often used as a measure of neuroticism (Clark & Watson, 1991; Larsen & Ketelaar, 1991).

Core self-evaluation is a unidimensional dispositional concept because the four component traits (i.e., self-esteem, locus of control, generalized self-efficacy, and neuroticism) share significant conceptual similarities, forming an underlying uniform construct (Bono & Judge, 2003; Judge, Erez, & Bono, 1998). For example, neuroticism is clearly related to self-esteem because it is negative self-esteem (Costa & McCrae, 1988). Self-esteem is also closely linked to generalized self-efficacy. Self-esteem is the appraisal of self for capability, significance, successfulness, and worthiness (Coopersmith, 1967), while self-efficacy is the appraisal of self as capable of performing at a global level across situations (Bono & Judge, 2003). Generalized self-efficacy is also conceptually related to locus of control in that individuals who believe in they can perform across many contexts also likely believe that they control life events (Bono & Judge, 2003). Thus, the construct of core self-evaluations is unidimensional, and the four underlying traits indicate the degree to which individuals describe themselves positively (Judge et al., 2004).

Kahn's Three Psychological Condition Theory

      Several models and theories provide a theoretical foundation for explaining why employees become engaged in their work. Among them, Kahn's (1990) three psychological condition theory may explain the positive link between core self-evaluations and employee engagement. According to Kahn (1990), employee engagement develops when three psychological conditions are satisfied: psychological meaningfulness, psychological safety, and psychological availability. Psychological meaningfulness refers to the positive "sense of return on investments of self in role performance" (Kahn, 1990, p. 705). It concerns the belief that work is worthwhile and meaningful enough to add value and significance to accomplishments at work (Kahn, 1990). When employees believe that their work or roles are significant and fit to the goals and values of the self or the organization, they may bring themselves into this work, showing engagement (Brown & Leigh, 1996; Czarnowsky, 2008; Harter, Schmidt, & Hayes, 2002; Fredrickson, 1998; Maslach et al., 2001). Psychological safety involves confidence in showing self "without fear or negative consequences to self image, status, or career" (Kahn, 1990, p. 705). When employees believe that their organization provides a reliable and predictable working environment and thus their performance and conduct do not create risk in their interpersonal relationships or group and intergroup dynamics, they are more likely to become engaged (Kahn, 1990). Lastly, psychological availability focuses on the belief that a person can enter into a role (Kahn, 1990). This involves the physical, emotional, and psychological resources to complete work (Kahn, 1990). When employees believe that they have the necessary resources to complete work (e.g., "I have a good manager to help me"), they then become engaged in their work role. The availability of necessary resources can free employees to concentrate on their work without worrying about a lack of resources (Shuck & Wollard, 2010).

      In line with Kahn's (1990) theory, previous research suggests that core self-evaluation is positively related to employee engagement. Erez and Judge (2001) and Judge, Bono, and Locke (2000) suggested that individuals with positive self-regard set their goals high and perceive their jobs as interesting, challenging, and significant because they see the potential for greater intrinsic rewards when the goals are achieved. Also, Locke et al. (1996) suggested that individuals with positive self-esteem are intrinsically motivated because they perceive a challenging job as a deserved opportunity from which they can benefit while those with low self-esteem think of an opportunity as a chance to fail. Rewards come through achieving challenging goals, so

employees with high core self-evaluations gain psychological meaningfulness (Kular, Gatenby, Rees, Soane, & Truss, 2008).

Additionally, links between the core self-evaluation traits and psychological safety and availability also suggest a positive relationship between core self-evaluations and employee engagement. For example, people with high self-efficacy and internal locus of control are optimistic and confident and interpret their work environment and see their peers more favorably (Clark & Watson, 1991). In contrast, people with low self-esteem, self-efficacy, and emotional stability or external locus of control tend to perceive more constraints in the organizational environment than those who have high core self-evaluations (Best, Stapleton, & Downey, 2005). Erez and Judge (2001) also suggested that because employees with high generalized self-efficacy are confident of meeting the demands of a job, they have the psychological availability to invest themselves in performing their work roles. Taken together, employees with high core self-evaluations find meaning in their work role, appraise the environment through a positive lens, and feel more confident. These positive aspects may motivate them exhibit job engagement (Judge et al., 1998a; Judge & Hurst, 2007).

A number of researchers have investigated the relationship between core self-evaluations and employee engagement in empirical studies. Bakker, Gierveld, and Van Rijswijk (2006) conducted a study of female school principals and found that resilience, self-efficacy, and optimism uniquely contribute to explaining variance in work engagement. In their 2-year longitudinal study of Dutch engineers, Xanthopoulou, Bakker, Demerouti, & Schaufeli (2007) and Xanthopoulou, Heuven, Demerouti, Baker, & Schaufeli (2008) revealed that self-efficacy, organizational-based self-esteem, and optimism predict work engagement over time; engaged employees are highly confident, proud of their work, and optimistic about their future. In the hospitality setting, Karatepe and Olugbade (2009) conducted a cross-sectional study of hotel frontline employees and found that self-efficacy positively affects the absorption dimension of engagement; they concluded that competitive hotel employees may feel energetic, have positive connection with their work activities, and are happily engrossed in their work role. In a study of flight attendants, Xanthopoulou et al. (2008) found that flight attendants who believe they can deal effectively with their work requirements are more willing to work with vigor, dedication, and absorption. Thus, based on relevant theories and empirical findings, we propose the following hypothesis:

Hypothesis 1: Employees' core self-evaluations are positively related to their engagement.

Psychological Climate

In the organizational behavior literature, climate has been defined as a perceived set of attributes specific to a particular organization (Campbell, Dunnette, Lawler, & Weick, 1970). Based on this definition of climate, many scholars have conceptualized 'climate in an organization' (e.g., Baltes, 2001; Brown & Leigh, 1996; James, Hater, Gent, & Bruni, 1978; Koys & DeCotiis, 1991; Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts, 2003; Schneider & Rentsch, 1988). Among the many definitions of 'climate in an organization' that have been put forward, two have received the widest acceptance: the collective perception approach and the individual perception approach (James & James, 1989; Koys & DeCotiis, 1991).

The former conceptualizes 'climate in an organization' as those perceptions shared among members of an organization about organizational environments including policies, procedures, and practices (Reichers & Schneider, 1990; Rentsch, 1990); it is operationalized principally through aggregating individuals' perceptions of their work environment (e.g. Kozlowski & Klein, 2000; Koys & DeCotiis, 1991; Parker et al., 2003). Koys and DeCotiis (1991) defined climate in an organization as "an experiential-based, multidimensional, and enduring perceptual phenomenon which is widely shared by the members of a given organizational unit" (p. 266). Thus, this definition, called organizational climate, represents idiosyncratic descriptions and interpretations of the work context when employees within a particular unit (e.g. team, department, organization) share perceptions (Jones & James, 1979). When employees within a unit or organization agree on their perceptions of the work environment, their individual perceptions can be meaningfully aggregated to reflect group-level, organizational climate (James, 1982; Jones & James, 1979; Joyce & Slocum, 1984; Klein, Palmer, & Conn, 2000).

Other scholars have emphasized individual's own perceptions of the work environment to underpin the notion of 'climate in an organization' (e.g., Baltes, 2001; Brown & Leigh, 1996; Carr, Schmidt, Ford, & DeShon, 2003; Jones & James, 1979; Joyce & Slocum, 1984). This individual perception approach has operationalized climate as individual perceptions that are

psychologically significant or meaningful to that individual, not collective perceptions about an organization (Brown & Leigh, 1996; Dieterly & Schneider, 1974; Glick, 1985; James et al., 1978; Joyce & Slocum, 1984). Thus, this type of climate, called psychological climate, represents an individual's own perceptions or interpretations of organizational environments including structures, processes, and events, the degree to which an individual feels that the environment is psychologically meaningful and safe enough to influence motivational, affective, and attitudinal reactions (Baltes, Zhdanova, & Parker, 2009; James et al., 1978; James, James, & Ashe, 1990; Parker et al., 2003). Therefore, because psychological climate involves individual descriptions and interpretations of organizational environment, employees within the same work context and situation may develop distinct, idiosyncratic perceptions of those organizational environments (James & Tetrick, 1986).

Although the terms culture and climate have often been used interchangeably to refer to the workplace environment (Davidson, 2001), psychological climate is different from organizational culture. Psychological climate and organizational culture are distinguished from one another by the perspectives of their conceptualization. The concept of organizational culture had its roots in anthropological and sociological perspectives, which focus more on the evolution of a social system over time and thus attempt to describe the uniqueness of each organization using its history (Denison, 1996; Trice & Beyer, 1993). Using this perspective, organizational culture is the deep, embedded structure of an organization represented by descriptions of myths, symbols, rituals, and stories (Trice & Beyer, 1993). In contrast, the concept of psychological climate originated from a perspective focusing on the day-to-day interactions between members of an organization; it attempts to identify dimensions of subjective perceptions of policies, practices, and actions that represent a snapshot of the environment at a particular point in time (Jones & James, 1979; Manning, Davidson, & Manning, 2004). Thus, psychological climate can be considered a surface indicator of culture (Schein, 1985).

Also, unlike organizational culture, which is stable and relatively fixed because it reflects deep-rooted, long-term shared norms, values, beliefs, and assumptions (Denison, 1996; Schein, 1985; Schneider, 1990; Schneider, Wheeler, & Cox, 1992), psychological climate is not static; it is temporary, malleable, and open to change, easily modified as needed. Psychological climate can change faster than culture (Dickson, Resick, & Hanges, 2006).

Moreover, for any dimension to be included in the measurement of psychological climate, it should be a measure of perception, a description of activities instead of evaluation, not an aspect of organizational or task structure (Koys & DeCotiis, 1991). Brown & Leigh (1996) defined psychological climate as how individual employees perceive/interpret organizational environments, so neither attitude nor affective reaction to the job and work environment is relevant. Therefore, psychological climate is conceptually distinct from attitudinal constructs such as job satisfaction or organizational commitment (Ashforth, 1985; Koys & DeCotiis, 1991).

Psychological climate is a multidimensional construct (James & James, 1989; Koys & DeCotiis, 1991). James and James (1989) proposed a hierarchical model of psychological climate consisting of four second-order factors: (1) role stress and lack of harmony, (2) job challenge and autonomy, (3) leadership facilitation and support, and (4) work group cooperation, friendliness, and warmth. They suggested that these four higher-order dimensions loaded reliably on a single General Psychological Climate factor (PCg) to explain variations in many features of an organization, thus representing an overall appraisal of the work environment as personally beneficial or detrimental to the employee's sense of well-being (James et al., 1990). Also, Koys and DeCotiis (1991) discovered more than 80 separately labeled dimensions of climate from extant literature and used three criteria to identify dimensions of psychological climate. They found that eight sub-dimensions including support, recognition, fairness, innovation, autonomy, trust, cohesiveness, and pressure may represent the overall construct of psychological climate (Koys & DeCotiis, 1991). Additionally, Brown and Leigh (1996) operationalized six dimensions of psychological climate: the extent to which management is perceived as flexible and supportive, role clarity, freedom of self-expression, employee's perceived contribution toward organizational goals, adequacy of recognition received from the organization, and job challenge. They suggested that each of these dimensions indicates an employee's perceptions of the organizational environment as they relate to levels of psychological meaningfulness and safety (Brown & Leigh, 1996).

Over the last 20 years, the definition of psychological climate become standard, and many scholars have researched various frameworks for psychological climate dimensions (e.g., Brown & Leigh, 1996; James & James, 1989; Koys & DeCotiis, 1991). However, the research still does not agree on the specific dimensions within the construct (Parker et al., 1993). One reason for this lack of consensus is that not all dimensions of psychological climate are equally

potent for different types and characteristics of job, role, work group, and/or organization (Martin, Jones, & Callan, 2005; Parker et al., 2003; Schneider, 1975). In other word, even though psychological climate studies have included individual employees' perceptions of virtually every aspect of their work environment, a different organizational context changes particular dimensions (Manning et al., 2004; Parker et al., 2003). Therefore, this study used four dimensions from hospitality research to reflect the hospitality work and organization (Amenumey & Lockwood, 2008). The dimensions of psychological climate included in this study are customer orientation, internal service, managerial practice, and information and communication (Amenumey & Lockwood, 2008).

Job Demands-Resources (JD-R) Model

A relatively new occupational stress model, the job demands–resources (JD-R) model, is a particularly relevant framework that provides a theoretical backdrop for engagement research (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Salanova, Agut, & Peiró, 2005; Schaufeli & Bakker, 2004). Along with Kahn's (1990) three psychological condition theory, this study has its theoretical roots in the JD-R model, which assumes a relationship between psychological climate and employee engagement.

The JD-R model does help explain the antecedents of employee engagement (Demerouti et al., 2001). According to the JD-R model (Demerouti et al., 2001), the work environment falls into two general categories: job demands and job resources. Job demands refer to physical, psychological, social, or organizational aspects of a job that require sustained physical and/or psychological (i.e., cognitive or emotional) effort from an employee and thus result in physiological and/or psychological costs. Job demands are not necessarily negative but may function as stressors when meeting those demands requires high effort. Emotional demands form display rules, emotional dissonance, time pressure, shift work, and physical workload are examples of job demands in the hospitality industry (Bakker, Demerouti, & Verbeke, 2004).

By contrast, job resources are physical, psychological, social, or organizational features of the job that help employees reach work-related goals, mitigate job demands and their adverse physiological and psychological consequences, and stimulate personal growth, learning, and development. Job resources are drawn from the organization, interpersonal and social relations, the organization of work, and the work itself (Bakker & Demerouti, 2007). Examples of job resources include pay, supervisory support or customer feedback, role clarity, and job autonomy

or empowerment (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003; Demerouti et al., 2001).

The JD-R model (Demerouti et al., 2001) postulates that these two categories of work characteristics evoke two relatively independent psychological processes: health impairment and motivational. Through the health impairment process, high job demands or poorly designed jobs exhaust employees' mental and physical resources, and this may in turn lead to depleted energy and health problems (Bakker et al., 2003; Llorens, Bakker, Schaufeli, & Salanova, 2006). Thus, job demands like emotional labor in hospitality predict emotional exhaustion (i.e., burnout) among customer-contact hospitality employees (e.g., Hochschild, 1983; Brotheridge & Grandey, 2002). On the other hand, through the motivational process, job resources motivate employees, prompt personal growth and development, and foster goal achievement, all of which may lead to higher work engagement, lower disengagement, and higher performance (Bakker & Demerouti, 2007; Schaufeli & Bakker, 2004; Xanthopoulou et al., 2007). Job resources may be either intrinsic or extrinsic motivators.

In addition to these two processes, the JD-R model proposes the interaction between job demands and job resources. According to the JD-R model, job resources become more salient and gain in their potential to motivate when job demands are high; job resources thus mitigate the consequences of job demands on health. In demanding work conditions, individuals who have high levels of resources can better manage these demands. Thus, their energy levels are not depleted, and they suffer fewer health problems (Bakker, Demerouti, & Schaufeli, 2005; Xanthopoulou et al., 2007). Good examples of this interaction (i.e., job resources buffering job demands) are emotional intelligence and emotional labor. In emotionally challenging situations, service employees who can easily regulate emotion are less likely to experience emotional dissonance and emotional exhaustion.

Research based on the JD-R theory suggests that many positive and supportive aspects of work environment are associated with employee engagement. According to Bakker and Demerouti (2007) and Demerouti et al. (2001), employees who receive not only helpful coaching and adequate feedback from supportive colleagues but also opportunities for professional development have the means to enhance their abilities and are thus intrinsically motivated to pursue their goals. Schaufeli and Salanova (2007) similarly suggested that employees may become engaged when supervisors coach them in their work and provide emotional support.

Further, Maslach et al. (2001) have also suggested that employees reach higher levels of engagement in a well-designed system with appropriate recognition and rewards, while a lack of rewards and recognition may lead to burnout. According to Schaufeli and Salanova (2008), transformational leadership produces stronger engagement in subordinates because such a leader provides visions and inspires employees.

If psychological climate involves perceptions of the availability of support and resources in the work environment (Amenumey & Lockwood, 2008; Brown & Leigh, 1996; James & James, 1989; Koys & DeCotiis, 1991; Parker et al., 2003), these employees may become engaged because those perceptions motivate employees, enhancing their willingness to dedicate themselves to their work (Meijman & Mulder, 1998). Similarly, positive appraisal of the work environment itself evokes cognitive and affective states in which employees are motivated to become engaged in their work role. Such positive appraisals will evoke feelings of satisfaction, identification with the job, and motivation and inspire employees to commit to work activities with more effort and energy (Brown & Leigh, 1996).

Consistent with this corollary, prior empirical studies have confirmed a positive relationship between psychological climate and employee engagement. For example, a study by James et al. (1978) revealed that employees are more likely to be motivated to invest themselves in their work when they believe that their job is recognized and supported by the organization and they have good relationships with coworkers and supervisors. Also, Maslach et al. (2001) and Saks (2006) have noted that perceived organizational support and justice are important in employee engagement. Employees who see justice in their organization are more likely to be more engaged with their work while those who see little fairness in the workplace tend to withdraw and disengage themselves. Gebaure, Riketta, Broemer, & Maio (2008) also suggested that employee perceptions of training and development opportunities are essential influences in employee engagement, especially among skilled employees. Therefore,

Hypothesis 2: Employees' psychological climate is positively related to their engagement.

Conservation of Resources Theory

Hobfoll's (1989) conservation of resources (COR) theory, coupled with the JD-R theory, establishes some common ground for hypothesizing the interaction effect of core self-evaluations and psychological climate on employee engagement. In his COR theory, Hobfoll (1989, 2001)

defined resources as "… those objects, personal characteristics, conditions, or energies that are valued by the individual or that serve as a means for attainment of these objects, personal characteristics, conditions, or energies" (Hobfoll, 1989, p. 516). The COR theory (Hobfoll, 1989, 2001) posits that people are intrinsically motivated to obtain, retain, and protect these resources. It further proposed that people who retain resources strive to not only maintain and protect the resources but accumulate them (Hobfoll, 1989, 2001). Individuals with more resources are less susceptible to resource loss and thus more likely to seek opportunities to risk those resources to gain still more resources (Hobfoll & Shirom, 2000). Thus, resources tend to produce more resources, creating resource caravans, which may lead to other positive outcomes like well-being and work engagement (Hobfoll, 2001).

Taking the above assumptions in COR and JD-R theories into account, a case for the interaction of core self-evaluations and psychological climate with employee engagement can be made. If the second assumption of the COR theory (i.e., accumulation of resources and creation of resource caravan) is incorporated into the motivational process of the JD-R model, perceptions of the availability of organizational resources (i.e., psychological climate) may then facilitate the use and accumulation of personal resources (i.e., core self-evaluations), and thus lead to employee engagement. That is, perception of resourceful work environments may activate and/or increase employees' beliefs about their worthiness, capabilities, and functionality. As a result, employees may become highly motivated and in turn, exhibit higher levels of work engagement (Judge, Bono, Erez, & Locke, 2005; Xanthopoulou et al., 2008). Thus, in a positive work environment with plenty of organizational resources, employees may increase their core self-evaluation level and exhibit high levels of engagement as their abilities and activities are continuously developed and recognized (Judge et al., 2005; Kacmar, Collins, Harris, & Judge, 2009). However, in a negative work environment, where employees are inequitably appraised by politics, for example, both high and low core self-evaluation employees are not motivated and thus work with diminished devotion because they are not certain that their hard work will be rewarded (Kamdar, McAllister, & Turban, 2006).

Previous empirical studies have generally indicated the moderating effect of psychological climate on the relationship between core self-evaluations and engagement. Latham, Almost, Mann, and Moore (2005) and Schaufeli and Salanova (2007) revealed that organizational resources such as supervisory coaching, feedback, and emotional support enhance

employee confidence and efficacy beliefs, increasing levels of engagement. Similarly, Sutcliffe and Vogus (2003) suggested that training or knowledge development opportunities offered by the organization may build or reinforce personal resiliency and optimism among employees, enhancing psychological capital (Snyder, Rand, & Sigmon, 2005) and thus fostering employee engagement. Xanthopoulou et al. (2007) also suggested that organizational resources like autonomy, social support, supervisory coaching, and professional development heightens employee self-esteem, optimism, and self-efficacy, and thus employees are more likely to become engaged. Additionally, McAllister and Bigley (2002) showed that employee self-esteem increases as an organization's values and philosophies fulfill employees' needs. Similarly, Karatepe and Olugbade's (2009) study of hotel frontline employees indicated that the more support employees receive from their supervisors, the more elevated their self-efficacy beliefs. These core self-evaluation traits therefore increase their involvement in their jobs.

Taking all prior research together, employee perceptions of the availability of organizational resources (i.e., psychological climate) should activate, reinforce, and/or facilitate what employees believe about their abilities (i.e., core self-evaluations), and this, in turn, should result in employee engagement. In other words, we can expect that employees are more likely to stay engaged in their work role if they perceive a positive work environment that may evoke higher core self-evaluations; on the other hand, even high core self-evaluation employees are less likely to exhibit engagement in their work if they believe that their work environment is unfavorable. Accordingly, this study proposes the following hypothesis:

Hypothesis 3: Employees' psychological climate moderates the relationship between core self-evaluations and employee engagement.

Consequences of Employee Engagement (Study 2)

Job Satisfaction

Job satisfaction refers to "a positive or pleasurable emotional state resulting from one's own appraisal of the job or of one's own work experience" (Locke, 1976, p.1300). It is an affective reaction to a job, the result of evaluating the work situation (Mottaz, 1988). While some scholars, like Locke (1976), have conceptualized and measured job satisfaction as an affective state, other researchers have viewed it as the general attitude toward a job or toward specific dimensions of a job (Brief, 1998; Hodson, 1991; McCloskey & McCain, 1988; McNeese-Smith,

1996; Motowildo, 1996; Stamps, 1997). Motowildo (1996) defined job satisfaction as judgment of the favorability of the work environment. Along the same line, Brief (1998) defined job satisfaction as "an internal state which is expressed through affective and/or cognitive evaluations of a job experience with some degree of approval or disapproval" (p. 86).

In addition to its conceptual domain (job satisfaction as an affective state or as an attitude), the concept of job satisfaction may vary by the target an individual evaluates (Spector, 1997). In a global perspective, job satisfaction is the attitude toward the job as a whole. On the other hand, from a facet approach, job satisfaction is a constellation of individual attitudes on various aspects of the job: relations with coworkers and supervisors, the work itself, and the organizational infrastructure and processes (Lee, 2000).

Using all these conceptualizations, in this study, job satisfaction is the subjective, individual-level attitude representing an individual's general affective reaction to a job (Cranny, Smith, & Stone, 1992). Simply put, job satisfaction is the extent to which people like their jobs (Odom, Boxx, & Dunn, 1990; Spector, 1996).

The review of literature revealed that job satisfaction is distinct from two other attitudinal constructs: job involvement and organizational commitment (Kanungo, 1982; Lawler & Hall, 1970; Locke, 1976; Mowday, Steers, & Porter, 1979; Steers, 1977). Organizational commitment can be defined as "the relative strength of an individual's identification with, and involvement in, a particular organization" (Mowday et al., 1979, p. 226). Although both job satisfaction and organizational commitment are closely related in that both are affective responses, the two constructs are different because of their referent objects; job satisfaction focuses on the work environment where employees perform their duties while organizational commitment focuses on employees' attachment and allegiance to the organization they work for (Lee, 2000).

Job satisfaction traditionally has been distinct from job involvement. Job involvement is defined as psychological identification with a job (Kanungo, 1982; Lawler & Hall, 1970; Lodahl & Kejner, 1965; Rabinowitz & Hall, 1977). Although both constructs refer to a specific job, job satisfaction pertains to the emotional state of liking a job (Locke, 1976; Kanungo, 1982).

Herzberg's (1959) Two-Factor Theory

Herzberg's (1959) two-factor theory, also known as the motivation-hygiene theory, provides one of the most widely used and respected approaches to understanding job satisfaction and motivation (Kalleberg, 1977). According to Herzberg, Mausner, and Snyderman (1959),

employee satisfaction and dissatisfaction are totally separate dimensions because they are affected by two distinct, independent sets of factors: motivating factors (or motivators) and hygiene factors (or hygienes). More specifically, the theory proposes that motivating factors are typically intrinsic to a job; such motivators as personal achievement, recognition for accomplishment, increased responsibility, creative and challenging work, and growth opportunity are primary determinants of job satisfaction. On the other hand, hygiene factors (or hygienes) are typically extrinsic; company policy and administration, supervision, salary, status, security, interpersonal relations, and working conditions; these external circumstances are the primary sources of job dissatisfaction (Herzberg et al., 1959).

The two-factor theory also posits that satisfaction and dissatisfaction are not at opposite ends of the same continuum (Herzberg et al., 1959). The theory suggests that the opposite of satisfaction is no satisfaction, not dissatisfaction; conversely, the opposite of dissatisfaction is not satisfaction, but no dissatisfaction. Based on this, the two-factor theory describes how job dissatisfaction reflects hygienes while motivators are responsible for job satisfaction. Adequate motivating factors may increase job satisfaction, but an absence of those motivating factors does not cause job dissatisfaction. Also, a lack of hygiene factors may cause job dissatisfaction, but having hygienes does not promote job satisfaction; it only prevents job dissatisfaction. Therefore, an employee's job satisfaction can be improved only when motivating factors are adequate; sufficient quality of hygienes contribute little to job satisfaction, only preventing job dissatisfaction (Robbins, 1998; Schermerhorn, Hunt, & Osborn, 2004).

Intrinsic Rewards

Given the two-factor theory, intrinsic rewards may relate positively to job satisfaction. Intrinsic rewards refer to positively valued work outcomes that an employee receives directly as a result of performing of his/her role; they are inherent, not given by external sources like company or other people (Kalleberg, 1977; Schermerhorn et al., 2004). Included in this category are feelings of achievement and self-fulfillment after accomplishing a particularly challenging and/or meaningful task; Herzberg (1959) referred to these and related feelings as motivating factors (Gupta, 1975; Porter & Lawler, 1968). Previous research supports this relationship. For instance, Lawler (1969) and Hackman and Lawler (1971) suggested that task performance will lead to high levels of satisfaction if (1) the employees have the opportunity to do a meaningful

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and identifiable portion of the work; (2) performing the task results in outcomes that are intrinsically meaningful and worthwhile; and (3) employees are given positive feedback about what has been accomplished. Thus,

Hypothesis 4a: Employee engagement is positively associated with job satisfaction.

Hypothesis 4b: Employee engagement is positively related to intrinsic rewards.

Hypothesis 4c: Intrinsic rewards are positively related to job satisfaction.

Several studies have indicated that employees are more likely to exhibit engagement if they believe that their work provides psychological worth and meaningfulness (Argyris, 1964; Brown & Leigh, 1996; Czarnowsky, 2008; Harter et al., 2002; Kahn, 1990). For example, Kahn (1990) suggested that employees become engaged when they feel a sense of return on investments of self and that the return on those investments should be add value to the accomplishment itself. Macey, Schneider, Barbera, and Young (2009) also suggested that employees engage themselves in tasks when they believe strongly that their tasks are important in achieving individual and organizational goals. Similarly, Sheldon and Kasser (1998) and Seldon and Elliot (1999) suggested that employee engagement occurs when an attaining goals is important to the employee. Srivastava and Bhatnagar (2008) also suggested that employees feel engaged when they find personal meaning and motivation in their work and receive positive feedback. Therefore, when employees feel successful with their task/role, and thus attain certain intrinsic rewards from their engagement, they experience feelings of accomplishment which may, in turn, lead to job satisfaction. Taken all together with Herzberg's (1959) two-factor theory, employees feel job satisfaction when they think that they have accomplished something worthwhile and meaningful as a result of their efforts and engagement (Argyris, 1964). This suggests that an employee's perceptions of intrinsic rewards for their engagement will mediate the relationship of engagement to job satisfaction.

Hypothesis 4d: Intrinsic rewards mediate the relationship between employee engagement and job satisfaction.

Organizational Commitment

Organizational commitment is defined as the extent to which employees identify with and are involved with their work organizations (Porter, Steers, Mowday, & Boulian, 1974). While

this definition is more commonly used in the commitment literature, variations of this definition have been used by many scholars (e.g., Allen & Meyer, 1996; Becker, 1992; Ferrer, 2005; Mowday et al., 1979; Mueller & McCloskey, 1990; Price & Muleller, 1981, 1986). Allen and Meyer (1996) defined organizational commitment as participation in, sense of belonging to, and emotional attachment with a work organization. To extend organizational commitment beyond loyalty to the organization, Price and Muleller (1981, 1986) defined it as an attitude of loyalty and dedication to the organization. Further, Mowday et al. (1979) defined organizational commitment as a general term that "encompasses an active relationship with the organization such that individuals are willing to give something of themselves in order to contribute to the organization's well being" (Mowday et al., 1979, p. 226).

Although most scholars commonly conceive of organizational commitment as a psychological bond with an organization, the body of literature reveals several different forms of commitment depending on operationalization (Buchanan, 1974; Lee, 2010; Mathieu & Zajac, 1990). For example, DeCotiis and Summers (1987) proposed that organizational commitment can be divided into two dimensions. The first dimension relates to internalization of organizational goals and values while the second dimension pertains to actually meeting these goals and values. On the other hand, Mowday et al. (1979, 1982) used types of bond between employees and organization to classify organizational commitment into attitudinal commitment and behavioral commitment. Attitudinal commitment focuses on cognitive and affective responses and attachment to an organization. On the other hand, behavioral commitment, or instrumental commitment, is more economic, emphasizing overt manifestations of commitment in an exchange relationship with the organization. From the behavioral perspective, organizational commitment is an employee's exchange of his/her contributions for the inducement provided by the organization (Becker, 1960; Meyer, Paunonen, Gellaly, Goffin, & Jackson, 1989; Penley & Gould, 1988).

Among these conceptualizations of the organizational commitment construct, one of the foremost is that of Meyer and Allen (1984, 1997), who operationalized three facets of commitment based on three distinct themes: affective, continuance, and normative commitment. Affective commitment refers to an employee's personal attachment to, identification with, and involvement in the employing organization, resulting in a strong belief in the organization's goals and values and exerting extra effort on behalf of the organization. It is a sense of belonging

and emotional connection with one's job, organization, or both (Rhoades, Eisenberger, & Armeli, 2001). Thus, employees commit to the organization because they want to (Allen & Meyer, 1990).

Continuance commitment involves a tendency to engage in consistent lines of activity based on the perceived costs associated with discontinuing the activity or, in this case, leaving the organization (Becker, 1960; Meyer et al., 1989). Employees with continuance commitment remain with the organization because they recognize that economic costs (like losing fringe benefits) and/or social costs (like losing personal relationships) would be higher than the benefits they would gain by leaving the organization (Allen & Meyer 1990; Becker, 1960; Mueller & McCloskey, 1990). Thus, these employees commit to the organization because they need to; they cannot meet the costs of leaving (Allen & Meyer, 1990).

Normative commitment concerns a moral obligation to remain with the organization (Wiener, 1982). Employees exhibit commitment because their own moral principles and/or internalized normative pressures require it. Thus, employees in normative commitment commit to the organization because they think they ought to (Allen & Meyer, 1996).

Over the years, multiple definitions and dimensions of organizational commitment have been developed. This lack of consensus in definition has contributed greatly to its treatment as a multidimensional construct (Meyer & Allen, 1991). However, even though multiple dimensions and forms of organizational commitment exist, organizational commitment has three generally agreed upon affective components; (1) employees' strong belief and acceptance of the organization's goals, objectives, and values (i.e., identification); (2) employees' willingness to exert considerable effort on the behalf of the organization (i.e., involvement); and (3) employees' strong desire to remain with the organization (i.e., loyalty) (Buchanan, 1974; Mowday et al., 1979; Penley & Gould, 1988; Porter et al., 1974). Therefore, this study focuses on affective organizational commitment.

Social Exchange Theory

The JD-R theory and the social exchange theory (Blau, 1964) may explain the relationship between employee engagement and organizational commitment. The JD-R theory assumes that job resources help employees complete task successfully and achieve work goals as those resources provide basic human needs and foster employee growth, learning, and development (Houkes, Janssen, De Jonge, & Nijhuis, 2001). The social exchange theory, or the

norm of reciprocity (Gouldner, 1960), involves repayment; a person who receives a benefit from another reciprocates and provides something beneficial in return. Combining these two theories, employees who receive socioeconomic resources from their organization may have a feeling of obligation to respond in kind and repay the organization in some form (Cohen, 1999, 2000). One way for employees to repay their organization is to increase commitment to the organization (Cropanzano & Mitchell, 2005).

Given these theories, previous research (e.g., Hakanen, Bakker, & Schaufeli, 2006; Llorens et al., 2006; Saks, 2006; Schaufeli & Bakker, 2004) has reported a positive relationship between employee engagement and organizational commitment. Specifically, Schaufeli and Bakker (2004) argued that employees with high levels of engagement, which stems from positive experiences at work, attribute these experiences to the organization. Thus, having previously received benefits from the organization and feeling obligated by the rule of exchange to repay them, highly engaged employees feel indebted and reciprocate in some form. To the extent that positive experiences can be attributed to the efforts of an organization, employees reciprocate with increased affective organizational commitment. Similarly, Houkes et al. (2001) suggested that because engaged employees believe that the organization has satisfied their basic human needs and helped them achieve their goals through resources like autonomy, supportive colleagues, proper feedback, training, and mentoring from the management, they are more likely to feel indebted to the organization; subsequently, engaged employees are more willing to dedicate their efforts to their organization, a component of organizational commitment (Atchison & Leffers, 1972). Also, according to Saks' (2006) empirical study, engaged employees and their organization maintain a mutual exchange relationship based on trust, loyalty, and mutual commitment. Thus, as favorable reciprocal exchanges continue, engaged employees tend to trust their organization more and continue what they see as a reliable relationship; employees consequently have strong affective ties to the organization (Saks, 2006).

Moreover, Porter et al. (1974) and Atchison and Leffers (1972) suggested that employees who value an organization's goals highly and are willing to devote great energy to achieving those goals would have a higher affective attachment to the organization. Thus, engaged employees perceive congruence between their goals and those of the organization and are more likely to become emotionally attached to the organization (Mowday et al., 1982). Gibbons (2006) also suggested that engaged employees feel pride in their organization, recommend their

organization to others, and believe that their organization helps them to do their best work and provides them a sense of achievement. Engaged employees are also likely to care about their organization's future. Recent meta-analysis studies on burnout further revealed that engagement, as the opposite of burnout, is significantly related to a number of consequences including organizational commitment (Hakanen, Schaufeli, & Ahola, 2008; Halbesleben, 2006). Therefore,

Hypothesis 5a: Employee engagement is positively related to organizational commitment.

Leader-Member Exchange (LMX)

Extending the social exchange theory to the relationship between organization leaders and members and the quality of their interactions (Dansereau, Graen, & Haga, 1975), the LMX theory posits leader-member relationships of varying interaction qualities. Many conventional leadership theories, including trait, behavioral, and contingency/situational leadership (e.g., Blake & Mouton, 1964; Hersey & Blanchard, 1993; Fiedler, 1967; Vroom & Yetton, 1973; Yukl, 1989), assume that the leader-member relationships are homogeneous, with leaders dealing with all subordinates similarly (i.e., Average Leadership Style approach, ALS). However, the LMX theory asserts that the leader-member relationships are heterogeneous; leaders do not interact with subordinates uniformly within the organization because leaders cannot give equal attention to all subordinates given their limited time and resources (Dansereau et al., 1975; Graen & Cashman, 1975). Thus, leaders develop unique dyadic relationships, or exchanges of different quality, with each member of their work group through a series of exchanges over time (i.e., Vertical Dyad Linkage approach, VDL) (Bhal & Ansari, 1996; Dansereau, Yammarino, & Markham 1995; Dienesch & Liden, 1986; Graen & Scandura, 1987; Martin, Thomas, Charles, Epitropaki, & McNamara, 2005).

The LMX relationship develops in stages: role-taking, role-making, and role-routinization (Dienesch & Liden, 1986; Graen & Cashman, 1975; Graen, 1976; Graen & Scandura, 1987; Liden, Sparrowe, & Wayne, 1997). In the first step of the LMX relationship development (role-taking), the relationship begins with the initial interactions between the members of the dyad (supervisors and their subordinates). During these initial interactions, supervisors and their subordinates test one another through a sequence of exchanges and determine whether they can build the relational components of trust, respect, and obligation necessary for further, higher quality exchanges (Dienesch & Linden, 1986; Uhl-Bien, Graen, &

Scandura, 2000). For example, a supervisor assigns tasks and assesses each subordinate's performance on those tasks. The supervisor also gathers important information on subordinates' potential for further tasks and roles. Subordinates whose performance impresses the leader will be considered more reliable.

In the second step (role-making), supervisors and their selected subordinates continue to develop their relationships through further exchanges. In this process, the exchanges become more social and less economic (Graen & Uhl-Bien, 1995). Rather than simply following the employment contract, exchanges between the leader and subordinates go beyond the formal work contract as supervisors and subordinates develop feelings of personal obligation, gratitude, mutual trust, loyalty, and respect. As subordinates perform their tasks, leaders offer influence and support, providing valued resources like budgetary support, materials, and information as well as attractive assignments with more autonomy and responsibility (Graen & Cashman, 1975). Thus, role-making builds on mutual expectations and contributions of valued resources. Finally, in the last step (role-routinization), the exchange is maintained over time through collaborating on different tasks with trust, respect, loyalty, liking, support, and quality. However, leaders have limited resources and time for exchange, so they develop and maintain a high quality of exchange with a limited number of subordinates (Dienesch & Linden, 1986; Graen, 1976).

The quality of LMX relationships varies from those that go beyond the formal employment contract (i.e., high quality LMX) to those based strictly on formal employment contracts (i.e., low quality LMX; Dansereau, et al., 1975; Kramer, 1995; Liden & Graen, 1980). As leaders treat individual subordinates differently, two different groups of subordinates emerge: in-group and out-group. The in-group consists of a small number of subordinates who are trusted and favored by the leader after a series of testing exchanges. The quality of the exchange relationship is high in that leaders and the in-group work beyond the formal work contract because of common bonds based on mutual liking, trust, and respect and shared loyalty (Liden, Wayne, & Stillwell, 1993; Uhl-Bien et al., 2000). The in-group, naturally, have the advantage of favorable support and resources from the relationship. They perform unstructured tasks with a high degree of autonomy and have additional responsibilities, often outside the scope of their job descriptions. Thus, the in-group may receive many benefits like organizational and job-related information, influence in decision making, attention, greater job direction, and social networks

(Dansereau et al., 1975; Dienesch & Liden, 1986; Gerstner & Day, 1997; Graen & Uhl-Bien, 1995 Kamdar & Van Dyne, 2007; Lam, 2003; Liden & Maslyn, 1998; Liden et al., 1997).

Unlike the in-group, the out-group includes those to whom the leader is apathetic. Any relationship with the leader remains formal, with role-defined interactions. Exchanges between the leader and subordinates rely on the prescribed employment contract with more limited reciprocal trust and support. Thus, economic exchanges between leader and out-group are more salient than social exchanges. Also, the out-group receive fewer valued resources; the leader makes little attempt to motivate or develop the out-group. Subsequently, in these low quality relationships, subordinates may be at a relative disadvantage for job benefits and career progress (Vecchio, 1997). Compared to the in-group, the out-group have less access to the leader, receive fewer resources, and perform the more mundane tasks of the work unit with more restricted information and fewer rewards (Linden & Graen, 1980). Therefore, out-group or low quality LMX is characterized by predominantly economic exchanges with low levels of mutual trust, interaction, liking, support, and influence (Maslyn & Uhl-Bien, 2001).

Employee Engagement and LMX

Although prior studies have not examined the relationship between employee engagement and LMX, it seems, by definition, intuitively obvious that employee engagement is positively associated with LMX. While several definitions of employee engagement abound, a common theme in most is that employees "harness themselves to their work roles" physically, cognitively, and emotionally (Kahn, 1990, p. 694). Hence, engagement includes persistence while working (i.e., vigor), strong involvement in work (i.e., dedication), and immersion in work activities (i.e., absorption) (Kahn, 1990; Schaufeli & Bakker, 2003; Schaufeli et al., 2002). Because leaders develop special dyadic working relationship with a handful of subordinates who provide valuable resources and positive attitudes (Dansereau et al., 1975; Graen & Cashman, 1975; Liden & Graen, 1980; Graen, Novak, & Sommerkamp, 1982; Graen & Scandura, 1987), the positive attributes and characteristics of engaged employees are likely to involve a high quality LMX relationship with their supervisors.

In addition, the social exchange underlying the LMX developmental process indicates that employees with high engagement are likely to develop better quality relationships with their managers. Because a high quality LMX relationship starts with an initial interaction called role-taking, where a manager initiates an assignment to determine if the subordinate can or will

contribute toward the mutual goals of the dyad (Dienesch & Liden, 1986; Graen & Scandura, 1987; Uhl-Bien et al., 2000), engaged employees may attract the manager's attention at this stage. Rationally, engaged employees are perceived as more reliable; they are aware of business context, work cooperatively with coworkers for the benefit of organization, and take on responsibility for completing tasks, understand how their unit contributes to organizational success, and understand how they contribute individually to company goals, objectives, and direction (Baumruk, 2004; Gibbons, 2006; Miles, 2001; Robinson, Perryman, & Hayday, 2004). A good leader would consider these attributes beneficial to a relationship.

Deluga and Perry (1991) have also suggested that employees' work-related behaviors can affect the LMX relationship. In the role-taking stage, leaders evaluate the behavior of their employees and are more likely to select members to take on tasks based on their independent judgment and/or responsibility (Graen & Scandura, 1987; Liden & Graen, 1980; Scandura, Graen, & Novak, 1986). Engaged employees consistently demonstrate positive behaviors by going beyond their formal job duties, giving extra time, efforts and initiative to contribute to the success of the business, and advocating for the organization to co-workers (Baumruk & Gorman, 2006; Tasker, 2004). They are also dependable, communicative, and more highly involved, have a good attitude and the willingness to do the work right, and strive to develop their competence, skills, and ability (Ellis & Sorenson, 2007). Supervisors may see these attitudes and behaviors as more impressive and valuable. These arguments suggest the following hypothesis:

Hypothesis 5b: Employee engagement is positively related to LMX.

LMX and Organizational Commitment

Previous research has found various positive benefits of LMX such as increased empowerment, fairness, and role clarification (Dansereau et al., 1975; Erdogan & Liden, 2002; Gomez & Rosen, 2001; Keller & Dansereau, 1995; Liden, Wayne, & Sparrowe, 2000; Kozlowski & Doherty, 1989; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Tansky, 1993; Thomas & Lankau, 2009). Gomez and Rosen (2001), Keller and Dansereau (1995), and Liden et al. (2000) found that high quality LMX relationships led employees to see themselves as more empowered as they are given increased freedom to perform their jobs in addition to receiving support from their superiors. Podsakoff et al. (1990) and Tansky (1993) added the suggestion that the dyadic relationship between leaders and their subordinates correlated positively with subordinates' perceptions of fairness and trust. Subordinates who belong to a leader's in-group

tend to believe that their leaders treat them more fairly and thus trust their leaders; the leader provides them more latitude in their jobs, backing up their decisions and showing confidence in and concern for the subordinate. The studies by Harris and Kacmar (2006), Jensen, Olberding, and Rodgers (1997), and Thomas and Lankau (2009) commonly showed that supervisors and employees in high LMX relationships tend to communicate frequently with one another about effective role management, and thus subordinates experience less role stress. The support and increased communication in high-LMX relationships may help minimize uncertainty and ambiguity, and thus, in-group employees are likely to have more positive, clear role perceptions and expectations whereas out-group employees may suffer role stress due to the lack of information or minimal level of support from supervisors (Thomas & Lankau, 2009).

Those positive benefits of LMX are associated with organizational commitment (Duchon, Green, & Taber, 1986; Green, Anderson, & Shivers, 1996; Kinicki & Vecchio, 1994; Major, Kozlowski, Chao, & Gardner, 1995; Nystrom, 1990; Schriesheim, Neider, Scandura, & Tepper, 1992; Settoon, Bennett, & Liden, 1996; Wayne, Shore, & Liden, 1997). According to Büssing (2002), Rhodes and Steers (1981), Glisson and Durick (1988), Meyer and Allen (1987), and O'Reilly and Caldwell (1980), employees want to remain with an organization if supervisors provide concern for employees, fairness in distributing rewards, role clarity, and freedom from conflict. Butler (1991) also found that 11 supervisor behaviors determine levels of employee commitment to the organization; these behaviors facilitate interpersonal trust through supervisor availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity, and overall trust. Paré and Tremblay (2007) also identified five principle human resources practices that increase affective commitment: recognition, empowerment, fair organizational rewards, competence development, and information sharing. Additionally, research by Greenberger and Strasser (1986) and Lawler (1992) showed that employees emotionally bond with an organization to the extent that they receive regular feedback, autonomy, and a sense of task completion. Similarly, Jernigan, Beggs, and Kohut (2002) and Salancik (1977) suggested that satisfaction with autonomy and sense of importance are significant predictors of commitment. Empirically, a study by Aon Consulting (2000) in Canada also identified five key areas of organizational practices that build organizational commitment: safety and security, rewards, affiliation, growth, and work-life harmony (Madigan & Dorrell, 2000).

In sum, in high-quality LMX relationships, employees may receive more job-related benefits from their supervisors based on higher levels of mutual respect, trust, liking, interaction, and support. They receive more organizational and job-related resources, information, and more latitude to do their jobs. They also receive preferred work responsibilities, job control, opportunities for professional development, higher performance ratings, and other formal and informal rewards (Dienesch & Liden, 1986; Gerstner & Day, 1997; Kamdar & Van Dyne, 2007; Lam, 2003; Liden et al., 1993; Liden & Maslyn, 1998; Liden et al., 1997; Uhl-Bien et al., 2000). All these benefits are predictors of affective commitment to an organization, so LMX should be positively associated with organizational commitment.

Personification of Organization Theory

Employees working with the benefits of a strong LMX relationship will, over time, perceive their supervisors as supportive and reliable. These positive perceptions of the supervisor may lead employees to develop affective emotional attachment and/or a sense of obligation toward the organization. Hung, Ansari, and Aafaqi (2004) found that those employees who perceived the employee relations and compensation as fair and had loyalty and respect for their supervisor demonstrated high affective commitment.

The theory of 'personification of organization' suggests that employees with positive perceptions of their supervisor may extend that positive perception to their organization. According to Levinson (1965), employees believe that organizations are legally, morally, and financially responsible for the actions of their agents and thus, often view actions taken by agents of the organization as actions of the organization itself. This personification of the organization theory means, then, that employees may identify the supervisor with the organization and thus, consider favorable or unfavorable treatment by their supervisor as an indication that the organization favors or disfavors them and increase or decrease affective attitudes like organizational commitment (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). In line with this, Cohen (1999) argued that "… employees who are involved in their job have positive work experiences which are attributed to the organization or their career. To the extent that positive experiences are attributed to the efforts of organizational officials, these are reciprocated with increased affective organizational commitment to the persons who caused them." (p. 292).

Given the theory of personification of organization (Levinson, 1965), prior studies have revealed a positive association between LMX and organizational commitment. For example, Whitener (2001) suggested that commitment to an organization arises from a perception that the supervisor is committed to and supportive of employees. Favorable, positive actions directed at employees by a supervisor in high-quality exchange relationships help employees develop the global belief that their organization values their contributions and cares about their well-being. This belief may lead to a feeling of appreciation and/or obligation indicative of the personified organization's commitment to employees. A recent empirical study showed that employees who trust their managers tend to take more pride in the organization and are more likely to feel their individual talents contribute not only to their own success but the success of the organization (Lockwood, 2007). Employees reciprocate in their affective commitment to the organization. Thus,

Hypothesis 5c: LMX is positively related to organizational commitment.

Employee engagement can be linked to organizational commitment through LMX. High-quality LMX means that followers trust their leaders (Graen & Uhl-Bien, 1995), are given more latitude to perform their jobs, are provided more challenging and preferred work assignments, have more interaction with and support from the leader, and receive more formal/informal rewards, all of which may serve to enhance the attachment to the organization (Dansereau et al., 1975; Graen, 1976; Graen & Uhl-Bien, 1995; Liden & Graen, 1980; Liden et al., 1993; Kramer, 1995). When employees show engagement, they may develop better interpersonal relationships with their managers and thus receive still more benefits like work-related resources and emotional support. Employees then increase their commitment to the organization as an affective response to the benefits offered by the manager as an agent of the organization; those benefits indicate to employees that the organization cares about their well-being (Levinson, 1965). As a result, the employees may come to show increased organizational commitment. On the other hand, employees with low engagement are less likely to have quality relationships with their managers; they perceive their jobs as mundane, contractual obligations (Heider, 1958), and accordingly exhibit less commitment to their organization. This suggests that high quality LMX relationships will mediate the effects of employee engagement on organizational commitment. Thus,

Hypothesis 5d: LMX mediates the relationship between employee engagement and organizational commitment.

Proposed Relationships

Figure 1 illustrates the focus of the study. Core self-evaluations and psychological climate are antecedents of employee engagement. The two antecedents also interact with each other in predicting employee engagement. Job satisfaction, organizational commitment, intrinsic rewards, and LMX are consequences of employee engagement. Intrinsic rewards mediate the relationship between employee engagement and job satisfaction; LMX mediates the relationship between employee engagement and organizational commitment.

Figure 2.1 Proposed Relationships
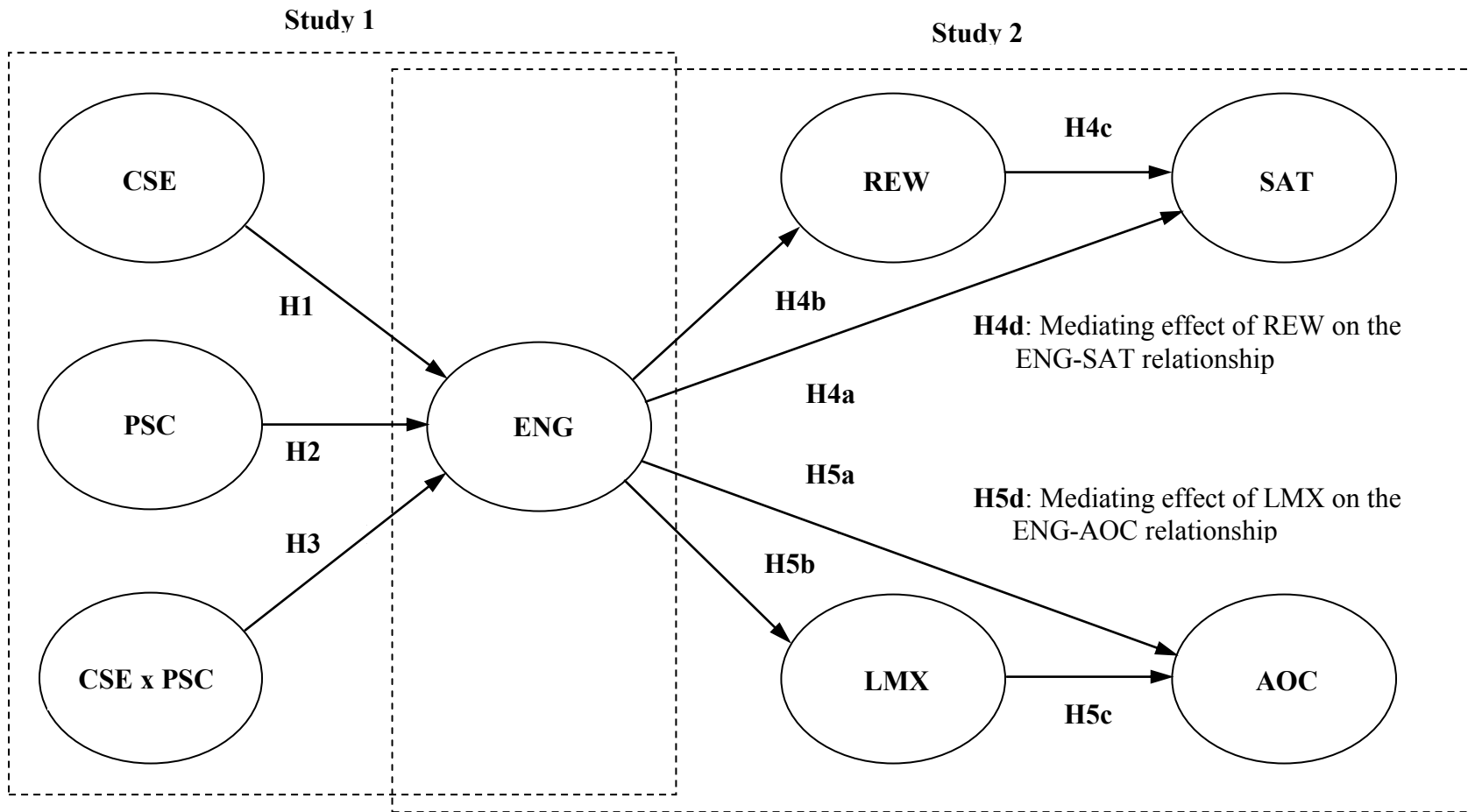
CSE = core self-evaluations; PSC = psychological climate; ENG = employee engagement; REW = intrinsic rewards; SAT = job satisfaction; LMX = leader-member exchange; AOC = affective organizational commitment

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Chapter 3 - Methodology

Introduction

This chapter provides a discussion of the study's research methodology. The methodology was developed to empirically achieve the purpose and objectives of the present study. This chapter first begins with a selection of the samples for the study. Next, survey questionnaire development, including the measurement of the variables and the pilot test, is discussed. Data collection procedures then are presented. Finally, the data analysis procedures including preliminary data analysis techniques and hypothesis testing are discussed.

Population and Sample

The population for this study was employees and managers from hotels in the United States. However, given limited accessibility to the population, as well as limited financial resources and time (Trochim & Donnelly, 2008), this study used 394 hotel employees selected from a convenience sampling at an online social networking site (LinkedIn). Member directories from regional hotel and lodging associations were also used as a sampling frame. The sample consisted of entry-level employees, supervisors, and managers from the four areas of hotel operations: rooms (e.g., front office, housekeeping, reservations, and engineering), food and beverage (e.g., restaurants, room service, and convention and catering), sales and marketing, and administration (e.g., human resources and accounting).

Survey Instrument Development

A questionnaire and a cover letter were used to collect data necessary to meet the purpose and objectives of the study (See Appendix B). The cover letter was designed to encourage participation. The cover letter first described the nature and the purpose of the study. The second paragraph included a request for participation in the study, followed by statements assuring anonymity and the extent to which confidentiality of records will be maintained. An assurance that participation was voluntary and that the subject may withdraw from participation at any time was also included. Participants were informed that a summary of results would be available at K-State Research Exchange when the study was finished. In the final paragraph, the names, phone numbers, and email addresses of the researcher and research advisor were listed in case

respondents had questions about the research. The Office of Sponsored Programs at Kansas State University was also included for information on the rights of research subjects. This cover letter was designed in accordance with the protocol guidelines for human subjects, using a format developed by the Institutional Review Board (IRB) at Kansas State University.

The questionnaire had eight sections. Section 1 included questions about respondents' engagement at work. Schaufeli and Bakker's (2003) 9-item Work and Well-being Survey (UWES) was used with a seven-point Likert scale ranging from 1 (*never*) to 7 (*always*). UWES measured three dimensions of employee engagement including vigor, dedication, and absorption. The items within each sub-dimension scale were averaged for a single score for employee engagement. Cronbach's alpha ranging from .80 to .90 in a prior study (Schaufeli, 2006) of about 32,000 employees provides the acceptable level of the internal consistency reliability of the employee engagement subscale (Rurkkhum, 2010).

Section 2 included respondents' core self-evaluations. Core self-evaluations were measured using Judge, Erez, Bono, & Thoresen's (2003) Core Self-Evaluation Scale (CSES). This scale comprised 12 items that measure the four dimensions of core self-evaluation including self-esteem, generalized self-efficacy, locus of control, and neuroticism (emotional stability). The items within each sub-dimension scale were averaged for a single score for all four traits. Consistent with prior studies (e.g., Judge, Locke, Durham, & Kluger, 1998), the four scales were treated as indicators of a higher order core self-evaluations concept. Cronbach's alpha for these four subscales ranged from .70 to .90 according to the previous study by Judge et al. (see Judge, Bono, Erez, & Locke, 2005; Judge, Bono, & Locke, 2000).

Section 3 solicited information on respondents' perceptions of their organizational environment. Items for psychological climate were adopted from Amenumey and Lockwood's (2008) measure. This 13-item scale consisted of four subscales of psychological climate: customer orientation, managerial support, internal service, and information/communication. Each sub-dimension scale was used as a second-order construct that represents psychological climate. Amenumey and Lockwood's (2008) psychological climate scale was used in this study as it had been used in previous studies in hotel settings with acceptable levels of Cronbach's alpha for all sub-dimension scales (Amenumey & Lockwood, 2008).

Section 4 sought information on job satisfaction. Employees' job satisfaction was measured through the items developed by Cammann, Fichman, Henkins, and Klesh (1979).

Previous studies had high Cronbach's alphas, ranging from .87 (Jex & Gudanowski, 1992) to .96 (Loi, Yang, & Diendorff, 2009).

Section 5 included questions about respondents' organizational commitment. Affective organizational commitment was assessed using six items adopted from Meyer, Allen, and Smith's (1993) Affective Commitment Scale and one item from Mowday, Steers, and Porter's (1979) Organizational Commitment Questionnaire. Previous studies using the same scale reported that it forms a single factor with high reliability: .88 (Rhoades, Eisenberger, & Armeli (2001) and .81(Shuck & Wollard, 2010).

Section 6 assessed respondents' rewards. This variable was measured using four items taken from intrinsic motivation items developed by Lawler and Hall's (1970) and another four derived from Hargadon (1992) and Davenport and Prusak (1998). Respondents were asked the degree to which they believe that they would receive intrinsic rewards and extrinsic incentives through engagement at work.

Section 7 sought information about the quality of their relationships with their immediate supervisors (LMX). LMX was assessed using seven items developed by Graen and Cashman (1975) and Liden and Graen (1980). Cronbach's alpha ranged from .84 to .90 in previous studies (e.g., Janssen & Van Yperen, 2004; Scandura & Graen, 1984; Wayne, Shore, & Liden, 1997), which supports the internal consistency of the measure.

Finally, Section 8 asked for respondents' demographic information: gender; age; education level; tenure with the immediate supervisor, organization, and industry; position; department; employment status; and type of hotel. The items regarding gender, age, education, tenure with the manager and organization, tenure in the hospitality industry, and employment status were fixed-alternative questions in which the responses were limited to the stated alternatives. The items regarding position and department were open-ended questions since the title of the position and the name of the department were slightly different from hotel to hotel.

Except employee engagement as described above, each construct was measured using a seven-point Likert-type scale, anchored by 1 (*strongly disagree*) to 7 (*strongly agree*). All measures used to construct this instrument have shown acceptable levels of construct validity in previous studies. However, the wording of some of the items were slightly modified to match the specific context of the organization (i.e., hotel) in which the instrument is used. Table 3.1 lists the descriptions of measurement of the constructs for the study.

Table 3.1 Descriptions of Measurement of Constructs for the Study

Dimensions	Measures	Source
Employee Engagement	At my work, I feel energetic. At my job, I feel strong and vigorous. When I get up in the morning, I look forward to going to work. My job inspires me. I am enthusiastic about my job. I am proud of the work that I do. I feel happy when I am working intensely. I am engrossed in my work. Time flies when I am working.	Schaufeli & Bakker (2003)
Core Self-Evaluations	I am confident I get the success I deserve in life. Sometimes I feel depressed. (R) When I try, I generally succeed. Sometimes when I fail I feel worthless. (R) I complete tasks successfully. Sometimes I do not feel in control of my work. (R) Overall, I am satisfied with myself. I am filled with doubts about my competence. (R) I determine what will happen in my life. I do not feel in control of my success in my career. (R) I am capable of coping with most of my problems. There are times when things look pretty bleak and hopeless to me. (R)	Judge et al. (2003)
Psychological Climate	**Customer Orientation of the Management** My organization does a good job keeping customers informed of changes that affect them. Top management in my organization commits resources to maintaining and improving the quality of our work. Top management in my organization has a plan to improve the quality of our work and service. **Managerial Support** Managers in my organization are very committed to improving the quality of my work. Managers in my organization recognize and appreciate high quality work and service. Managers in my organization remove obstacles which prevent me from producing high quality work and service. **Internal Service** Other departments provide quality service to your unit. Other departments provide speedy service to your unit. Other departments keep commitment they make. **Information/Communication** People in my work unit/team/department are adequately trained to handle the introduction of new products and services. I have access to strategic information I need to do my job well. I understand management's vision of the organization. My work unit/team/department asks our customers to evaluate the quality of our work and service.	Amenumey & Lockwood (2008)
Job Satisfaction	All in all, I am satisfied with my job. In general, I like working at my organization. In general, I do not like my job. (R)	Cammann et al. (1979)

Table 3.1 Descriptions of Measurement of Constructs for the Study (Continued)

Dimensions	Measures	Source
Organizational Commitment	I would be happy to work at my organization until I retire. Working at my organization means a great deal to me personally. I really feel that problems faced by my organization are also my problems. I feel personally attached to my work organization. I am proud to tell others I work at my organization. I feel a strong sense of belonging to my organization.	Meyer et al. (1993); Mowday et al. (1979)
Rewards	When I do my work well, it gives me a feeling of accomplishment. When I perform my job well, it contributes to my personal growth and development. I feel a great sense of personal satisfaction when I do my job well. Doing my job well increases my feeling of self-esteem.	Lawler and Hall (1970)
Leader-Member Exchange	My supervisor would be personally inclined to help me solve problems related to my work. My working relationship with my supervisor is effective. I have enough confidence in my supervisor that I would defend and justify his/her decisions if he or she were not present to do so. My supervisor considers my suggestions for change. My supervisor and I are well suited to each other. My supervisor understands my problems and needs. My supervisor recognizes my potential.	Graen & Cashman (1975); Liden & Graen (1980)

Note: (R) denotes reverse coded items.

Pre-test and Pilot Test

A pretest and a pilot survey were conducted to refine the research instrument. For the pretest, the questionnaire was sent to 12 graduate students and faculty in hospitality management programs. They reviewed all aspects of the survey instrumentation including appropriateness of the question, scales, and instructions. Based on the feedback, several items were reworded, and some measures were reorganized. After the pretest, a pilot test was performed with 40 undergraduate students working at lodging operations to examine statistical and methodological accuracy, especially reliability of the measures and normality of data distribution.

Reliability

Reliability refers to the precision of measurement scores, or how accurately such scores will be reproduced with repeated measurement (Dillon, Madden, & Firtle, 1994). The reliability of the construct items was evaluated using Cronbach's coefficient alpha. Cronbach's coefficient

alpha of all the constructs in the pilot test ranged from .82 to .96. All of the reliability exceeded the conventional recommended cut-off of .70 (Nunnally, 1978). Table 3.2 presents the results.

Table 3.2 Reliability of Measurements

Construct	Cronbach's Alpha
Employee Engagement	.94
Core Self-Evaluations	.82
Psychological Climate	.93
Job Satisfaction	.96
Organizational Commitment	.92
Intrinsic Rewards	.93
Leader-Member Exchange	.95

Construct Validity

Construct validity refers to the extent to which a scale or set of test measures the concept or construct accurately represents the concept of interest (Dillon, Madden, & Firtle, 1994). To test the construct validity in this study, two most widely accepted forms of construct validity were examined: convergent validity and discriminant validity (Hair, Black, Babin, & Anderson, 2010). Convergent validity was assessed by examining the extent to which measures of a variable are correlated; discriminant validity was assessed by measuring the degree to which conceptually similar sub-dimensions are distinct. After statistical analysis of pilot test, principal axis factor analysis was performed to see the correlation among measurement items of each variable. Factor scores of measurement items were considered acceptable if they exceed .5 (Hair et al., 2010). For each of all the single-order constructs in this study, measurement items were found converged in a single linear combination, showing unidimensionality and conforming to their conceptual definition. Also, for the second-order construct (i.e., four sub-dimensions of psychological climate), the summated scale of the four sub-dimensions showed that the four sub-dimensions were similarly correlated with, but distinct to each other.

Use of Self-report Questionnaire

This study was based on self-report questionnaires; all the data were gathered from the respondents' self-reports. Even though self-report measures have some well-known disadvantages like cause common source variance (CMV) or social desirability response bias

(SDRB) that may lead to inflated correlations among the variables, self-reports were used because the variables measured in the study reflect personal predispositions and attitudes, which are measurable only by the respondents' self-reporting. Other sources like supervisors and coworkers are unlikely to have knowledge of the respondents' states of mind and affectivity.

However, to ensure that the measures for this study had adequate discriminant and convergent validity and that the findings were not greatly undermined by CMV and SDRB, the researcher followed suggestions. Research notes that people tend to underreport on questions covering sensitive topics unless anonymity of individual responses is guaranteed (Bennett & Robinson, 2000). Thus, the anonymity and confidentiality of the study were emphasized throughout the survey.

Data Collection

The modified, final questionnaire was distributed through hoteliers in LinkedIn and regional hotel/lodging association directories. LinkedIn is an online business-related social networking site that has more than 135 million members in over 200 countries (LinkedIn, 2012). In LinkedIn, more than 2 million companies have their company pages and LinkedIn members establish business network and exchange opinions through interacting in various interest groups. There are approximately 1,900 networking groups for hotel professionals, 550 hotel corporate groups for corporate alumni, 218 groups for hotel academic alumni in the site. Approximately 314,000 members were registered as hotel professionals in the United States (LinkedIn, 2012).

The researcher sent invitation emails (See Appendix A) to 700 hoteliers in hotel professional groups in LinkedIn and lodging associations, requesting distribution of the online survey questionnaire to their employees. Participating members were asked to forward the invitation email to their employees along with the URL link to the university's survey site. Employees who wish to participate in the survey were instructed to access the survey site at any convenient time. The online survey site also contained the cover letter and informed consent form describing the study and assuring participants that the study was not affiliated with their employer and that they could withdraw from the study at any time with no penalty (See Appendix B). To maximize the response rate, $5 gift cards were provided for those who complete the survey. The survey was conducted for two months from November 19, 2011 to January 18, 2012.

Data Analysis

Prior to analysis, dependent and independent variables were examined for accuracy of data entry, missing values, and outliers. Univariate outliers were assessed using standard z-score. All the values in each variable were transformed to a standardized value and tested at the critical value of ±4, the threshold value of standard scores suggested by Hair et al. (2010). Multivariate outliers were also searched using Mahalanobis D^2 (Tabachinick & Fidell, 2007). Mahalanobis distance measures the distance of a case from the centroid (multidimensional mean) of a distribution, given the covariance (multidimensional variance) of the distribution. Mahalanobis D^2 for each case were evaluated using the chi-square (χ^2) distribution with degrees of freedom equal to the number of variables. Thus, in this study, any case with a Mahalanobis D^2 of $\chi^2 =$ 20.52 or greater, or any case with the probability associated with its Mahalanobis D^2 is 0.001 or less, was considered a multivariate outlier.

Study 1

Principal Component Analysis

Initial data analysis included a principal components analysis (PCA) on the independent variables. PCA, a procedure for analyzing interdependent correlations among a large number of items and then explaining these variables in terms of their common underlying dimensions or factors, was performed (1) to search for items that are highly correlated with one another, (2) to extract those items and classify them into several smaller sets of factors, and (3) to evaluate the accuracy of classification (Hair et al., 2010).

The varimax orthogonal rotation approach was used to provide simple factor structure for each data set. According to Hair et al. (2010), generally rotation is desirable because it redefines the factors to make sharper distinctions in the meanings of the factors, it simplifies the factor structure, and it is usually difficult to determine whether unrotated factors will be meaningful. In addition, the varimax rotation was used because the approach gives a clearer separation of the factors, and the factor pattern obtained by varimax rotation tends to be more invariant than any other approach (Hair et al., 2010).

The number of factors to be retained was decided using the significance of factor loadings. The criterion for the significance of factor loadings was the absolute value of .50. Thus,

items which correlate less than ± .50 were deleted because they account for less than 25% of the variance and meet only the minimal level for interpretation of structure; loadings ± .50 or more are practically significant (Hair et al., 2010). Also, cross-loading items were eliminated to improve the factor structure.

Hypothesis Test

A hierarchical multiple regression analysis was conducted to test hypotheses in Study 1. Mean centering was performed before the analysis on the predictor variables to minimize multicollinearity between the variables and to distinguish the separate main effects of each predictor variable (Aiken & West, 1991; Jaccard, Turrisi, & Wan, 1990). Across the hierarchical regression analyses, respondents' demographic data (i.e., age, level of education, job tenure, employment status, and position) were included as control variables in the first step of all the regression analyses. To examine the individual direct effects and interaction effects of predictor variables as stated in hypotheses 1 and 2 and in Hypothesis 3, respectively, employee engagement was regressed on core self-evaluations in the second step, followed by the psychological climate dimensions in the third step. Finally, interaction terms between core self-evaluations and each of the psychological climate dimensions were entered in the final step.

Study 2

Confirmatory factor analysis

Confirmatory factor analysis (CFA), using AMOS 17, was first applied as preliminary analyses to evaluate the dimensionality and adequacy of the measurement items that connect to corresponding latent variables simultaneously (Anderson & Gerbing, 1988; Bollen, 1989).

Factor structure of the employee engagement construct. Prior to testing a full measurement model, a CFA was conducted for the construct of employee engagement because, in previous research, the construct has been used as both a higher-order construct and multidimensional first-order construct (Schaufeli & Bakker, 2003). Accordingly, the goodness-of-fit of employee engagement was tested in comparison with alternative models. Specifically, (1) a one-factor model of employee engagement with all items loading into one latent factor, (2) a first-order three-factor model comprising three latent variables (i.e., vigor, dedication, and absorption), (3) a second-order three-factor model comprising three latent variables were

estimated for the goodness-of-fit. The overall fit of the measurement models were assessed through fit indices such as chi square (χ^2) statistics, changes in $\chi 2$, the root mean squared error of approximation (RMSEA), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Normed Fit Index (NFI).

Full measurement model. The full measurement model consisted of five constructs and 28 measurement items. A measurement item with weak factor loadings below .60 was dropped (Hair et al., 2010). Composite reliability of the constructs was examined using the squared multiple correlations (Bagozzi & Yi, 1988). Convergent validity of the constructs were assessed using the average variance extracted (AVE) of .5 in addition to checking the significance of loadings (Fornell & Larcker, 1981; Hair et al., 2010). Discriminant validity were also assessed by comparing the squared correlation of the paired constructs with the AVEs of each construct (Fornell & Larcker, 1981); if the AVEs are greater than the squared correlation, the construct demonstrates discriminant validity, sharing more variance with its measures than it shares with other constructs. (Fornell & Larcker, 1981; Hair et al., 1998).

Structural Model and Relationship Test

To test the full structural model that includes both the measurement model and the structural model that proposes the hypothesized relationships among the variables, the initially proposed model was tested using structural equation modeling analysis. Then, the initial model was revised based on the overall fit indices in the results. The overall fit of the structural models were assessed through fit indices such as χ^2 statistics, changes in $\chi 2$, Goodness-of-Fit Index (GFI), the root mean squared error of approximation (RMSEA), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and Incremental Fit Index (IFI). After examining model fits, path analysis was conducted to test relationships among constructs (hypotheses 4 and 5). Path coefficients for direct effects, indirect effects, and total effect between constructs were assessed and tested.

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Chapter 4 - Effects of Core Self-Evaluations and Psychological Climate on Employee Engagement in Hotel Setting

Abstract

Many practitioners now consider employee engagement a new human resource practice through which business can cope with uncertain and turbulent industry conditions. However, in the academic community, the concept of employee engagement is still new. The concept, therefore, needs more rigorous seminal studies on predictors. The purpose of this study was to empirically test relationships of employee engagement with core self-evaluations and psychological climate. Specifically, this study aimed to provide theory-based empirical evidence on whether employee evaluations of self (i.e., core self-evaluations) and perceptions of organizational environment (i.e., psychological climate) affect employee engagement. The theory of three psychological conditions by Kahn and the job demands-resources (JD-R) model were used for theoretical underpinning. Data were collected from 394 hotel line-employees and managers in the United States. Results of hierarchical multiple regression analyses revealed that core self-evaluations and three components of psychological climate (i.e., managerial support for service, interdepartmental service, and team communication) were positively associated with employee engagement. Managerial implications for human resource practice are provided.

Keywords: employee engagement, core self-evaluations, psychological climate, job demands-resources model

Introduction

Today's complex business environment requires companies to thrive in an atmosphere of change and limited resources. Customers continuously demand better quality, variety, and convenience (Rao, 2005; Schwandt & Marquardt, 2000; Thomas, 2000). Companies also face increasing pressure to do more with fewer resources, necessitating innovative operational practices and strategies aligned with these rapidly changing customer demands (Buckingham & Coffman, 1999; Covey, 2004). As many economic experts argue, the contemporary business environment requires more and more companies to be smaller and flatter than those in the past,

and companies expect more from their employees (Cartwright & Holmes, 2006, p. 200). Many of today's organizations cut prices and costs by redesigning business processes, delayering management structures, and downsizing the number of employees in the attempt to do more with fewer resources (Cartwright & Holmes, 2006).

Given this business environment, the concept of employee engagement earned recognition from many human resource professionals and management; they consider employee engagement one of the most prominent, critical drivers for organizational success in a competitive business environment (Harter, Schmidt, & Hayes, 2002; Shuck & Wollard, 2010). Employee engagement refers to the positive, affective psychological work-related state of mind that leads employees to actively invest themselves emotionally, cognitively, and physically in their work (Catlette & Hadden, 2001; Rurkkhum, 2010; Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). Although there are slightly different views in defining employee engagement (e.g., Harter et al., 2002; Kahn, 1990; Maslach, Schaufeli, & Leiter, 2001; May, Gilson, & Harter, 2004; Schaufeli et al., 2002; Sirota, Mischkind, & Meltzer, 2005), in the human resources academic literature, employee engagement is generally agreed to be a psychological facet that encompasses energy, enthusiasm, and engrossed effort (Gruman & Saks, 2011; Macey & Schneider, 2008).

Employee engagement has impressed practitioners in the industry because of its possible links to an extensive range of individual and business outcomes: employee productivity (Corporate Executive Board [CEB], 2004; Stroud, 2009); financial performance (Towers Perrin, 2003); managerial effectiveness (Luthans & Peterson, 2002); reduced absenteeism (Gallup, 2004); reduced turnover (CEB, 2004); reduced malpractice costs (Tritch, 2003); and customer satisfaction, retention, and loyalty (Bates, 2004; Coffman, 2000; Ellis & Sorensen, 2007). According to research by CEB in 2004, for example, a 10% increase in employee engagement can increase an employee's effort level by 6%, which may in turn increase an employee's performance by 2%. The research also showed that this 10% improvement in engagement can decrease an employee's probability of withdrawal by 9%; engaged employees are 87% less likely to leave a company. They concluded that engaged employees stay with a company longer, thereby reducing turnover and saving companies recruiting, hiring, training, and develoment costs (CEB, 2004). Further, empirical studies by Wagner and Harter (2006) and Vance (2006) showed that engaged employees score between 12% (Wagner & Harter, 2006) and 34% (Vance,

2006) higher on customer satisfaction-rating scales and average $80,000 to $120,000 in higher sales each month (Wagner & Harter, 2006).

Even though employee engagement has many benefits, few academic studies have been done on what may lead employees to become engaged in their jobs (e.g., Macey & Schneider, 2008; Maslach et al., 2001; Saks, 2006). The determinants of employee engagement identified to date include job characteristics, rewards and recognition, perceived organizational and supervisor support, and organizational justice (Hackman & Oldham, 1980; Hakanen, Bakker, & Schaufeli, 2006; Saks, 2006; Xanthopoulou, Bakker, Demerouti, & Schaufeli, 2007). Thus, from both theoretical and practical perspectives, more studies are still needed to explore factors that predict employee engagement (Saks, 2006).

Furthermore, among the studies that demonstrated relationships between employee engagement and its antecedents, many have explained those relationships without theoretical support (Macey & Schneider, 2008). Although the job demands-resources (JD-R) model has been one of few theoretical models that have been frequently used to explain employee engagement in academic research (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001), studies on the JD-R model are restricted exclusively to job characteristics. Personal resources or organizational characteristics have been relatively neglected in JD-R model research despite prior studies arguing that employees' personal predispositions to the self or to organizational practice are also important determinants of how employees adapt to their work and work environments (e.g., Brown & Leigh, 1996; Hobfoll, 1989; James, Harter, Gent, & Bruni, 1978; Judge, Locke, & Durham, 1997; Koys & DeCotiis, 1991; Schaufeli & Salanova, 2008).

Therefore, the purpose of this study is to propose and empirically test hotel employees' individual predispositions of self and organizational environment and how those two characteristics affect their engagement. For this, the author hypothesized that employees' core self-evaluations (i.e., fundamental assumptions that individuals hold about their worthiness, functionality, and capability; Judge et al., 1997) and psychological climate (i.e., an individual's own interpretations of organizational practices and procedure; James & Tetrick, 1986) have a direct relationship with their engagement. In addition, the author hypothesized that psychological climate moderates the positive association between core self-evaluations and employee engagement.

Literature Review

Employee Engagement

A review of literature revealed that employee engagement has been conceptualized in three different ways. Kahn was the first to provide a foundation for the theoretical development of employee engagement (Baltes, 2009; Kim, Shin, & Swanger, 2009; Shuck & Wollard, 2010). According to Kahn (1990), engagement at work is the degree of physical, cognitive, and emotional involvement in a work role, how much a worker puts into a job and work interactions, and the personal connections with work and co-workers (Ferrer, 2005). Employees who exhibit engagement are physically involved in their tasks, are cognitively alert and attentive, and are emotionally connected to their work and to others in the workplace.

The second approach to the concept of engagement was led by burnout researchers. Maslach and Leiter (1997) and Maslach et al. (2001) conceptualized engagement as the opposite end of or the positive antithesis to the three burnout dimensions: exhaustion, cynicism, and sense of inefficacy. Thus, low scores on exhaustion and cynicism and high scores on efficacy on the burnout scale indicate the three characteristics of job engagement: energy, involvement, and efficacy (Maslach et al., 2001). Thus, an engaged employee is energetic and positively connected with work activities and can handle the demands of the job (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002).

Schaufeli et al. (2002) provided a third approach for employee engagement, asserting that job engagement and burnout were independent states of mind inversely related to each other (Schaufeli & Bakker, 2004; Schaufeli et al., 2002). They defined engagement as a "positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli et al., 2002, p. 74). Vigor refers to the feeling of physical energy, emotional strength, willingness to invest efforts, and endurance of difficulties (Schaufeli et al., 2002). Dedication is characterized by one's sense of "significance, enthusiasm, inspiration, pride, and challenge" (Schaufeli et al., 2002, p. 74). Finally, absorption refers to the state of being so completely concentrated and highly engrossed in work that an employee feels time passes quickly and has difficulties detaching from work (Schaufeli et al., 2002).

This study adopts Schaufeli, Taris, Le Blanc, Peeters, Bakker, and De Jonge's (2001) conceptualization as a definition of engagement for three reasons: (1) Kahn (1990) did not

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develop an operational definition of employee engagement although he provided a conceptual basis for it (Kim et al., 2009; Schaufeli et al., 2001); (2) burnout research uses an engagement-burnout continuum theory that implies a complementary relationship between engagement and burnout, not an independent relationship (e.g., Maslach & Leiter, 1997; Maslach et al., 2001); and (3) Schaufeli et al.'s (2001) definition and measure of engagement (i.e., Utrecht Work Engagement Scale: UWES, Schaufeli & Bakker, 2003) are cited more often and frequently used in contemporary engagement literature and research (Bakker & Schaufeli, 2008; Koyuncu, Burke, & Fiksenbaum, 2006; Schaufeli & Bakker, 2003).

Core Self-Evaluation

Core self-evaluation is the basic, fundamental assumption that people hold about their worthiness, functionality, and capability (Judge, Van Vianen, & Pater, 2004). Thus, people with positive core self-evaluations consider themselves as capable, worthy, and in control of their lives. Core self-evaluation is a one-dimensional dispositional concept that consists of four separate but related underlying traits: self-esteem, generalized self-efficacy, locus of control, and emotional stability or neuroticism (Judge et al., 1997). Self-esteem refers to the basic appraisal individuals make of themselves and the overall value they place on themselves as individuals (Judge et al., 1997). Generalized self-efficacy refers to an appraisal of the fundamental ability to perform and cope successfully in a variety of situations (Judge & Bono, 2001). Locus of control concerns the degree to which individuals believe that they can control events in their lives or the extent to which they believe that the environment or fate controls events (Judge et al., 2002). Neuroticism (or, conversely, emotional stability) refers to the enduring tendency to exhibit poor emotional adjustment and experience negative emotional states like fear, hostility, guilt, and depressed mood (Goldberg, 1990).

The four component traits of core self-evaluation share significant conceptual similarities, forming an underlying uniform construct (Bono & Judge, 2003; Judge, Erez, & Bono, 1998). For example, neuroticism is clearly related to self-esteem because it is negative self-esteem (Costa & McCrae, 1988). Self-esteem is also closely linked to generalized self-efficacy. Self-esteem is the appraisal of self for capability, significance, successfulness, and worthiness (Coopersmith, 1967), while self-efficacy is the appraisal of self as capable of performing at a global level across situations (Bono & Judge, 2003). Generalized self-efficacy is

also conceptually related to locus of control in that individuals who believe they can perform across many contexts also likely believe that they control life events (Bono & Judge, 2003).

Kahn's Three Psychological Conditions Theory

According to Kahn (1990), employee engagement develops when three psychological conditions are met: psychological meaningfulness, psychological safety, and psychological availability. Psychological meaningfulness refers to the positive "sense of return on investments of self in role performance" (Kahn, 1990, p. 705). It concerns the belief that work is worthwhile and meaningful enough to add value and significance to accomplishments at work (Kahn, 1990). When employees believe that their work or roles are significant and fit the goals and values of self or organization, they bring themselves into this work, showing engagement (Brown & Leigh, 1996; Czarnowsky, 2008). Psychological safety involves confidence in showing self "without fear or negative consequences to self image, status, or career" (Kahn, 1990, p. 705). When employees believe that their organization provides a reliable and predictable working environment and thus their performance and conduct do not create risk in their interpersonal relationships or group and intergroup dynamics, they are more likely to become engaged (Kahn, 1990). Lastly, psychological availability focuses on the belief that a person can enter into a role (Kahn, 1990). This involves the physical, emotional, and psychological resources to complete work (Kahn, 1990). When employees believe that they have the necessary resources to complete work (e.g., "I have a good manager to help me"), they then become engaged in their work role. The availability of necessary resources can free employees to concentrate on their work without worrying about a lack of resources (Shuck & Wollard, 2010).

Relationship between Core Self-Evaluations and Employee Engagement

Kahn's (1991) three psychological condition theory may support a positive link between core self-evaluations and employee engagement. Employees with high core self-evaluations find meaning in their work role, appraise the environment through a positive lens, and feel more confident. Individuals with positive self-regard set their goals high and perceive their jobs as interesting, challenging, and significant because they see the potential for intrinsic rewards when their goals are achieved (Erez & Judge, 2001; Judge, Bono, & Locke, 2000). These positive aspects of high core self-evaluators may motivate them to exhibit job engagement (Judge et al., 1998; Judge & Hurst, 2007). Also, according to Locke et al. (1996), individuals with positive

self-esteem are intrinsically motivated because they perceive a challenging job as a deserved opportunity from which they can benefit while those with low self-esteem think of an opportunity as a chance to fail. Rewards come through achieving challenging goals, so employees with high core self-evaluations gain psychological meaningfulness (Kular, Gatenby, Rees, Soane, & Truss, 2008).

Additionally, positive traits of high core self-evaluators also link with psychological safety and availability, suggesting a positive relationship between core self-evaluations and employee engagement. People with high self-efficacy or internal locus of control are optimistic and confident. They tend to interpret their work environment and see their peers more favorably (Clark & Watson, 1991). In contrast, people with low self-esteem, self-efficacy, and emotional stability or external locus of control tend to perceive more constraints in the organizational environment than those who have high core self-evaluations (Best, Stapleton, & Downey, 2005). Employees with high generalized self-efficacy have the psychological availability to invest themselves in performing their work roles because they are confident of meeting the demands of a job (Erez & Judge, 2001).

A number of studies have found an empirical relationship between core self-evaluations and employee engagement, thus supporting the theory. In the hospitality setting, Karatepe and Olugbade (2009) conducted a cross-sectional study of hotel frontline employees and found that self-efficacy positively affects the absorption dimension of engagement; they concluded that competitive hotel employees may feel energetic, have positive connection with their work activities, and are happily engrossed in their work role. In a study of flight attendants, Xanthopoulou, Heuven, Demerouti, Baker, and Schaufeli (2008) found that flight attendants who believe they can deal effectively with their work requirements are more willing to work with vigor, dedication, and absorption. Thus, based on relevant theories and empirical findings, the following hypothesis is proposed:

Hypothesis 1: Employees' core self-evaluations are positively related to their engagement.

Psychological Climate

In the organizational behavior literature, climate has been defined as a perceived set of attributes specific to a particular organization (Campbell, Dunnette, Lawler, & Weick, 1970).

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Based on this definition of climate, scholars have conceptualized definitions of climate in an organization in two ways: the collective perception approach and the individual perception approach (James & James, 1989; Koys & DeCotiis, 1991). The former conceptualizes climate in an organization as *shared* perceptions among members of an organization about organizational environments including policies, procedures, and practices (Reichers & Schneider, 1990; Rentsch, 1990); it is operationalized principally through aggregating individuals' perceptions of their work environment (e.g., Kozlowski & Klein, 2000; Koys & DeCotiis, 1991; Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts, 2003).

Unlike the collective perception called organizational climate, others emphasize the individual perceptions of the work environment (e.g., Baltes, 2001; Brown & Leigh, 1996; Jones & James, 1979; Joyce & Slocum, 1984). This individual perception approach has operationalized climate in an organization as *individual* perceptions about organizational environments that are psychologically significant or meaningful to oneself (Brown & Leigh, 1996). Thus, this type of climate, called the psychological climate, represents an individual's own perceptions or interpretations of organizational environments including structures, processes, and events, the degree to which an individual feels that the environment is psychologically meaningful and safe enough to influence motivational, affective, and attitudinal reactions (Baltes et al., 2009; James et al., 1978; James, James, & Ashe, 1990; Parker et al., 2003). Therefore, because psychological climate involves individual descriptions and interpretations of organizational environment, employees within the same work context and situation may develop distinct, idiosyncratic perceptions of those organizational environments (James & Tetrick, 1986).

Psychological climate is a multidimensional construct, and prior research has found various dimensions of the construct (James & James, 1989; Koys & DeCotiis, 1991). However, research still does not agree on the specific dimensions within the construct because not all dimensions of psychological climate are equally potent for different types and characteristics of job, role, work group, and/or organization (Martin, Jones, & Callan, 2005; Parker et al., 2003; Schneider, 1975). Even though psychological climate studies have included individual employees' perceptions of virtually every aspect of their work environment, a different organizational context changes particular dimensions (Manning, Davidson, & Manning, 2004; Parker et al., 2003). Given this, the present study used four dimensions from hospitality research to reflect hospitality work and organization (Amenumey & Lockwood, 2008). The dimensions of

psychological climate included in this study were customer orientation, managerial practice, internal service, and information and communication (Amenumey & Lockwood, 2008).

Job Demands-Resources (JD-R) Model

According to the JD-R model (Demerouti et al., 2001), the work environment falls into two general categories: job demands and job resources. Job demands refer to physical, psychological, social, or organizational aspects of a job that require sustained physical and/or psychological (i.e., cognitive or emotional) effort from an employee and thus result in physiological and/or psychological costs to the employees. Job demands are not necessarily negative but may function as stressors if meeting those demands requires high effort. Emotional demands can be display rules, emotional dissonance, time pressure, shift work, physical workload, or poorly designed jobs in the hospitality industry (Bakker, Demerouti, & Verbeke, 2004).

By contrast, job resources are physical, psychological, social, or organizational features of a job that help employees reach work-related goals, mitigate job demands and their adverse physiological and psychological consequences, and stimulate personal growth, learning, and development. Job resources are drawn from the organization, interpersonal and social relations, the organization of work, and the work itself (Bakker & Demerouti, 2007). Examples of job resources include pay, supervisory support or customer feedback, role clarity, and job autonomy or empowerment (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003; Demerouti et al., 2001). Job resources may be either intrinsic or extrinsic motivators.

The JD-R model (Demerouti et al., 2001) postulates that these two categories of work characteristics evoke two relatively independent psychological processes: health impairment and motivation. Through the health impairment process, high job demands exhaust employees' mental and physical resources, and this may in turn lead to depleted energy and health problems (Bakker et al., 2003; Llorens, Bakker, Schaufeli, & Salanova, 2006). For example, job demands like emotional labor in hospitality predict emotional exhaustion (i.e., burnout) among customer-contact hospitality employees (e.g., Hochschild, 1983; Brotheridge & Grandey, 2002). On the other hand, through the motivational process, job resources motivate employees, prompt personal growth and development, and foster goal achievement, all of which may lead to higher work

engagement, lower disengagement, and higher performance (Bakker & Demerouti, 2007; Schaufeli & Bakker, 2004; Xanthopoulou et al., 2007).

Psychological Climate and Employee Engagement

The JD-R model suggests that employees' perceptions of many positive and supportive aspects of work environment are associated with employee engagement. In other words, if psychological climate involves positive perceptions of job resources in the work environment, employees may become engaged because the positive appraisal of the work environment itself evokes cognitive and affective states like satisfaction, identification with the job, and motivation, inspiring employees to become more willing to dedicate themselves to their work (Brown & Leigh, 1996; Meijman & Mulder, 1998).

Consistent with this, prior studies have confirmed a positive relationship between psychological climate and employee engagement. For example, Bakker and Demerouti (2007), Demerouti et al. (2001), and Schaufeli and Salanova (2007) suggested that employees who have opportunities for professional development, helpful coaching, adequate feedback, and emotional support from organization members can improve their abilities and are thus motivated to pursue their goals through engagement. Also, Peccei and Rosenthal (2001) argued that organizational policies and practices related to recruiting, selecting, inducting, and socializing new employees into the organization; job and customer care training; and employee development all have a positive impact on employee commitment to service. Managers who are customer oriented enhance employees' sense of competence, understanding of customer service requirements, and altruistic orientation to customer service. Devi (2009) further suggested that if employees believe that their organization focuses on teamwork, pleasant working conditions, considerate treatment of employees, growth opportunities, flexible-working practices, and good leadership and management, they are more likely to be committed, which is a precursor to engagement. Similarly, an empirical study of front-line employees of Fortune 100 retail firms (Swanberg, James, & Ojha, 2006) suggested that supervisor effectiveness, teamwork, and development opportunities are major predictors of employee engagement. Employees who perceive that their jobs suit their skills and interests, who work with strong, cooperative teams, and who have adequate resources and training to get the job done are likely to engage in their jobs (Swanberg et al., 2006). Similarly, James et al. (1978) revealed that employees are more likely to invest

themselves in their work when they believe their job is recognized and they have good relationships with coworkers and supervisors. Therefore,

Hypothesis 2: Employees' psychological climate is positively related to their engagement.

Conservation of Resources Theory

In his conservation of resources (COR) theory, Hobfoll (1989, 2001) defined resources as "… those objects, personal characteristics, conditions, or energies that are valued by the individual or that serve as a means for attainment of these objects, personal characteristics, conditions, or energies" (p. 516). The COR theory (Hobfoll, 1989, 2001) posits that people are intrinsically motivated to obtain, retain, and protect these resources. It further proposed that people who retain resources strive to not only maintain and protect the resources but accumulate them (Hobfoll, 1989, 2001). Individuals with more resources are less susceptible to resource loss and thus more likely to seek opportunities to risk those resources to gain still more resources (Hobfoll & Shirom, 2000). Thus, resources tend to produce more resources, creating resource caravans, which may lead to other positive outcomes like well-being and work engagement (Hobfoll, 2001).

The COR theory, coupled with the JD-R theory, may establish some common ground for hypothesizing the interaction effect of core self-evaluations and psychological climate on employee engagement. If the second assumption of the COR theory (i.e., accumulation of resources and creation of resource caravan) is incorporated into the motivational process of the JD-R model, perceptions of the availability of organizational resources (i.e., psychological climate) may then facilitate the use and accumulation of personal resources (i.e., core self-evaluations), and thus lead to employee engagement. That is, perception of resourceful work environments may activate and/or increase employees' beliefs about their worthiness, capabilities, and functionality. As a result, employees may become highly motivated and in turn, exhibit higher levels of work engagement (Judge, Bono, Erez, & Locke, 2005; Xanthopoulou et al., 2008). Thus, in a positive work environment with plenty of organizational resources, employees may increase their core self-evaluations level and exhibit high levels of engagement as their abilities and activities are continuously developed and recognized (Judge et al., 2005; Kacmar, Collins, Harris, & Judge, 2009).

Previous empirical studies have generally indicated the moderating effect of psychological climate on the relationship between core self-evaluations and engagement. Latham, Almost, Mann, and Moore (2005) and Schaufeli and Salanova (2007) revealed that organizational resources such as supervisory coaching, feedback, and emotional support enhance employee optimism, confidence and efficacy beliefs, increasing levels of engagement. Similarly, Sutcliffe and Vogus (2003) suggested that training or knowledge development opportunities offered by the organization may build or reinforce personal resiliency and optimism among employees, enhancing psychological capital (Snyder, Rand, & Sigmon, 2005) and thus fostering employee engagement. Additionally, McAllister and Bigley (2002) showed that employee self-esteem increases as an organization's values and philosophies fulfill employees' needs. Similarly, Karatepe and Olugbade's (2009) study of hotel frontline employees indicated that the more support employees receive from their supervisors, the more elevated their self-efficacy beliefs. These core self-evaluation traits therefore increase their involvement in their jobs.

Taking all prior research together, employee perceptions of the availability of organizational resources (i.e., psychological climate) should activate, reinforce, and/or facilitate what employees believe about their abilities (i.e., core self-evaluations), and this, in turn, should result in employee engagement. In other words, employees can be expected to stay engaged in their work role if they perceive a positive work environment that evokes higher core self-evaluations. Accordingly, this study proposes the following hypothesis:

> Hypothesis 3: Employees' psychological climate moderates the relationship between core self-evaluations and employee engagement.

Methodology

Sample

This study used hotel employees selected from a convenience sampling at LinkedIn, an online business-related social networking site. Member hotels from regional hotel/lodging association directories were also used as a sampling frame. The sample consisted of entry-level employees, supervisors, and managers from the four areas of hotel operations: rooms (e.g., front office, housekeeping, reservations, and engineering), food and beverage (e.g., restaurants, room

service, and convention and catering), sales and marketing, and administration (e.g., human resources and accounting). A total of 406 responses was collected, 12 incomplete responses were removed for incomplete responses. 394 responses were used for analysis.

Data Collection

Prior to data collection, a pretest and a pilot survey were conducted to refine the research instrument. For the pretest, the questionnaire was sent to 12 graduate students and faculty members in hospitality management programs. They reviewed all aspects of the survey instrument including accuracy and appropriateness of the question, scales, and instructions. Based on feedback from the pretest, some modifications were made to the wording of several items. Wording of some items were slightly modified to match the specific context of this study (i.e., hotel). After the pretest, a pilot test was performed using 40 undergraduate students working at lodging operations. Statistical and methodological accuracy, especially reliability and validity of the measures, were examined.

The modified, final questionnaire was distributed through members in LinkedIn and regional hotel/lodging association directories. LinkedIn is an online business-related social networking site that has more than 135 million members in over 200 countries (LinkedIn, 2012). LinkedIn members establish business networks and exchange opinions through interacting in various interest groups and forums in the site. More than 2 million companies have their company pages in LinkedIn. There are approximately 1,900 networking groups for hotel professionals, 550 hotel corporate groups for corporate alumni, 218 groups for hotel academic alumni in the site. Approximately 314,000 members were registered as hotel professionals in the United States (LinkedIn, 2012).

The researcher sent invitation emails to 700 hoteliers in LinkedIn and member hotels in the lodging associations, requesting distribution of the online survey questionnaire to their employees. Members who agreed to help were asked to forward the invitation email to their employees along with the URL link to the university's survey site. Employees who wished to participate in the survey were instructed to access the survey site at any convenient time. To maximize the response rate, gift cards for $5 were provided as an incentive for those who completed the survey.

Measures and Instrument Development

Various measures validated in previous research were adopted. Employee engagement was measured by Schaufeli and Bakker's (2003) 9-item Work and Well-being Survey (UWES). UWES assesses three underlying dimensions of employee engagement: vigor, dedication, and absorption. Participants in this study rated each item on a 7-point Likert scale ranging from *never* (1) to *always* (7). Core self-evaluations were measured using Judge et al.'s (2003) Core-Self Evaluation Scale (CSES). This scale comprised 12 items that measured the four underlying components of core self-evaluation including self-esteem, generalized self-efficacy, locus of control, and neuroticism (emotional stability). Psychological climate was measured with Amenumey and Lockwood's (2008) 13-item scale which consisted of four subscales of psychological climate: customer orientation of the management, managerial support, internal service, and information/communication. Core self-evaluations and psychological climate were measured on seven-point Likert-type scales, anchored from *strongly disagree* (1) to *strongly agree* (7). All measures used to construct this instrument have shown acceptable levels of construct validity in previous studies. However, the wording of some of the items was slightly modified to match the specific context of the organization (i.e., hotel) in which the instrument was used.

Data Analysis and Results

Factor Analysis

Initial data analysis included a principal components analysis (PCA) on the independent variables. PCA, a procedure for analyzing interdependent correlations among a large number of items and then explaining these variables in terms of their common underlying dimensions or factors, was performed (1) to search for items that are highly correlated with one another, (2) to extract those items and classify them into several smaller sets of factors, and (3) to evaluate the accuracy of classification (Hair et al., 2010).

The varimax orthogonal rotation approach was used to provide simple factor structure for each data set. According to Hair et al. (2010), generally rotation is desirable because it redefines the factors to make sharper distinctions in the meanings of the factors, it simplifies the factor structure, and it is usually difficult to determine whether unrotated factors will be meaningful. In

addition, the varimax rotation was used because the approach gives a clearer separation of the factors, and the factor pattern obtained by varimax rotation tends to be more invariant than any other approach (Hair et al., 2010).

The number of factors to be retained was decided using the significance of factor loadings. The criterion for the significance of factor loadings was the absolute value of .50. Thus, items which correlate less than ± .50 were deleted because they account for less than 25% of the variance and meet only the minimal level for interpretation of structure; loadings ± .50 or more are practically significant (Hair et al., 2010). Also, cross-loading items were eliminated to improve the factor structure.

As a result of PCA, the 13 initial items in four dimensions of psychological climate were reduced to 12 items in three factors. The Kaiser-Meyer-Olkin measure verified the sampling adequacy for the analysis, KMO = .92, and all KMO values for individual items were higher than .84, which is well over the acceptable limit of .5 (Field, 2009). Bartlett's test of sphericity, $\chi^2 =$ 4228.00, $df = 78$, $p < .001$, indicated that correlation between items was sufficiently large for PCA. An initial analysis was conducted to obtain Eigenvalues for each component in the data. Three components had Eigenvalues higher than Kaiser's criterion of 1 and, in combination, explained 76.11% of the variance. Table 4.1 shows factor loadings after varimax rotation, eigenvalues, and the percentage of variance accounted for by the three components. One item from the information/communication dimension (PSC_IC3) was found to be cross-loading and eliminated. Two initial dimensions, customer orientation of management and managerial support, were combined into a single component. The items that clustered on the same components suggested that component 1 represented managerial support for service, component 2 interdepartmental service, and component 3 team communication. Accordingly, the extracted components were labeled and used for further analysis.

Table 4.1 Varimax Rotated Factor Loadings for the Psychological Climate Questionnaire

Item		Component 1: Managerial Support for Service	Component 2: Interdepartmental Service	Component 3: Team Communication
1.	PSC_CO1	.66		
2.	PSC_CO2	.86		
3.	PSC_CO3	.86		
4.	PSC_MS1	.84		
5.	PSC_MS2	.75		
6.	PSC_MS3	.74		
7.	PSC_IS1		.88	
8.	PSC_IS2		.89	
9.	PSC_IS3		.83	
10.	PSC_IC1			.60
11.	PSC_IC2			.62
12.	PSC_IC4			.84
Eigenvalue		7.58	1.29	1.02
% of Variance		58.34	9.93	7.84
Cumulative % of Variance		58.34	68.27	76.11

Note: PSC = psychological climate; CO = customer orientation; MS = managerial support; IS = internal service; IC = information/communication.

The reliability test showed that these measurements demonstrated adequate levels of internal consistency reliability with alpha values well above the suggested cut-off of .70 (Nunnally, 1978). Table 4.2 presents the scale means, standard deviations, reliabilities, and correlations for the study variables.

Table 4.2 Descriptive Statistics, Reliabilities, and Correlations of All Variables

	Variable	MD	SD	1	2	3	4	5
1.	Employee Engagement	5.56	1.03	(.94)				
2.	Core Self-Evaluation	5.32	.82	.41**	(.82)			
3.	Psychological Climate: Managerial Support for Service	5.99	1.28	.56**	.40**	(.93)		
4.	Psychological Climate: Interdepartmental Service	5.12	1.21	.49**	.25**	.63**	(.93)	
5.	Psychological Climate: Team Communication	5.56	1.04	.58**	.43**	.66**	.54**	(.74)

Note: Coefficient alphas are reported along the diagonal in parentheses.
n = 394.
$^{*}p < .05$ $^{**}p < .01$

Characteristics of Respondents

Of the 376 employees and managers who participated in the study, 64.4% ($n = 254$) were female. Approximately half ($n = 198$) of the respondents were between 20 and 29 years old, and

23.2% ($n = 91$) were between 30 and 39. More than half of the respondents had completed a 4-year college degree (55.1%, $n = 217$), followed by 2-year college graduates (22.6%, $n = 89$). For job tenure, 57.9% ($n = 228$) of the respondents had been working in the hospitality industry less than one year whereas 42.1% ($n = 165$) had been employed more than three years. Most respondents (86.1%, $n = 339$) were full time employees. Of the respondents, 66.1% worked in the front office (41.4%, $n = 163$), and food and beverage department (18.0%, $n = 71$), followed by sales (27.6%, $n = 109$), and the administrative departments (6.5%, $n = 26$). Line employees comprised 56.1% ($n = 221$) of respondents while the rest were managers (43.9%, $n = 173$). Table 4.3 summarizes the demographic profile of the survey respondents in this study.

Table 4.3 Demographic Profile of Survey Respondents

Sample Characteristics	Frequency ($n = 394$)	Percent (%)
Gender		
Male	140	35.6
Female	254	64.4
Age		
20 or less	5	1.2
20 – 29	198	50.2
30 – 39	91	23.2
40 – 49	51	13.0
50 or older	50	12.4
Level of Education		
High school	72	18.3
2-year college	89	22.6
4-year college/university	217	55.1
Post graduate	16	4.0
Job Tenure		
1 year or less	94	23.8
1 – 3 years	134	34.1
3 – 5 years	74	18.9
5 years or more	91	23.2
Employment Status		
Full time	339	86.1
Part time	55	13.9
Department		
Front Office	163	41.4
F&B	71	18.0
Housekeeping	26	6.5
Sales	109	27.6
Administration	26	6.5
Position		
Line Employee/assistant manager	221	56.1
Manager	173	43.9

Hypothesis Tests

A four-step hierarchical multiple regression was conducted to test hypotheses in this study. Mean centering was performed beforehand on the predictor variables to minimize multicollinearity between the variables and to distinguish the separate main effects of each predictor variable (Aiken & West, 1991; Jaccard, Turrisi, & Wan, 1990). Across the hierarchical regression analyses, respondents' demographic data (i.e., age, level of education, job tenure, employment status, and position) were included as control variables in the first step of all the regression analyses. To examine the individual direct effects and interaction effects of predictor variables as stated in hypotheses 1 and 2 and in Hypothesis 3, respectively, employee engagement was regressed on core self-evaluations in the second step, followed by the three psychological climate dimensions (i.e., managerial support for service, interdepartmental service, and team communication) in the third step. Finally, interaction terms between core self-evaluations and each of the psychological climate dimensions were entered in the final step.

Table 4.4 summarizes the regression coefficients, standard error of the coefficients, standardized beta coefficients (β), t-values, and p-values of the variables in each step. The table shows that among demographic variables, only age ($\beta = .12$, $t = 2.45$, $p < .05$) and education ($\beta = -.10$, $t = -2.16$, $p < .05$) were significant in predicting employee engagement. Results of hierarchical regression also show that core self-evaluations were significant as a predictor of employee engagement ($\beta = .15$, $t = 3.23$, $p < .01$), accounting for significant incremental change of 20% of the unique variance in employee engagement beyond the control variables. Thus, Hypothesis 1 was supported. The hierarchical regression analysis further revealed that the three dimensions of psychological climate were significantly related to employee engagement. Managerial support for service ($\beta = .21$, $t = 3.35$, $p < .01$), interdepartmental service ($\beta = .20$, $t = 3.64$, $p < .001$), and team communication ($\beta = .24$, $t = 4.16$, $p < .001$) were significant, increasing explained variance in employee engagement by 25% beyond the control variables and core self-evaluations ($\Delta R^2 = .25$). Therefore, Hypothesis 2 was confirmed. However, the results of hierarchical regression revealed that none of the interaction terms between core self-evaluations and psychological dimensions were significant. Specifically, managerial support for service ($\beta = .06$, $t = .92$, $p = .359$), interdepartmental service ($\beta = -.04$, $t = -.61$, $p = .544$), and team communication ($\beta = -.09$, $t = -1.46$, $p = .144$) did not moderate the relationship between core self

evaluations and employee engagement. Therefore, contrary to the author's expectation, Hypothesis 3 was not supported.

Table 4.4 **Results of Hierarchical Regression Analysis: Direct and Interaction Effects of Core Self-Evaluations and Psychological Climate on Employee Engagement**

	Model 1					Model 2					Model 3					Model 4				
	B	SE	β	t	Sig.	B	SE	β	t	Sig.	B	SE	β	t	Sig.	B	SE	β	t	Sig.
Constant	5.59	.41		13.48***	.000	5.86	.38		15.28***	.000	5.60	.32		17.44***	.000	5.57	.32		17.23**	.000
Age	.16	.06	.16	2.63**	.009	.12	.06	.12	2.18*	.030	.11	.05	.11	2.36*	.019	.11	.05	.12	2.45*	.015
Education	-.16	.07	-.13	-2.24*	.026	-.17	.07	-.14	-2.62**	.009	-.12	.05	-.09	-2.15*	.032	-.12	.05	-.10	-2.16*	.031
Job Tenure	-.01	.04	-.02	-.31	.758	-.03	.04	-.05	-.88	.379	.02	.03	.04	.77	.441	.03	.03	.04	.88	.378
Emp. Status	-.04	.17	-.01	-.22	.823	-.06	.16	-.02	-.40	.690	-.13	.13	-.05	-1.00	.319	-.12	.14	-.04	-.87	.383
Position	.07	.05	.09	1.35	.178	.07	.05	.08	1.43	.154	.02	.04	.03	.59	.559	.02	.04	.03	.59	.554
CSE						.47	.06	.39	7.81***	.000	.18	.06	.15	3.22**	.001	.18	.06	.15	3.23**	.001
PSC_MS											.16	.05	.20	3.33**	.001	.16	.05	.21	3.35**	.001
PSC_IS											.16	.04	.19	3.57***	.000	.16	.04	.20	3.64***	.000
PSC_TC											.26	.06	.26	4.60***	.000	.24	.06	.24	4.16***	.000
CSExPSC_MS																.05	.05	.06	.92	.359
CSExPSC_IS																-.03	.05	-.04	-.61	.544
CSExPSC_TC																-.08	.06	-.09	-1.46	.144
R^2			.06					.20					.45					.46		
ΔR^2			.06					.15					.25					.01		
ΔF			3.97**					60.95***					49.74***					1.19		

Note: CSE = core self-evaluations; PSC = Psychological climate; PSC_MS = managerial support for service; PSC_IS = interdepartmental service; PSC_TC = team communication
* $p < .05$ ** $p < .01$ *** $p < .001$

Discussion

Drawing upon the psychological condition theory (Kahn, 1990), the JD–R model (Demerouti et al., 2001), and the COR theory (Hobfoll, 2001) as frameworks, this study empirically tested relationships among core self-evaluations, psychological climate, and employee engagement in the hotel setting. This study examined especially the direct effects and interaction effects of core self-evaluations and psychological climate on employee engagement. Several findings emerged from this theory-based empirical investigation.

First, core self-evaluation is significantly associated with employee engagement. This finding is consistent with prior studies in the hospitality setting (Karatepe & Olugbade, 2009; Xanthopoulou et al., 2008), finding that hospitality employees with high core self-evaluation are likely to engage in their jobs and roles at work. This result supports Kahn's (1991) three psychological condition theory, which posits that employees show engagement when they are assured of psychological meaningfulness, safety, and availability in performing their jobs or roles. That is, people engage in their job when they believe that completing the job is worthwhile and meaningful, are provided a reliable work environment, and have enough psychological resources to complete their job. Therefore, since core self-evaluations pertain to all three psychological conditions, employees with these core self-evaluation traits are likely to engage in their job. Employees who possess positive self-regard (i.e., the self-esteem aspect of core self-evaluations) may set their work goals high, find the accomplishment of the goals worthwhile, and accordingly engage in their job, seeking meaningfulness from job accomplishments. Also, employees who consider themselves optimistic or confident (i.e., internal locus of control and generalized self-efficacy) are less likely to see their jobs demanding and more likely to interpret job and environment both challenging and enjoyable with high anticipation of success; these individuals are more willing to invest themselves in their work.

Secondly, employee psychological climate is a significant predictor of engagement. In particular, employee perceptions of managerial support for service, interdepartmental service, and team communication have a positive influence on engagement. This finding is in line with previous studies on the JD-R model (e.g., Hakanen et al., 2006; Saks, 2006; Xanthopoulou et al., 2008). As the JD-R theory suggests, a favorable organizational work environment, as perceived by employees, may function as a job resource that mitigates job demands and motivates

employees, enhancing their willingness to dedicate themselves to their job (Demerouti et al., 2001). Therefore, we can infer that hotel employees who believe that management has strong commitment to providing quality service to customers or that provides employees with good support for service excellence are likely to engage in their job. The results also indicate that hotel employees are likely to become engaged when they see smooth, systematic delivery of internal service to help them get their jobs done successfully and when they see harmonious communication among employees in and across teams and departments.

In addition to the direct effects, the present study also proposed that core self-evaluations and psychological climate interact to increase employee engagement. Using the JD-R model and the COR theory in combination, this study expected that employees' perceptions of the availability of organizational resources (i.e., psychological climate) should activate, reinforce, and/or facilitate what employees believe about their abilities (i.e., core self-evaluations), and this, in turn, should result in employee engagement. However, contrary to the researcher's expectation, the interaction effects of the two antecedent variables on employee engagement were not significant. Failure to find compelling support for this interaction effect suggests that positive perceptions of the work environment may not necessarily heighten core self-evaluation levels for higher levels of engagement even if employees with positive core self-evaluation work under a favorable work environment.

This result is surprising because others have observed such significant findings in prior and recent research (e.g., Latham et al., 2005; Schaufeli & Salanova, 2007; Sutcliffe & Vogus, 2003; Xanthopoulou et al., 2007). One plausible explanation may lie in the dimensions of psychological climate used in this study. As previously noted, psychological climate is a multidimensional construct (James & James, 1989; Koys & DeCotiis, 1991). The validity of appropriate dimensions for a study is subject to the context of job, role, work group, and/or organization (Manning et al., 2004; Parker et al., 2003). The present study adopted three dimensions of psychological climate from hospitality literature to measure the construct with the highest validity: managerial support for service, interdepartmental service, and team communication. These dimensions differ from those used in previous research. Especially in terms of affecting the appraisal of worthiness, ability, or efficacy of the self, the psychological climate dimensions in prior research, such as supervisory coaching, emotional support, feedback (Latham et al., 2005; Schaufeli & Salanova, 2007), training and knowledge development

opportunity (Sutcliffe & Vogus, 2003), and autonomy (Xanthopoulou et al., 2007), are more related to people's core self-evaluations than those in the present study. These dimensions are intuitively more instrumental to activate, reinforce, and/or facilitate what employees believe about their abilities (i.e., core self-evaluations). For example, employees who receive frequent training opportunities or supervisory coaching in a supportive environment are more likely to believe that they have sufficient resources to complete their tasks successfully, consequently increasing a feeling of self-efficacy or optimism (Schaufeli & Salanova, 2007). On the other hand, the dimensions of internal service, team communication, and support for service quality, as stated in this study do not seem to relate to increasing core self-evaluations. Rather, these three dimensions are more instrumental in increasing service itself, not in influencing employee self-evaluations like efficacy or self-regard. They may not affect the individual subconscious, fundamental evaluations of ability or worthiness.

Implications of the Study

Although this study primarily aimed to test theoretically-derived hypotheses, the findings of this study do have practical implications for hotel practitioners, particularly their human resources practices. This study found that employees' positive core self-evaluations are an important determinant of their engagement at work. Thus, employees with positive perceptions are those that hotel organizations should attempt to retain if they want higher levels of employee engagement. Hiring the right people is one practical way that hotel organizations should consider. Organizations may adapt their selection process to recruit and hire applicants who possess the desired personality traits, and thus select those with greater proclivity for engagement.

Hiring employees with positive core self-evaluations is ideal but not always possible. Given this, hotel organizations should strive to create or increase current employees' core self-evaluations. Core self-evaluations consist of self-efficacy, self-esteem, self-beliefs, and optimism, so hotel organizations may seek to create or increase these personality components. One effective way to foster employees' positive self-efficacy may be to help them experience the kind of success that builds confidence (Bandura, 1997). For this, hotel organizations may allow employees to work on tasks or assignments at which they excel as well as offer opportunities to try new tasks or special projects. In doing so, employees can experience a sense of

accomplishment, success, and personal and professional growth. Empowerment may also foster employee confidence; research suggests that empowered service providers feel better about their jobs and themselves and report higher levels of self-efficacy (Bowen & Lawler, 1995; Chebat & Kollias, 2000). Thus, allowing people to make their own decisions about work, to control their work, and to achieve their goals may help employees become more efficacious and engaged in their jobs. It should be also noted that research has suggested that empowerment may not be effective if not aligned with proper rewards and feedback for their commitment. Thus, it is suggested that organizations strive to simultaneously show commitment to providing positive feedback, recognition, and appreciation for successful attempt or high-quality work during or after the performance of empowered jobs and roles. Establishing and implementing systematic reward mechanism in which a good performance is recognized may well reinforce employees' core self-evaluations and engagement.

Developing and providing learning opportunities is another way to engender self-efficacy in the workplace. When employees learn more about their job, skills, and knowledge that they might use for their work, they feel they are progressing and developing and thereby work with more confidence. Thus, organizations could provide meaningful development plans and opportunities to help employees become more proficient in their current positions and prepare them for career advancement. Individualized on-job training for development of necessary skills like interpersonal skills, self-management skills, and problem-solving skills may assist in increasing employees' self-efficiency. Formal or informal training in new products, technology and resources, and policies and practices may also foster employee self-efficacy. Further, implementing supportive coaching programs may be considered to increase employee engagement as such programs promote a "can-do mindset" (Latham et al., 2005), and thus help instill confidence or self-efficacy among employees.

Furthermore, to increase employee engagement, organizations should boost employees' self-esteem. For this, hotel practitioners should consistently treat employees with respect, making them feel that they are valued as a major part of the business. Using a "hire and fire" mentality may destroy employees' trust and lower their self-worth. Establishing an inclusive, honest two-way communication system may increase employee self-regard because doing so would reveal employees' needs, demonstrate an interest in employee well-being, and allow action on employee concerns. Inviting and using employees' thoughts and ideas in operational decision-

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making procedures, incorporating their suggestions, and appreciating their contributions would help employees feel a sense of belonging, thereby enhancing their engagement.

Kahn's (1990) psychological condition theory has been used to explain the positive relationship between core self-evaluations and employee engagement. The results of this study suggest that employees with positive core self-evaluations exhibit high levels of engagement because they find doing their job psychologically meaningful and safe and consider themselves capable. Thus, hotel practitioners should focus on providing employees with worthwhile jobs that add value to the organization. Job enrichment and job enlargement convey the sense that employees are doing more than a simple job and might cause employees to show high levels of engagement (Robbins, 1998). In addition, organizations that wish to improve employee engagement should strive to build an organizational environment of trust and support, in which employees have a sense of safety to engage without fear of negative consequences, and thus, feel comfortable engrossing themselves fully.

This study also highlights the critical role of employees' own perception of organizational environment in determining their engagement at work. In particular, hotel employees who individually believe they receive quality support from management, borderless services from other departments, and adequate information within their team are likely to show engagement. Therefore, hotel organizations should strive to develop and maintain an integrative and resourceful work environment with strong service orientation. As the JD-R model suggests, when employees work in a resourceful environment where they can get immediate support from supervisors, they can focus on their work and have the drive to do their best; thus, organizations may see higher levels of employee engagement. Not only working conditions that eliminate unnecessary barriers to getting work done, but also managers who allow employees to access necessary materials, manuals, tools, and information and implement formal mentoring programs may further strengthen employee engagement (Schaufeli & Salanova, 2007).

This study also recognized the importance of smooth interdepartmental cooperation and team communication in generating employee engagement. Because hotel service jobs are best performed in connection with other departments, seamless support and backup within/across departments are crucial. Thus, another important implication is that management must build an integrative, supportive corporate culture where all employees and the firm as a whole can work in trust, respect, and cooperation, committed to a common professional goal. Aligning individual

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goals with the organizational goals, developing systematic procedures that encourage sharing, interdependence, and esprit de corps, encouraging positive and collaborative working relationships, resolving conflicts quickly when problems arise, and implementing upward, downward, or horizontal cross-training are a few ways that hotel organizations can foster interdepartmental support and employee engagement. Especially for team communication, hotel organizations should emphasize integrity and team commitment, form interpersonal connections, and encourage knowledge/information of best practices.

Limitations and Suggestions for Future Research

Given that management and business communities seek to identify best practices for increasing employee engagement, this study creates a better understanding of what factors contribute to engagement in the hotel setting. However, the results of the present study must be interpreted with caution.

The first limitation involved in this study is cross-sectional design of the study. As data for this study were collected from individual respondents at a single point in time, the causal relationships between the variables are prone to biases (Bobko & Stone-Romero, 1998). Therefore, in future research, it is recommended to use longitudinal designs and other methods to reduce such biases to further validate the relationships found in this study; such longitudinal studies would allow a stronger causal inference to be established. A longitudinal design would also allow to make more robust inferences about the sequential progress of core self-evaluations and psychological climate toward employee engagement at various points in time. Additionally, directions of the relationships examined in this study were implied based on existing theories, so more investigation is needed to verify the causality specified in the relationship.

The second limitation involves the limited measure of psychological climate. As previously noted, psychological climate is a multidimensional construct with many different dimensions because it includes individual employees' perceptions of virtually every aspect of their work environment (James & James, 1989; Koys & DeCotiis, 1991). The validity of appropriate dimensions for a study varies according to types and characteristics of job, role, work group, and/or organization (Martin et al., 2005; Parker et al., 2003; Schneider, 1975). Accordingly, the present study selected four dimensions of psychological climate from hospitality literature to reflect the hospitality work and organization with the maximum validity.

However, the four dimensions used in this study may not sufficiently assess employee perceptions of their work environment in the hotel setting. Therefore, further research might include additional dimensions in determining the direct and moderating effects of psychological climate in influencing employee engagement. In addition, investigating the relative contribution in determining employee engagement among different psychological climate dimensions is also recommended because this may provide more specific information about employee perceptions of the organizational environment.

The primary limitation involved in this study may be the use of self-report questionnaires. In spite of its usefulness in measuring respondents' subjective state of mind, disposition, or attitude (Wallbott & Scherer, 1989), relying on self-report information may lead to social desirability response bias (SDRB) in statistical analysis, suggesting that the data and relationships found in this study might have been confounded by individuals' tendency to over-report what they think will be "socially desirable" (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Particularly, if the data on employee engagement is collected from or supplemented by different sources, including supervisors or co-workers of the respondents, the findings may differ from the data reported in this research. To diminish SDRB, the researcher emphasized guaranteed anonymity of individual responses throughout the survey (Mulki, Jaramillo, & Locander, 2006). Nonetheless, the influence of SDRB on the result of the study cannot be completely ruled out. Thus, it is recommended that future research in this area be conducted using multiple sources or other, more accurate quantitative or qualitative data like archival data from organizational records.

Finally, this study was carried out in the hotel setting in the United States using a mixed group of line employees and managers. The generalizability of the findings of this study to other hospitality contexts or different environments may thus be limited. In this regard, it would be useful to replicate this study under different settings (e.g., restaurants) to establish the validity and generalizability of the present findings across different hospitality contexts.

This study focused on the functional impact of job resources on employee engagement. However, in addition to the motivating process shown in the present study, the JD-R model also posits a health impairment process, in which some emotional, cognitive, and physical aspects of job or work environment (e.g., work overload, time pressure, and/or organizational rules of policies) may function as stressors that lead to health impairment. Therefore, because the present

study did not include job demands as possible negative antecedents of employee engagement, it would be also worthwhile to investigate the effects of potential job demand variables as a negative predictor of employee engagement. For example, in the hospitality setting, emotionally challenging interactions with customers (i.e., high emotional job demands) has been recognized as an important factor for burnout and disengagement because it may exhaust service employees' psychological and/or physical resources (Maslach et al., 2001). Given that employee engagement is on the decline and there is a deepening disengagement among employees today (Bates, 2004; Richman, 2006), additional research on job demands would provide a substantial contribution to hotel practitioners.

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Chapter 5 - Consequences of Employee Engagement: Intrinsic Rewards, Leader-Member Exchange Relationship, Job Satisfaction, and Organizational Commitment

Abstract

The popularity of employee engagement among business operators has inspired many practitioner studies. However, those studies have been conducted from the marketing or finance perspectives, and thus beneficial consequences of employee engagement explored in the literature tend to be limited to bottom-line outcomes. Theoretical studies from the organizational behavior perspective have been limited, especially how employee engagement benefits employees. The purpose of this study was to empirically test a theoretical relationship model consisting of the potential consequences of employee engagement in the hotel setting: intrinsic rewards, leader-member exchange (LMX), job satisfaction, and organizational commitment. The sample ($n = 394$) was collected from hotel employees in the United States. Structural equation modeling was used to empirically test the proposed relationships. Results showed that employee engagement is directly associated with all the hypothesized consequences. This study also demonstrated that LMX mediates the relationships of employee engagement with job satisfaction and organizational commitment, while job satisfaction mediates the relationships between employee engagement and organizational commitment and between LMX and organizational commitment.

Keywords: employee engagement, intrinsic rewards, leader-member exchange, job satisfaction, organizational commitment

Introduction

Employee engagement is defined as the harnessing of self to work role (Kahn, 1990). Employee engagement at work includes persistence while working, strong involvement in work, and immersion in work activities (Kahn, 1990; Schaufeli & Bakker, 2003; Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). It is also the degree of physical, cognitive, and emotional involvement in task behaviors and role performance, how much workers put into a job and work

interactions, and the personal connections with work and co-workers (Ferrer, 2005). Therefore, engaged employees can be described as employees who are physically involved in their tasks, are cognitively alert and attentive, and are emotionally connected to their work and to others in the workplace.

The term employee engagement, in its present usage, originated in the popular book, *First Break All the Rules* by the Gallup Research group (Buckingham & Coffman, 1999). Since then, the concept of employee engagement has gained tremendous impetus in the industry for its statistically positive relationship with an extensive range of positive organizational outcomes (Coffman & Gonzalez-Molina, 2002; Stroud, 2009). For example, research has tied employee engagement to customer satisfaction, retention, and loyalty (Bates, 2004; Coffman, 2000; Ellis & Sorensen, 2007; Fleming, Coffman, & Harter, 2005; Salanova, Agut & Peiró, 2005). According to Wagner and Harter (2006) and Vance (2006), engaged employees score between 12% and 34% higher on customer satisfaction-rating scales and average $80,000 to $120,000 in higher sales each month. Research also demonstrated that high levels of engagement enhance the financial performance of a business (Blizzard, 2002; Hewitt Research Associates [HRA], 2004; International Survey Research [ISR], 2004; Thomas & MacDiarmid, 2004; Towers Perrin, 2003; Vance, 2006). According to ISR (2004), operating margins in high-engagement companies went up by 3.75%, and net profit margins by 2.06%, while low engagement counterparts saw only 2.1% increased operating margins, and net profit margins fell -1.38 % (Wellins, Bernthal, & Phelps, n.d.). Similarly, HRA (2004) revealed that companies with 60% to 100% employee engagement achieved a total shareholder return (TSR) averaging 24.2%; companies with engagement scores between 49% to 60% saw TSR averaging 9.1%; and companies with engagement below 25% saw a negative TSR (Baumruk & Gorman, 2006; Wellins et al., n.d.).

To date, a great part of research interest in employee engagement has tended to focus solely on finding positive bottom-line outcomes at the organizational level. Review of the employee engagement literature reveals that most of employee engagement studies have focused on the marketing or finance, particularly beneficial effects on a firms' profitability and economic success in productivity (Kenexa, 2008), sales and revenue growth (Gallup, 2007), cost of goods sold (HRA, 2004), financial performance (Towers Perrin, 2003), reduced accident rates (Gallup, 2004), managerial effectiveness (Harter, Schmidt, & Hayes, 2002), reduced absenteeism and turnover (Corporate Executive Board [CEB], 2004, Gallup, 2004), reduced malpractice costs

(Tritch, 2003), and reduced quality errors (Development Dimensions International [DDI], n.d). Moreover, these studies were considerably opinion-based research, lacking theoretical underpinnings that link employee engagement to its presumed positive consequences (Kim, Shin, & Swanger, 2009). This is mostly due to inconsistent concepts, unclear conceptual framework or measurements, and different interpretations and applications of employee engagement predominant in practitioner research. Academic communities have been skeptical, criticizing these issues, resulting in a lack of evidence-based research with theoretical underpinnings to validate the claims of consulting firms and operators (Kim et al., 2009; Pienaar & Willemse, 2008; Saks, 2006; Shuck & Wollard, 2010).

Recently, a few studies have begun to address the concept of employee engagement at the level of the employees using the individual attitude/behavior perspectives. In particular, studies by Saks (2006), Salanova, Llorens, Cifre, Martı´nez, and Schaufeli (2003), Schaufeli and Bakker (2004), and Sonnentag (2003) addressed employee engagement and its positive associations with both job satisfaction and organizational commitment. Yet, studies with theoretical underpinning are still meager and thus little theory focuses on how employee engagement positively relates to these variables. Evidence from organizational behavior research suggests these relationships may be established through intrinsic motivation (Herzberg, Mausner, & Snyderman, 1959) and the quality of relationship between a leader and a member, but no previous research into employee engagement has empirically examined how these unique variables facilitate job satisfaction and organizational commitment of engaged employees.

Therefore, the purpose of this study is to empirically test a theoretical relationship model consisting of the potential consequences of employee engagement in the hotel setting. The specific objectives of this study are to provide theory-based empirical evidence of how employee engagement leads to job satisfaction and organizational commitment among hotel employees. For these objectives, we hypothesized that employee engagement is directly related to intrinsic rewards, leader-member exchange (LMX), job satisfaction, and organizational commitment; we also proposed that intrinsic rewards mediate the relationship between employee engagement and job satisfaction and LMX mediates between employee engagement and organizational commitment.

Literature Review

Employee Engagement

A review of literature indicates that employee engagement has been conceptualized in three different ways. According to Kahn (1990), engagement at work is the degree of physical, cognitive, and emotional involvement in a work role, how much a worker puts into a job and work interactions, and the personal connections with work and co-workers (Ferrer, 2005). Thus, engaged employees are physically involved in their tasks, are cognitively alert and attentive, and are emotionally connected to their work and to others in the workplace (Baltes, 2009; Kim et al., 2009; Shuck & Wollard, 2010). However, even though Kahn's definition provided a conceptual basis for employee engagement, its operationalization to assess employee engagement has not been developed (Kim et al., 2009; Schaufeli et al., 2001).

Burnout researchers like Maslach and Leiter (1997) and Maslach, Schaufeli, & Leiter (2001) also conceptualized employee engagement. They view employee engagement as the opposite of or the positive antithesis to the three burnout dimensions: exhaustion, cynicism, and a reduced sense of achievement. In other words, low scores on exhaustion and cynicism and high ratings on sense of achievement on the burnout scale indicate each of the three characteristics of job engagement: energy, involvement, and efficacy (Maslach et al., 2001). Thus, burnout researchers consider engaged employees to be those who are energetic and positively connected with work activities and have high levels of activation and pleasure (Schaufeli et al., 2002). However, this conceptualization has been criticized because it may be thought that anyone not experiencing burnout must be engaged. In this regard, measuring engagement using the burnout scale is a matter of debate because positive and negative affect such as burnout and engagement are independent states, not the opposite poles in the same bipolar dimension (Russell & Carroll, 1999).

Unlike burnout researchers' conceptualization of employee engagement, Schaufeli et al. (2002) asserted that job engagement and burnout were independent states of mind inversely related to each other (Schaufeli & Bakker, 2004; Schaufeli et al., 2002). They defined engagement as a "positive, fulfilling, work related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli et al., 2002, p. 74). Vigor refers to the feeling of physical energy, emotional strength, willingness to invest efforts, and endurance of difficulties (Schaufeli

et al., 2002). Dedication involves a sense of "significance, enthusiasm, inspiration, pride, and challenge" (Schaufeli et al., 2002, p. 74). Finally, absorption refers to one's state of being completely concentrated and highly engrossed in work so that time seems to pass quickly; such a worker has difficulty detaching from work (Schaufeli et al., 2002). This study adopted Schaufeli et al.'s (2001) conceptualization because this definition and measure of engagement (i.e., Utrecht Work Engagement Scale: UWES, Schaufeli & Bakker, 2003) are generally cited and used frequently in contemporary engagement literature and research (Bakker & Schaufeli, 2008; Koyuncu, Burke, & Fiksenbaum, 2006; Schaufeli & Bakker, 2003).

Job Satisfaction

Job satisfaction refers to "a positive or pleasurable emotional state resulting from one's own appraisal of the job or of one's own work experience" (Locke, 1976, p.1300). It is an affective reaction to a job, the result of evaluating the work situation (Mottaz, 1988). While some scholars, like Locke (1976), have conceptualized and measured job satisfaction as an affective state, other researchers have viewed it as the general attitude toward a job or toward specific dimensions of a job (e.g., Brief, 1998; Hodson, 1991; McCloskey & McCain, 1988; McNeese-Smith, 1996; Motowildo, 1996; Stamps, 1997). Motowildo (1996) defined job satisfaction as judgment of the favorability of the work environment. Along the same line, Brief (1998) defined job satisfaction as "an internal state which is expressed through affective and/or cognitive evaluations of a job experience with some degree of approval or disapproval" (p. 86). Using all these conceptualizations, in this study, job satisfaction is the subjective, individual-level attitude representing an individual's general affective reaction to a job (Cranny, Smith, & Stone, 1992). Simply put, job satisfaction is the extent to which people like their jobs (Odom, Boxx, & Dunn, 1990; Spector, 1996).

Herzberg's Two-Factor Theory and Intrinsic Rewards

Herzberg's (1959) two-factor theory provides one of the most widely used and respected approaches to understanding job satisfaction and motivation (Kalleberg, 1977). According to Herzberg et al. (1959), employee satisfaction and dissatisfaction are totally separate dimensions because they are affected by two distinct, independent sets of factors: motivating factors (or motivators) and hygiene factors (or hygienes). More specifically, the theory proposes that motivating factors are typically intrinsic to a job; such motivators as personal achievement,

recognition for accomplishment, increased responsibility, creative and challenging work, and growth opportunity are primary determinants of job satisfaction. On the other hand, hygiene factors (or hygienes) are typically extrinsic; company policy and administration, supervision, salary, status, security, interpersonal relations, and working conditions; these external circumstances are the primary sources of job dissatisfaction (Herzberg et al., 1959).

Herzberg's (1959) two-factor theory posits that satisfaction and dissatisfaction are not at opposite ends of the same continuum (Herzberg et al., 1959). The theory argues that the opposite of satisfaction is no satisfaction, not dissatisfaction; conversely, the opposite of dissatisfaction is not satisfaction, but no dissatisfaction. Thus, the theory suggests hygiene factors are sources of job dissatisfaction while motivators are responsible for job satisfaction. A lack of hygiene factors may cause job dissatisfaction, but improving hygiene factors does not promote job satisfaction; it only prevents job dissatisfaction. Also, adequate motivating factors may increase job satisfaction, but an absence of those motivating factors does not cause job dissatisfaction. Therefore, an employee's job satisfaction can be improved only when motivating factors are adequate; sufficient quality of hygienes contributes little to job satisfaction, only preventing job dissatisfaction (Robbins, 1998; Schermerhorn, Hunt, & Osborn, 2004).

Based on the two-factor theory, it can be inferred that intrinsic rewards may relate positively to job satisfaction. Intrinsic rewards refer to positively valued work outcomes that an employee receives directly as a result of performing of his/her role; they are inherent, not given by external sources like company or other people (Kalleberg, 1977; Schermerhorn et al., 2004). Included in this category are feelings of achievement and self-fulfillment after accomplishing a particularly challenging and/or meaningful task. Herzberg et al. (1959) referred to these and related feelings as motivating factors in their two-factor theory (Gupta, 1975; Porter & Lawler, 1968).

Employee Engagement, Intrinsic Rewards, and Job Satisfaction

Herzberg's (1959) two-factor theory suggests task performance will lead to high levels of satisfaction if (1) the employees have the opportunity to do a meaningful and identifiable portion of the work; (2) performing the task results in outcomes that are intrinsically meaningful and worthwhile; and (3) employees are given intrinsically positive feedback about what they accomplished (Lawler, 1969; Hackman & Lawler, 1971). Supporting the theory, previous studies

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have indicated positive relationships among employee engagement, intrinsic rewards, and job satisfaction. For example, Kahn (1990) suggested that employees become engaged when they feel a sense of return on investments of self and that the return on those investments should add value to the accomplishment itself. Macey, Schneider, Barbera, and Young (2009) also suggested that employees engage themselves in tasks that they strongly believe important in achieving individual and organizational goals. Srivastava and Bhatnagar (2008) suggested that employees become engaged when they find personal meaning and motivation in their work and receive positive feedback. Therefore, employees engaged in performing their task/role through intrinsic motivations may receive certain intrinsic rewards when the job is successfully completed, and thus become satisfied with their job. This also suggests that an employee's perceptions of intrinsic rewards for their engagement will mediate the relationship of engagement to job satisfaction. Thus,

> Hypothesis 4a: Employee engagement is positively associated with job satisfaction.
>
> Hypothesis 4b: Employee engagement is positively related to intrinsic rewards.
>
> Hypothesis 4c: Intrinsic rewards are positively related to job satisfaction.
>
> Hypothesis 4d: Intrinsic rewards mediate the relationship between employee engagement and job satisfaction.

Organizational Commitment

Over the years, many definitions and dimensions of organizational commitment have been developed. Allen and Meyer (1996) defined organizational commitment as participation in, the sense of belonging to, and emotional attachment with a work organization. To extend organizational commitment beyond loyalty to the organization, Price and Mueller (1981, 1986) defined it as an attitude of loyalty and dedication to the organization. Further, Mowday et al. (1979) defined organizational commitment as a general term that "encompasses an active relationship with the organization such that individuals are willing to give something of themselves in order to contribute to the organization's well being" (Mowday, Steers, & Porter, 1979, p. 226).

However, even though many dimensions and forms of organizational commitment exist, organizational commitment has three generally agreed upon affective components: (1) employees' strong belief and acceptance of the organization's goals, objectives, and values (i.e.,

identification); (2) employees' willingness to exert considerable effort on the behalf of the organization (i.e., involvement); and (3) employees' strong desire to remain with the organization (i.e., loyalty) (Buchanan, 1974; Mowday et al., 1979; Mowday, Porter, & Steers, 1982; Penley & Gould, 1988; Porter et al., 1974). Therefore, organizational commitment was defined in this study as an employee's personal attachment to, identification with, and involvement in the employing organization, resulting in a strong belief in the organization's goals and values and extra effort on behalf of the organization (Meyer & Allen, 1997).

Job Demands and Resources Theory and Social Exchange Theory

The job demands-resources (JD-R) theory and the social exchange theory (Blau, 1964) may explain the relationship between employee engagement and organizational commitment. The JD-R theory assumes that job resources like managerial support or task autonomy motivate employees to engage in and complete tasks successfully; they also help employees achieve work goals because these resources provide basic human needs and foster employee growth, learning, and development (Houkes, Janssen, De Jonge, & Nijhuis, 2001). The social exchange theory (Balu, 1964), or the norm of reciprocity (Gouldner, 1960), involves repayment; a person who receives a benefit from another reciprocates and provides something beneficial in return. Combining these two theories, employees who receive socioeconomic resources from their organization may have a feeling of obligation to respond in kind and repay the organization in some form (Cohen, 1999, 2000). One way for employees to repay their organization is to increase commitment to the organization (Cropanzano & Mitchell, 2005).

In line with these two theories, previous research has reported a positive relationship between employee engagement and organizational commitment. For example, Schaufeli and Bakker (2004) argued that to the extent that positive experiences can be attributed to the efforts of an organization, employees reciprocate with increased affective organizational commitment. Employees with high levels of engagement, which stems from positive experiences at work, attribute these experiences to the organization. Thus, having previously received benefits from the organization and feeling obligated by the rule of exchange to repay them, highly engaged employees feel indebted and reciprocate in some form. Similarly, Houkes et al. (2001) suggested that because engaged employees believe that the organization has satisfied their basic human needs and helped them achieve their goals through resources like autonomy, supportive

colleagues, and proper feedback, they are likely to feel indebted to the organization; subsequently, engaged employees are willing to dedicate their efforts to their organization, a component of organizational commitment (Atchison & Leffers, 1972). Additionally, Atchison and Leffers (1972) and Porter et al. (1974) commonly argued that employees who value an organization's goals highly and are willing to devote great energy to achieving those goals would have a higher affective attachment to the organization. Thus, engaged employees who perceive congruence between their goals and those of the organization are more likely to become emotionally attached to the organization (Mowday et al., 1982). Recent meta-analysis studies on burnout (e.g., Hakanen, Schaufeli, & Ahola, 2008; Halbesleben, 2006) also revealed that engagement is significantly related to a number of consequences, among them organizational commitment. Thus,

Hypothesis 5a: Employee engagement is positively related to organizational commitment.

Leader-Member Exchange Theory

Extending the social exchange theory to the relationship between organization leaders and members (Dansereau, Graen, & Haga, 1975), the LMX theory posits leader-member relationships of varying interaction qualities. Unlike many conventional leadership theories, such as trait, behavioral, and contingency/situational leadership, that assume the leader-member relationships are homogeneous, with leaders dealing with all subordinates similarly (e.g., Blake & Mouton, 1964; Hersey & Blanchard, 1993; Vroom & Yetton, 1973; Yukl, 1989), the LMX theory asserts that the leader-member relationships are heterogeneous; leaders do not interact with subordinates uniformly within the organization because leaders cannot give equal attention to all subordinates given their limited time and resources (Dansereau et al., 1975; Graen & Cashman, 1975). Thus, leaders develop unique dyadic relationships, or exchanges of different quality, with each member of their work group through a series of exchanges over time (Bhal & Ansari 2000; Dienesch & Liden, 1986; Graen & Scandura, 1987).

According to the LMX theory, leaders treat individual subordinates differently, and thus, two different groups of subordinates emerge: in-group and out-group. The in-group consists of a small number of subordinates who are trusted and favored by the leader after a series of testing exchanges. The quality of the exchange relationship is high because of common bonds based on mutual liking, trust, and respect and shared loyalty (Liden, Wayne, & Stillwell, 1993; Uhl-Bien,

Graen, & Scandura, 2000). Leaders and the in-group work beyond the formal work contract. The in-group, naturally, have the advantage of favorable support and resources from the relationship. They perform unstructured tasks with a high degree of autonomy and have additional responsibilities, often outside the scope of their job descriptions. Thus, the in-group may receive many benefits like organizational and job-related information, influence in decision making, attention, greater job direction, and social networks (Dienesch & Liden, 1986; Gerstner & Day, 1997; Graen & Uhl-Bien, 1995 Kamdar & Van Dyne, 2007; Lam, 2003; Liden & Maslyn, 1998; Liden, Sparrowe, & Wayne, 1997).

On the other hand, the out-group includes those to whom the leader is apathetic. Any relationship with the leader remains formal, with role-defined interactions. Exchanges between the leader and subordinates rely on the prescribed employment contract with more limited reciprocal trust and support. Also, the out-group receives fewer valued resources; the leader makes little attempt to motivate or develop the out-group. Subsequently, in these low quality relationships, subordinates may be at a relative disadvantage for job benefits and career progress (Vecchio, 1997). Therefore, out-group or low quality LMX is characterized by predominantly economic exchanges with low levels of mutual trust, interaction, liking, support, and influence (Maslyn & Uhl-Bien, 2001).

Employee Engagement and LMX

Although prior studies have not examined the relationship between employee engagement and LMX, the social exchange nature underlying the LMX developmental process clearly implies that employees with high engagement are likely to develop better quality relationships with their managers. A high quality LMX relationship starts with a manager's interaction, initiating an assignment to determine if the subordinate can or will contribute toward the mutual goals of the dyad (Dienesch & Liden, 1986; Graen & Scandura, 1987; Uhl-Bien et al., 2000). In this role taking process in the LMX development, engaged employees may attract the manager's attention as they are perceived as more reliable than non-engaged employees. They are aware of business context, work cooperatively with coworkers for the benefit of organization, and take on responsibility for completing tasks. They also understand how their unit contributes to organizational success and how they contribute individually to company goals, objectives, and direction (Baumruk, 2004; Gibbons, 2006; Miles, 2001; Robinson, Perryman, & Hayday, 2004).

A good leader would consider these positive, functional attributes of engaged employees beneficial to the relationship.

Employees' work-related behaviors can affect the LMX relationship (Deluga & Perry, 1991). In the role-taking stage, leaders select members to take on tasks based on their evaluation of the behaviors of their employees (Graen & Scandura, 1987; Liden & Graen, 1980; Scandura, Graen, & Novak, 1986). Engaged employees consistently demonstrate positive behaviors by going beyond their formal job duties, giving extra time, effort, and initiative to contribute to the success of the business, and advocating for the organization to co-workers (Baumruk & Gorman, 2006; Tasker, 2004). They are also dependable, communicative, and more highly involved, have a good attitude and the willingness to do the work right, and strive to develop their competence, skills, and ability (Ellis & Sorenson, 2007). Supervisors may see these attitudes and behaviors as more impressive and valuable. These arguments suggest the following hypothesis:

Hypothesis 5b: Employee engagement is positively related to LMX.

LMX and Organizational Commitment

In high-quality LMX relationships, employees may receive more job-related benefits from their supervisors based on higher levels of mutual respect, trust, liking, interaction, and support. They receive more organizational and job-related resources, information, and more latitude to do their jobs. They also receive preferred work responsibilities, job control, more opportunities for professional development, higher performance ratings, and other formal and informal rewards (Dienesch & Liden, 1986; Gerstner & Day, 1997; Kamdar & Van Dyne, 2007; Lam, 2003; Liden et al., 1993; Liden & Maslyn, 1998; Liden et al., 1997; Uhl-Bien et al., 2000). All these benefits are predictors of affective commitment to an organization, so LMX should be positively associated with organizational commitment.

Previous research has presented various positive benefits of LMX like increased empowerment, fairness, and role clarification. For example, Gomez and Rosen (2001), Keller and Dansereau (1995), and Liden et al. (2000) found that high quality LMX relationships led employees to see themselves as more empowered as they are given increased freedom to perform their jobs and receive support from their superiors. Podsakoff, MacKenzie, Moorman, and Fetter (1990) and Tansky (1993) added the suggestion that the dyadic relationship between leaders and their subordinates correlated positively with subordinates' perceptions of fairness and trust.

Subordinates who belong to a leader's in-group tend to believe that their leaders treat them more fairly and thus trust their leaders as the leader provides them more latitude in their jobs, backing up their decisions and showing confidence in and concern for the subordinate. The studies by Harris and Kacmar (2006), Jensen, Olberding, and Rodgers (1997), and Thomas and Lankau (2009) commonly showed that supervisors and employees in high LMX relationships tend to communicate frequently with one another about effective role management, and thus subordinates experience less role stress. The support and increased communication in high quality LMX relationships may help minimize uncertainty and ambiguity, and thus, in-group employees are likely to have more positive, clear role perceptions and expectations whereas out-group employees may suffer role stress due to the lack of information or minimal level of support from supervisors (Thomas & Lankau, 2009).

Those positive benefits of LMX may lead to employees' organizational commitment. For example, according to Büssing (2002), Rhodes and Steers (1981), Glisson and Durick (1988), Meyer and Allen (1987), and O'Reilly and Caldwell (1980), employees whose supervisors show concern for employees, fairness in distributing rewards, role clarity, and freedom from conflict want to remain with an organization. Supporting this, an empirical study by Butler (1991) found that 11 supervisor behaviors determine levels of employee commitment to the organization; these behaviors facilitate interpersonal trust through supervisor availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, receptivity, and overall trust. Paré and Tremblay (2007) also identified five principle human resources practices that increase affective commitment: recognition, empowerment, fair organizational rewards, competence development, and information sharing. Additionally, research by Greenberger, Strasser, & Dunham (1989) and Lawler (1992) showed that employees emotionally bond with an organization to the extent that they receive regular feedback, autonomy, and a sense of task completion. Similarly, Jernigan, Beggs, and Kohut (2002) and Salancik (1977) suggested that satisfaction with autonomy and sense of importance are significant predictors of commitment. Empirically, a study by Aon Consulting (2000) in Canada also identified five key areas of organizational practices that build organizational commitment: safety and security, rewards, affiliation, growth, and work-life harmony (Madigan & Dorrell, 2000). Therefore, as favorable reciprocal exchanges continue, engaged employees tend to trust their organization more and

continue what they see as a reliable relationship; employees consequently have strong affective ties to the organization (Saks, 2006).

Personification of Organization Theory

The personification of organization theory suggests that employees with positive perceptions of their supervisor may extend that positive perception to their organization. According to Levinson (1965), employees believe that organizations are legally, morally, and financially responsible for the actions of their agents and, thus, often view actions taken by agents of the organization as actions of the organization itself. This personification of the organization theory means, then, that employees may identify the supervisor with the organization and thus, consider favorable or unfavorable treatment by their supervisor as an indication that the organization favors or disfavors them, thus affecting organizational commitment and other attitudes (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). In line with this, Cohen (1999) argued that "… employees who are involved in their job have positive work experiences which are attributed to the organization or their career. To the extent that positive experiences are attributed to the efforts of organizational officials, these are reciprocated with increased affective organizational commitment to the persons who caused them" (p. 292).

Given the theory of personification of organization (Levinson, 1965), prior studies have revealed a positive association between LMX and organizational commitment. For example, Whitener (2001) suggested that commitment to an organization arises from a perception that the supervisor is committed to and supportive of employees. Favorable, positive actions directed at employees by a supervisor in high-quality exchange relationships help employees develop the global belief that their organization values their contributions and cares about their well-being. This belief may lead to a feeling of appreciation and/or obligation indicative of the personified organization's commitment to employees. A recent empirical study showed that employees who trust their managers tend to take more pride in the organization and are more likely to feel their individual talents contribute not only to their own success but the success of the organization (Lockwood, 2007). Employees reciprocate in their affective commitment to the organization. Thus,

Hypothesis 5c: LMX is positively related to organizational commitment.

Employee engagement can be linked to organizational commitment through LMX. High-quality LMX means that followers trust their leaders (Graen & Uhl-Bien, 1995), are given more latitude to perform their jobs, are provided more challenging and preferred work assignments, have more interaction with and support from the leader, and receive more formal/informal rewards, all of which may serve to enhance the attachment to the organization (Dansereau et al., 1975; Graen, 1976; Graen & Uhl-Bien, 1995; Liden & Graen, 1980; Kramer, 1995). When employees show engagement, they may develop better interpersonal relationships with their managers and thus receive still more benefits like work-related resources and emotional support. Employees then increase their commitment to the organization as an affective response to the benefits offered by the manager as an agent of the organization; those benefits indicate to employees that the organization cares about their well-being (Eisenberger et al., 1986, 1990; Levinson, 1965). As a result, the employees may come to show increased organizational commitment. On the other hand, employees with low engagement are less likely to have quality relationships with their managers; they perceive their jobs as mundane, contractual obligations (Heider, 1958) and, accordingly, exhibit less commitment to their organization. This suggests that high quality LMX relationships will mediate the effects of employee engagement on organizational commitment. Thus,

> Hypothesis 5d: LMX mediates the relationship between employee engagement and
> organizational commitment.

Figure 5.1 illustrates the relationships model based on the literature review. Job satisfaction, organizational commitment, intrinsic rewards, and LMX are consequences of employee engagement. Intrinsic rewards mediate the relationship between employee engagement and job satisfaction; LMX mediates the relationship between employee engagement and organizational commitment.

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Figure 5.1 Relationship Model
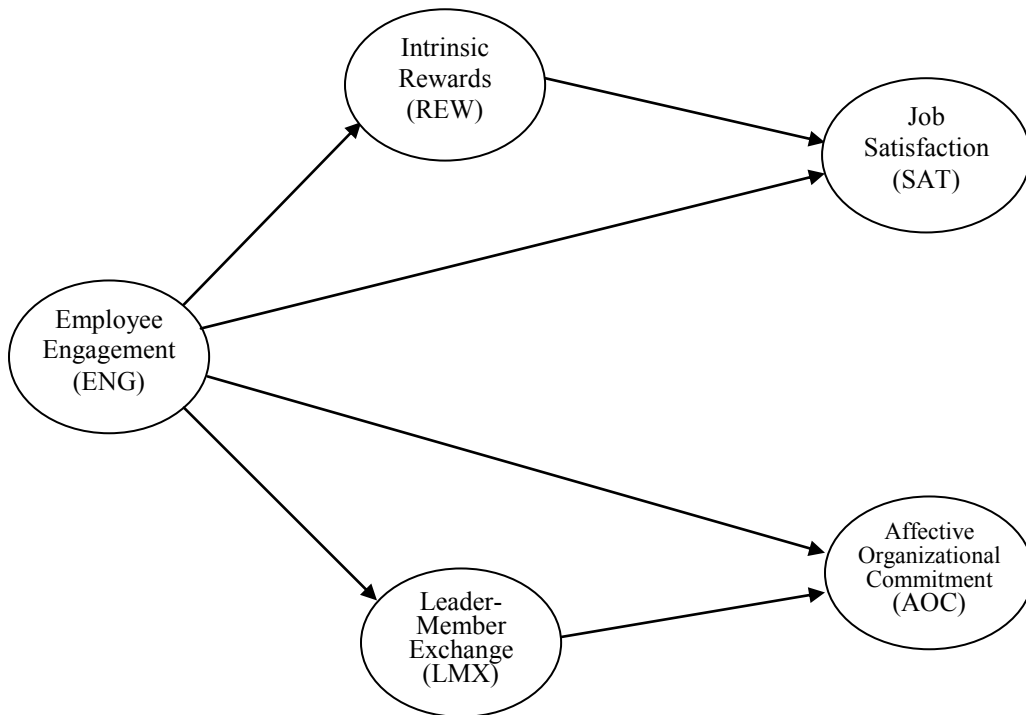
Methodology

Sample

The sample of this study consisted of entry-level employees, supervisors, and managers from the four areas of hotel operations: rooms (e.g., front office, housekeeping, reservations, and engineering), food and beverage (e.g., restaurants, room service, and convention and catering), sales and marketing, and administration (e.g., human resources and accounting). They were selected from an online business-related social networking site (LinkedIn) and member hotels of regional hotel/lodging associations. Among a total of 406 responses collected, 12 incomplete responses were removed and 394 responses were used for analysis.

Data Collection

Before data collection, a pretest with 12 graduate students and faculty members in hospitality management programs was conducted to assess content adequacy, including accuracy

and appropriateness of the question, scales, and instructions. Based on feedback from the pretest, some measurement items were reworded slightly to match the specific context of this study (i.e., hotel). A pilot test with 40 undergraduate students working at lodging operations was also conducted to examine statistical and methodological accuracy including reliability and validity of the measures.

The modified, final questionnaire was distributed through hoteliers on LinkedIn and regional hotel/lodging association directories. Hoteliers on LinkedIn and from member hotels in the lodging associations (a total of 700) were contacted by emails to request distribution of the online survey questionnaire to their employees. Members who agreed to help forwarded the invitation email to their employees along with the URL link to the university's survey site. Employees who wished to participate in the survey were instructed to access the survey site at any convenient time. Gift cards for $5 were provided as an incentive for those who completed the survey to maximize the response rate.

Measures and Instrument Development

Various measures validated in previous research were adopted. All the constructs were measured on seven-point Likert-type scales, anchored from *strongly disagree* (1) to *strongly agree* (7) except employee engagement. Employee engagement was measured by Schaufeli and Bakker's (2003) 9-item Work and Well-being Survey (UWES). UWES assesses three underlying dimensions of employee engagement: vigor, dedication, and absorption. Participants in this study rated each item on a 7-point Likert scale ranging from *never* (1) to *always* (7). Employee job satisfaction was measured through the items developed by Cammann, Fichman, Henkins, and Klesh (1979). Affective organizational commitment was assessed using six items adopted from Meyer, Allen, and Smith's (1993) Affective Commitment Scale and one item from Mowday et al.'s (1979) Organizational Commitment Questionnaire. Intrinsic rewards were measured using four items developed by Lawler and Hall (1970). Respondents were asked the degree to which they believe that they would receive intrinsic rewards through engagement at work. The quality of their relationships with their immediate supervisors (LMX) was assessed using seven items developed by Graen and Cashman (1975) and Liden and Graen (1980).

Data Analysis and Results

Characteristics of Respondents

Table 5.1 summarizes demographic profile of the survey respondents in this study. Of the 394 respondents in the study, 64.4% were female (n =254) and 35.6% were male (n = 140). Approximately half (n = 198) of the respondents were between 20 and 29 years old, and 23.2% (n = 91) were between 30 and 39. For level of education, 55.1% of the respondents had completed a 4-year college degree (n = 217), followed by 2-year college graduates (22.6%, n = 89). For respondents' tenure, 57.9% (n = 228) had been working in the hospitality industry less than one year whereas 42.1% (n = 165) had been employed more than three years. Most respondents (86.1%, n = 339) were full time employees. Of the respondents, 66.1% worked in the front office (41.4%, n = 163), and food and beverage department (18.0%, n = 71), followed by sales (27.6%, n = 109) and administrative departments (6.5%, n = 26). Line employees comprised 56.1% (n = 221) of respondents while the rest were managers (43.9%, n = 173).

Table 5.1 Demographic Profile of Survey Respondents

Sample Characteristics	Frequency ($n = 394$)	Percent (%)
Gender		
Male	140	35.6
Female	254	64.4
Age		
20 or less	5	1.2
20 – 29	198	50.2
30 – 39	91	23.2
40 – 49	51	13.0
50 or older	50	12.4
Level of Education		
High school	72	18.3
2-year college	89	22.6
4-year college/university	217	55.1
Post graduate	16	4.0
Job Tenure		
1 year or less	94	23.8
1 – 3 years	134	34.1
3 – 5 years	74	18.9
5 years or more	91	23.2
Employment Status		
Full time	339	86.1
Part time	55	13.9
Department		
Front Office	163	41.4
F&B	71	18.0
Housekeeping	26	6.5
Sales	109	27.6
Administration	26	6.5
Position		
Line Employee/assistant manager	221	56.1
Manager	173	43.9

Measurement Model

Confirmatory factor analysis (CFA), using AMOS 17, was first applied as a preliminary analysis to evaluate the dimensionality and adequacy of the measurement items that connect to corresponding latent variables simultaneously (Anderson & Gerbing, 1988; Bollen, 1989).

Factor Structure of the Employee Engagement Construct

Prior to testing a full measurement model, a CFA was conducted for the construct of employee engagement because, in previous research, the construct has been used as both a higher-order construct and multidimensional first-order construct (Schaufeli & Bakker, 2003). Accordingly, the goodness-of-fit of employee engagement was tested compared with alternative

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models. Specifically, (1) a one-factor model of employee engagement with all items loading into one latent factor, (2) a first-order three-factor model comprising three latent variables (i.e., vigor, dedication, and absorption), (3) a second-order three-factor model comprising three latent variables were estimated for goodness-of-fit.

Table 5.2 reports the comparisons of overall fit indices for alternative measurement models of employee engagement. According to overall fit indices, all three models showed a good fit with the data. However, the one-factor model showed a significantly better fit than the other two models. The chi-square differences between the one-factor model and the first-order three-factor model were large, a decrease of two degrees of freedom, indicating that the changes in χ^2 statistic were statistically significant ($\Delta\chi^2 = 38.35$, $\Delta df = 2$, $p < .001$). The chi-square differences between the one-factor model and the second-order three-factor model were also large, a decrease of one degree of freedom ($\Delta\chi^2 = 32.16$, $\Delta df = 1$, $p < .001$).

Table 5.2 Overall Fit Indices for Alternative Models of the Employee Engagement Construct

Model Element	First-order one-factor model	First-order three-factor model	Second-order three-factor model
Model fit			
χ^2	49.26	87.61	81.42
df	21	23	22
χ^2/df	2.35	3.81	3.70
RMSEA	.06	.08	.08
CFI	.99	.98	.98
NFI	.98	.97	.97
TLI	.98	.96	.97

RMSEA = root mean square error of approximation; CFI= comparative fit index; NFI = normed fit index; TLI = Tucker-Lewis index

Full Measurement Model

Table 5.3 reports the standardized loadings of scale items. As shown in the table, the full measurement model consisted of five constructs and 28 measurement items. One measurement item was dropped from the original 6-item affective organizational commitment scale because of relatively weak factor loading (below .60). Removing the item did not significantly affect reliability and validity of the construct; both the first and the revised model showed acceptable

levels of composite reliabilities. The factor loadings of manifest variables on their respective latent variables were all significant at the alpha level of .001, satisfying convergent validity criteria (Anderson & Gerbing, 1988).

Table 5.3 Confirmatory Factor Analysis: Items and Standardized Loadings

Construct and Scale Items	Standardized Loadings
Employee Engagement (Schaufeli & Bakker (2003)	
At my work, I feel energetic.	.782
At my job, I feel strong and vigorous.	.761
When I get up in the morning, I look forward to going to work.	.885
My job inspires me.	.883
I am enthusiastic about my job.	.897
I am proud of the work that I do.	.792
I feel happy when I am working intensely.	.644
I am engrossed in my work.	.725
Time flies when I am working.	.678
Intrinsic Rewards (Lawler & Hall, 1970)	
When I do my work well, it gives me a feeling of accomplishment.	.907
When I perform my job well, it contributes to my personal growth and development.	.934
I feel a great sense of personal satisfaction when I do my job well.	.917
Doing my job well increases my feeling of self-esteem.	.742
Leader-Member Exchange (Graen & Cashman, 1975; Liden & Graen, 1980)	
My supervisor would be personally inclined to help me solve problems related to my work.	.847
My working relationship with my supervisor is effective.	.931
I have enough confidence in my supervisor that I would defend and justify his/her decisions if he or she were not present to do so.	.876
My supervisor considers my suggestions for change.	.854
My supervisor and I are well suited to each other.	.885
My supervisor understands my problems and needs.	.859
My supervisor recognizes my potential.	.823
Job Satisfaction (Maslach & Jackson, 1986)	
All in all, I am satisfied with my job.	.960
In general, I like working at my organization.	.846
In general, I do not like my job. (R[a])	.930
Affective Organizational Commitment (Meyer et al., 1993; Mowday et al., 1979)	
I would be happy to work at my organization until I retire.	.708
Working at my organization means a great deal to me personally.	.857
I feel personally attached to my work organization.	.803
I am proud to tell others I work at my organization.	.888
I feel a strong sense of belonging to my organization.	.913

Note: All factor loadings were significant at $p < .001$.
[a] Reverse coded.

Table 5.4 presents the descriptive statistics, composite reliabilities, correlations, and squared correlations of the variables analyzed in the study. The average variance extracted (AVE) of constructs were higher than the suggested value of .50, demonstrating more than half of variances in constructs are explained by their corresponding measures (Fornell & Larcker, 1981; Hair et al., 2010). Discriminant validity was assessed by comparing the squared correlation (R^2) of the paired constructs with the AVEs of each construct (Fornell & Larcker, 1981). Discriminant validity can be said satisfactory if each R^2 between a pair of constructs is less than the AVE for each corresponding construct (Fornell & Larcker, 1981). Except employee engagement, the condition was met, demonstrating each construct shares more variance with its measures than it shares with other constructs. Composite reliabilities of constructs ranged from .92 to .96, exceeding the conventional cut-off value of .70 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). The final measurement model test presented a very good fit with the data (RMSEA = .06, CFI = .96, NFI = .93, TLI = .95; χ^2 = 771.21, df = 328, p < .001), except chi-square, which is often reported as significant because of sample size and strict assumptions (Bagozzi & Yi, 1988; Bentler & Bonett, 1980).

Table 5.4 Descriptive Statistics, Composite Reliabilities, Correlations, and Squared Correlations

	Mean (SD)	AVE	ENG	REW	SAT	LMX	AOC
ENG	5.56(1.03)	.62	**.94** [a]	.39[b]	.80	.49	.75
REW	6.38 (.68)	.77	.15 [c]	**.93**	.37	.32	.44
SAT	5.84 (1.24)	.83	.64[d]	.14	**.96**	.60	.78
LMX	5.60 (1.25)	.75	.24	.10	.36	**.94**	.57
AOC	5.21 (1.32)	.70	.56	.19	.60	.32	**.92**

Note: AVE = average variance extracted; ENG = employee engagement; REW = intrinsic rewards; SAT = job satisfaction; LMX = leader-member exchange; AOC = affective organizational commitment.
[a] Composite reliabilities are along the diagonal in bold.
[b] Correlations are above the diagonal.
[c] Squared correlations are below the diagonal.
[d] The square of the correlation between ENG and SAT was slightly higher than AVE of ENG. A further analysis assessed discriminant validity by constraining the correlation between the pair of factors to unity. A significantly lower chi-square value for the unconstrained model (42 less for a degree freedom) indicates that the two are not perfectly correlated, demonstrating discriminant validity (Anderson & Gerbing, 1988; Bagozzi & Phillips, 1982).

Structural Model and Relationship Test

To test the full structural model that includes both the measurement model and the structural model that proposes the hypothesized relationships among the variables, the initially proposed model was tested using structural equation modeling analysis. Then, the initial model was revised based on the modification indices in the results.

Overall fit indices for the initially proposed model presented an acceptable fit with the data (RMSEA = .064, CFI = .95, IFI = .95, TLI = .94; χ^2 (330) = 860.19, $p < .001$; $\chi^2/df = 2.61$). However, the proposed structural model had one non-significant path between intrinsic rewards and job satisfaction along with two significant links between LMX and job satisfaction and between job satisfaction and organizational commitment. Therefore, the model was modified to achieve better model fit to the data based on the modification index. After all the insignificant paths found in the proposed model were deleted and significant paths added, a revised second structural model, nested within the first, was obtained. The revised structural model is illustrated in Figure 5.2.

Figure 5.2 Revised Structural Model
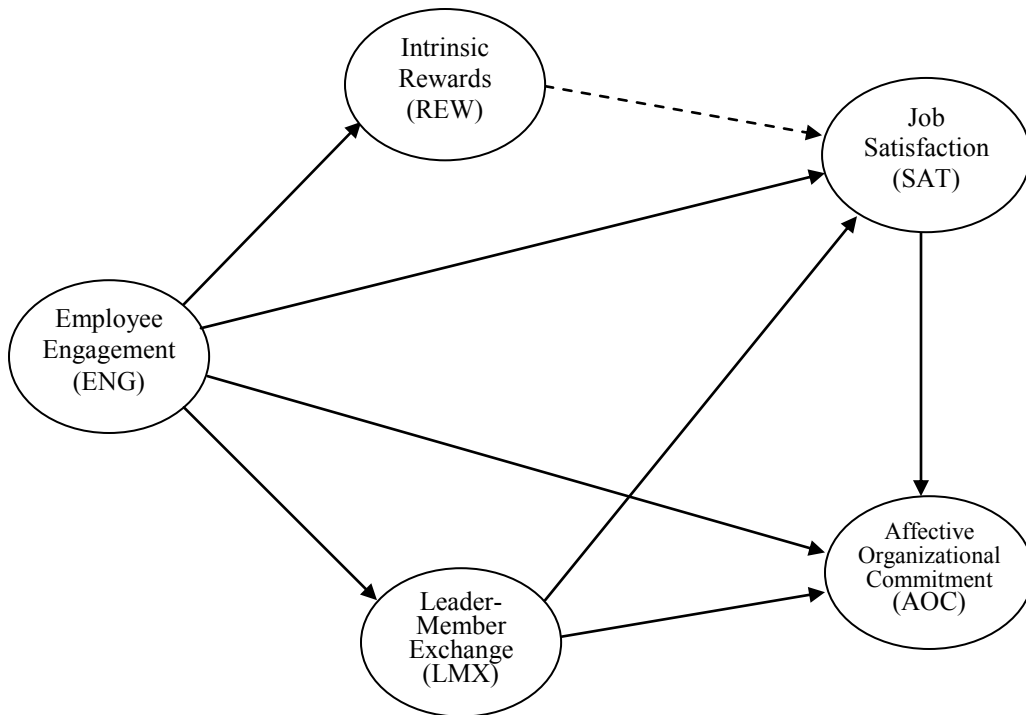
The revised structural model was compared to the proposed model in terms of the improvement in fit. The revised model also demonstrated a very good fit to the data (RMSEA = .059, CFI = .96, IFI = .96, TLI = .95; χ^2 (328) = 777.72, $p < .001$; χ^2/df = 2.37). The chi-square difference test, comparing the proposed and revised structural models based on chi-square difference statistic ($\Delta\chi^2$), indicated that the chi-square difference was statistically significant ($\Delta\chi^2$ = 82.47, Δdf = 2). Therefore, the revised model was more parsimonious and fit the data better, making it superior to the proposed model. Table 5.5 shows the overall fit indices of proposed and revised structural model.

Table 5.5 Overall Fit Indices of Proposed and Revised Structural Models

Model Element	Proposed Model	Revised Model
Model fit		
χ^2	860.19	777.72
df	330	328
χ^2/df	2.61	2.37
RMSEA	.064	.059
CFI	.95	.96
IFI	.95	.96
TLI	.94	.95

RMSEA = root mean square error of approximation; CFI= comparative fit index; IFI = incremental fit index; TLI = Tucker-Lewis index

Test of Direct Relationships

Path coefficients and their *t*-values obtained in the test of the revised structural model are presented in Figure 5.3. Hypothesis 4a proposed that employee engagement would be positively associated with job satisfaction. Results of the structural equation model provided support for this hypothesis (β = .67, t = 13.76, $p < .001$), indicating that engaged employees tend to be satisfied with their jobs. Hypothesis 4b postulated a positive relationship between employee engagement and intrinsic rewards; employees are likely to experience more intrinsic rewards when engaged. The path coefficient between employee engagement and intrinsic rewards (β = .40, t = 7.72, $p < .001$) was significant, supporting Hypotheses 4b. However, Hypothesis 4c, which proposed a positive relationship between intrinsic rewards and job satisfaction, was not supported (β = .02, t = .63, p = .53), so intrinsic rewards do not lead to job satisfaction. In turn, Hypothesis 5a addressed employee engagement leading to affective organizational commitment;

as expected, the path between these two variables was positively significant ($\beta = .35$, $t = 5.35$, $p < .001$). In Hypothesis 5b, this study proposed that employee engagement would affect LMX; a strong positive relationship between these variables was indeed found ($\beta = .49$, $t = 9.31$, $p < .001$). In Hypothesis 5c, we also proposed that LMX would influence affective organizational commitment. Hypothesis 5c was supported by a standard path coefficient of .16 ($\beta = .15$, $t = 3.53$, $p < .001$).

In addition to the relationships initially hypothesized in the proposed structural model, the revised model found significant direct relationships between variables. First, the results of structural equation modeling analysis found a positive relationship between LMX and job satisfaction ($\beta = .26$, $t = 6.99$, $p < .001$), indicating that a good manager/employee relationship leads to job satisfaction. Second, the results of structural equation modeling also revealed that job satisfaction is a positively related to affective organizational commitment ($\beta = .41$, $t = 5.81$, $p < .001$); thus, employees satisfied with their job are likely to feel committed to their organization.

The squared multiple correlations indicate that employee engagement accounted for approximately 16.28% of the total variance in intrinsic rewards and 24.03% in LMX. A total of 70.01% of variance in job satisfaction was explained by employee engagement and LMX. Employee engagement, job satisfaction, and LMX together explained 66.99% of total variance in affective organizational commitment.

Figure 5.3 Revised Structural Model with Standardized Path Coefficients (*t*-values)
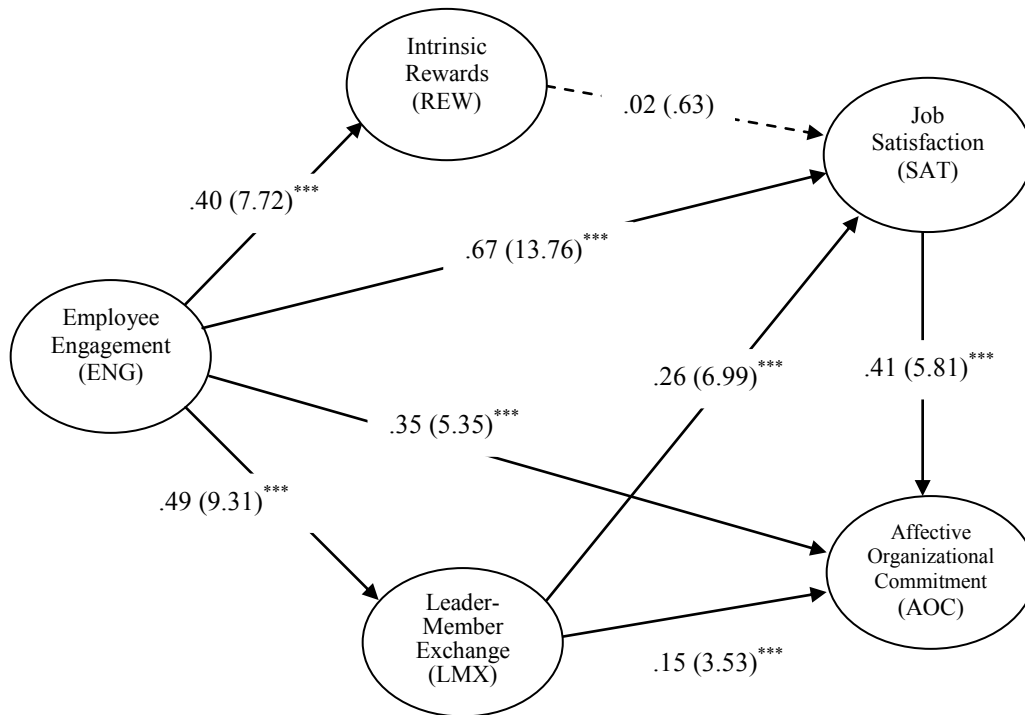
Note: *** *p* < .001. Dotted line represents non-significant path.

Test of Indirect Relationships

In addition to direct relationships, several indirect relationships were also estimated by testing the mediation roles of intrinsic rewards, LMX, and job satisfaction. To examine the mediating effects, five models were tested and evaluated based on Baron and Kenny's (1986) four-step mediation analysis, chi-square (χ^2) difference tests, and Sobel tests.

Four-step mediation analysis. For the four-step mediation analysis, a series of steps were followed. The first (a significant direct effect of the predictor variable to the mediator) and second (a significant direct effect of the mediator to the outcome variable) conditions were checked by testing path coefficients. Then the third condition was checked by individually constraining the direct path from the mediator to the outcome variable. Finally, the fourth condition was confirmed by checking whether the direct path from the predictor variable to outcome variable became weak or insignificant when the direct path from the mediator to the outcome variable was freely estimated.

As presented in Figure 5.3, significant direct effects of predictor variables to the mediators (first condition) were found. Significant direct effects of the mediators to the outcome variables (second condition) were also met, other than the path between intrinsic rewards and job satisfaction ($\beta = .02$; $t = .63$; $p = .53$). Thus, Hypothesis 4d, which proposed an indirect relationship between employee engagement and job satisfaction through intrinsic rewards, was not supported. Because intrinsic rewards had no direct effect on job satisfaction, the indirect relationship was also not established. For the third condition, all individual direct paths from the predictor variable to its corresponding outcome variable were significant at least at $p < .01$ when the direct effect of each mediator on the outcome variables was set at zero. Finally, when the direct path from the mediator to the outcome variable was freely estimated, the direct path from the predictor variable to outcome variable became significantly weak, demonstrating partial mediation.

For example, Hypothesis 5d, which addressed the mediating effect of LMX on the relationship between employee engagement and affective organizational commitment, was supported in this mediation analysis (see Table 5.6). When the direct path from LMX to affective organizational commitment is controlled (set at zero), the estimated path from employee engagement to affective organizational commitment was significant at $p < .001$ ($\beta = .78$; $t = 12.45$; $p < .001$). However, when the direct effect of employee engagement on affective organizational commitment was estimated along with LMX (the mediator), the path from employee engagement to affective organizational commitment became weak ($\beta = .64$, $t = 10.95$, $p < .001$; $\varDelta\chi^2 = 37.82$, $p < .001$), indicating that employee engagement has a statistically significant indirect effect on affective organizational commitment through LMX.

Chi-square test. After the four-step mediation analysis, Anderson and Gerbing's (1988) approach to testing nested models was conducted to ensure that the mediating models produced a better fit than non-mediating models. In this process, mediating models and non-mediating models of five indirect relationship models were tested and evaluated based on χ^2 statistics. If the mediating models are better suited to the data than non-mediating models, the change in χ^2 statistic should be statistically significant (Byrne, 1998). The fit statistics and an examination of changes in χ^2 values across the models are presented in Table 5.6. In each case, the mediating model produced a significant change in χ^2 when compared with the non-mediating models; the χ^2 changes were large (the decrease ranged from 37.82 to 192.30) for a decrease of one degree of

freedom, so the changes in the χ^2 statistic were statistically significant. The overall fit of the five mediating models provided better estimation than non-mediating models, and accordingly all the indirect effects were confirmed except intrinsic rewards on the relationship between employee engagement and job satisfaction.

      Sobel test. Researchers argue that it is not enough to report whether the size of the relation between the predictor and the outcome variable becomes smaller (partial mediation) or insignificant (full mediation) when the mediator is added to the equation (Frazier, Tix, & Barron, 2004). Thus, the Sobel (1982) tests were also applied to more thoroughly confirm the significance of the mediated effect.

      In this test, the strength of the mediated, indirect effect of the predictors on their outcome variables was tested to the point where the null hypothesis equals zero. The mediated, indirect effect of the predictors on outcome variables is defined as the product of the predictor-moderator path (a) and the moderator-outcome variable path (b), or *ab*. The mediated effect was tested for statistical significance by dividing the estimate of the mediating variable effect by its standard error and comparing this value to a standard normal distribution (MacKinnon, Lockwood, Hoffman, West, & Sheets 2002; Sobel, 1982). The standard error of the indirect effect (s_{ab}) is

$$S_{ab} = \sqrt{b^2 s_a^2 + a^2 s_b^2 + s_a^2 s_b^2}$$

where a = unstandardized regression coefficient of path a;
      b = unstandardized regression coefficient of path b;
      s_a = standard error of a;
      s_b = standard error of b

Summary of indirect relationships

      The results of the mediation tests, χ^2 difference tests, and Sobel tests are summarized in Table 5.6. As shown in the first column of the table, no statistically significant indirect relationship was found between employee engagement and job satisfaction through intrinsic rewards ($\Delta\chi^2 = 1.86$; z = .66; $p = .2546$) because the proposed positive relationship between intrinsic rewards and job satisfaction was not significant ($\beta = .02$; $t = .63$; $p = .53$) in Hypothesis 4c. However, for Hypothesis 5d, employee engagement did exhibit statistically significant

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indirect effects on affective organizational commitment through LMX ($\Delta\chi^2$ = 37.82, Δdf = 1; z = 3.14, p < .001).

In addition to the initially hypothesized indirect relationships, the results of this study revealed additional indirect relationships. First, employee engagement showed a statistically significant indirect effect on job satisfaction through LMX ($\Delta\chi^2$ = 48.60, Δdf = 1; z = 5.33, p < .001). Second, in addition to the indirect effects of employee engagement on affective organizational commitment through LMX (Hypothesis 5d), employee engagement also had statistically significant indirect relationship with affective organizational commitment via job satisfaction ($\Delta\chi^2$ = 59.70, Δdf = 1; z = 5.29, p < .001). Finally, LMX had a statistically significant indirect effect on affective organizational commitment through job satisfaction ($\Delta\chi^2$ = 192.30; Δdf = 1; z = 4.31, p < .001).

Table 5.6 **Testing Mediating Effects of REW, LMX, and SAT**

Mediating effect of	Between	Statistics of P[a] → O[b], when M[c] → O is set at 0					Statistics of P → O, when M → O allowed					Decrease[d] in χ^2	Sobel Test (z)
		B	SE	β[e]	t	χ^2	B	SE	β	t	χ^2		
REW[f]	ENG - SAT	1.18	.07	.81	17.01***	826.71	1.15	.07	.79	15.93***	824.85	1.86	.66
LMX	ENG - SAT	1.18	.07	.81	17.01***	826.71	.98	.07	.67	14.59***	778.11	48.60	5.33***
LMX[g]	ENG - AOC	1.24	.10	.78	12.45***	849.81	1.01	.09	.64	10.95***	811.99	37.82	3.14***
SAT	ENG - AOC	1.24	.10	.78	12.45***	849.81	.54	.11	.34	5.16***	790.11	59.70	5.29***
SAT	LMX - AOC	.65	.06	.59	10.14***	999.25	.16	.05	.14	3.12**	806.95	192.30	5.43***

REW = rewards; LMX = leader-member exchange; SAT = job satisfaction; ENG = employee engagement; AOC = affective organizational commitment
[a] Predictor variable.
[b] Outcome variable.
[c] Mediator.
[d] Decrease in χ^2 for the decrease of one degree of freedom.
[e] Size of direct effect when the direct effect of the mediator on the dependent variable is controlled.
[f] Hypothesis 4d.
[g] Hypothesis 5d.
** $p < .01$, *** $p < .001$.

Discussion

The primary purpose of this study was to answer two research questions: "What are the consequences of employee engagement?" and "How does employee engagement lead to job satisfaction and organizational commitment?" Using Herzberg's two-factor motivation theory (1959) and Blau's social exchange theory (1964), this study proposed and tested a conceptual model that hypothesized direct associations between employee engagement and four outcome variables: job satisfaction, affective organizational commitment, intrinsic rewards, and LMX. This study also hypothesized that intrinsic rewards and LMX may mediate between employee engagement and both job satisfaction and affective organizational commitment. As proposed, statistical analyses using structural equation modeling (SEM) revealed that employee engagement had statistically significant positive relationships with all outcome variables either directly or indirectly. All results were consistent with previous findings and theories with one exception: the relationship between intrinsic rewards and job satisfaction. Further statistical analyses also suggested several additional findings not initially hypothesized in the study. These additional findings help articulate the indirect effects of employee engagement on job satisfaction and organizational commitment.

Relationship between employee engagement and job satisfaction

The results of this study provide support for the proposition that employee engagement is positively related with employee job satisfaction, which is consistent with previous research (e.g., Saks, 2006; Schaufeli & Bakker, 2004; Sonnentag, 2003). Engaged employees are likely to be satisfied with their jobs because they experience positive, fulfilling work-associated affectivity when engrossed in their jobs or work roles. The results of this study also found that LMX mediates the engagement-organizational commitment relationship. Thus, the direct relationship between employee engagement and job satisfaction can also be explained by LMX. Engaged employees are likely to be satisfied with their job not only because of fulfilling, positive work-related experience from engagement, but also because of quality dyadic relationships with supervisors. These relationships mean employees receive preferred work responsibilities and more latitude to do their jobs. Increased freedom to perform their job in addition to more job-related resources support and benefits from their supervisors may help employees to perform

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their job successfully, leading to higher levels of job satisfaction (Liden & Maslyn, 1998; Liden et al., 1997; Uhl-Bien et al., 2000).

However, contrary to the author's expectations and the findings of previous studies (Lee, Park, & Yoo, 1999; MacKeizie, Podsakoff, & Ahearne, 1998), intrinsic rewards were not significantly associated with job satisfaction, indicating intrinsic rewards do not mediate the relationship between employee engagement and job satisfaction, possibly because intrinsic rewards, like a sense of accomplishment or work itself, operate more as a motivator (i.e., antecedent), rather than a consequence of engagement. As noted by Maslach et al. (2001), appropriate recognition and rewards are important to engagement while a lack of rewards and recognition may lead to burnout, the opposite of employee engagement. In the same vein, employees may be more likely to engage themselves at work to the extent that they perceive more rewards and recognition for their performance (Saks, 2006). Thus, we could infer that employee engagement and intrinsic rewards exert effects on each other (i.e., bi-directional), but, as a motivator, the effect of intrinsic rewards on employee engagement was greater than the effect of employee engagement on intrinsic rewards.

Relationships between employee engagement and organizational commitment

This study found a direct relationship between employee engagement and affective organizational commitment, confirming the findings of previous studies (e.g., Saks, 2006; Schaufeli & Bakker, 2004; Sonnentag, 2003). Thus, those employees who are engaged in their jobs also are likely to be committed to their employing organizations. This study also revealed that this relationship can be established in two indirect ways: through LMX and/or job satisfaction. Finding these indirect relationships supports the social exchange theory, which posits that an individual who receives a benefit from another reciprocates, providing something beneficial in return (Cohen, 1999; Gouldner, 1960). Engaged employees with high levels of job satisfaction, which stem from positive experiences on the job (i.e., job engagement), may attribute those enjoyable, fulfilling feelings to the support of their organization, developing a feeling of both appreciation and obligation towards their organization. Thus, highly satisfied employees would exhibit a stronger attachment to their organization (Cropanzano & Mitchell, 2005; DeConinck & Bachmann, 1994; Lam & Zhang, 2003). In addition, from the perspective of the LMX relationship, the theory of personification can explain the relationship between

employee engagement and organizational commitment. Engaged employees working in high quality LMX relationships may have strong, positive beliefs about their supervisor for his/her dyadic support and trust. This positive belief may extend to the organization, facilitating affective attitudinal response toward the organization to the extent that employees believe their supervisor acts on behalf of the organization as an agency of the organization.

Theoretical Implications of the Study

Despite the volume of practical literature on the effects of employee engagement, very little academic research has tried to unravel the relationship mechanism explaining how employee engagement predicts outcome variables (e.g., Saks, 2006; Salanova et al., 2003; Schaufeli & Bakker, 2004). By filling this gap, this study provides a valuable contribution to the literature on employee engagement in the hotel workplace.

First, the present study examined the positive effects of employee engagement on several key job-related consequences. Thus, the results of this study provide evidence that employee engagement is both a practically and theoretically meaningful construct worthy of further research. Given that only a few determinants have been revealed by extant research and other predictors might also be important for employee engagement, one avenue to consider for future research would be a broader range of potential determinants linked to work engagement. For example, organizational inflexibility (the extent to which the organization strictly adheres to organizational rules and procedures) might be important in accounting for employee engagement in hotels because among hotel employees, customer service engagement can be subject to the organization's display rules (i.e., organizational requirements/standards for emotional display of service employees to customers, Hochschild, 1983).

Second, this study considered two possible mediators of employee engagement (i.e., intrinsic rewards and LMX) and integrated them into the employee engagement-job satisfaction/organizational commitment relationship model to more comprehensively and theoretically evaluate the impact of employee engagement on outcome variables like job satisfaction and affective organizational commitment. This allowed the author to empirically examine the significant mediating effects of LMX on the two outcomes of employee engagement in a hotel setting. Thus, the present study builds an extensive and integrative path model, clarifying the process of how employee engagement leads to job satisfaction and organizational

commitment. Along these lines, the present study suggests a need for additional empirical research on potential key mediating mechanisms best account for outcome variables.

Third, this study used Blau's (1964) social exchange theory and thus included the exchange relationship between engaged hotel employees and their supervisors as an explanatory factor for the direct relationship with employee engagement. The results of this study revealed the mediating effect of LMX on both job satisfaction and affective organizational commitment. The findings were consistent with prior studies using social exchange theory as a theoretical framework (e.g., Houkes et al., 2001; Saks, 2006; Schaufeli & Bakker, 2004) and therefore clearly confirmed the generalizability of the social exchange theory to the hotel setting.

Finally, examining the mediating effects of intrinsic rewards on the employee engagement-job satisfaction relationship produced unexpected results, which has further theoretical implications. According to previous research (e.g., Lawler, 1969; Hackman & Lawler, 1971), people tend to be satisfied with their jobs if performing the job results in intrinsically meaningful outcomes. This indicates that intrinsic rewards as a result of task performance are a main predictor of job satisfaction (i.e., employee engagement – intrinsic rewards – job satisfaction). However, the results of this study suggested that intrinsic rewards were not a significant predictor of job satisfaction when employee engagement was included in the model; this implies that what accounts for job satisfaction may not be intrinsic rewards, but engaging in the job itself. Thus, we could infer that intrinsic rewards might (1) be inherent to engagement (i.e., intrinsic rewards/employee engagement → satisfaction) and/or (2) serve more as a motivator of employee engagement than as a byproduct of employee engagement (i.e., intrinsic rewards → employee engagement → satisfaction). This evidence establishes meaningful links for future research on the relationship between employee engagement and job satisfaction.

Managerial Implications of the Study

Although this study was primarily intended to investigate a theoretical relationship model to confirm the findings of previous studies, the results of this study have practical implications. The present study revealed that all the tested outcome variables were predicted by employee engagement. Because all the outcome variables in this study are associated with further important job-related attitudinal/behavioral variables like in-role service behavior, organizational

citizenship behavior, workplace deviant behavior, and withdrawal behavior (Cherniss, 1980; Mount, Ilies & Johnson, 2006; Netemeyer, Boles, McKee, & McMurrian, 1997; Shapiro, Kessler, & Purcell, 2004; Williams & Hazer, 1986), employee engagement can be considered to be one of the organizational strategic priorities for organizational success. Thus, the results of this study support the need among hotel operators to develop and implement new human resources strategies to deal with ongoing labor shortage and customer demands of "seeking value for money" (Olsen, West, & Tse, 2008); the results of this study suggest that one strategy would be cultivating and supporting employee engagement.

In addition, and most notably, this study found that LMX was a common mediator linking employee engagement both with job satisfaction and affective organizational commitment. This finding suggests that for employees with high levels of engagement, satisfaction can depend on their relationship with their supervisor. That is, in the context of this study, organizations wanting to improve engaged employees' job satisfaction and attachment to the organization may focus on encouraging supervisors to establish and maintain a trust-based relationship with engaged employees. Providing engaged employees with more support, caring for and helping engaged employees, removes barriers that could prevent individual job satisfaction. This may ultimately cause employees to reciprocate by committing to the organization. These dyadic relationships should be considered in selecting and hiring new employees or organizing a team structure in an organization. The quality of supervisors' relationship with their employees should also be included as a criterion for performance appraisal of supervisors.

Limitations and Suggestions for Future Research

Several limitations associated with the present study need to be acknowledged.

First, the findings of the present study do not imply causality; the data were collected at one point in time. Although structural equation modeling analysis used in this study provides information about the possible direction of the relationships among the variables, the cross-sectional design of the study does not allow one to draw firm conclusions about causal relationships among studied variables. Thus, for future research, longitudinal designs or cross-lagged model testing could validate the findings of this study over time and provide insights on causal relationships.

Second, the findings of this research were based exclusively on the data collected using self-report questionnaires, so another concern with the findings is the possibility that responses might have been affected by the social desirability response bias, a response bias due to individuals' tendency to answer questions so that they will be viewed favorably by others (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Although some researchers argue that the best way to measure perceptual variables of how people view, feel about, and respond to their jobs is through self-report (e.g., Howard, 1994; Schmitt, 1994; Spector, 1994), the influence of same-source variance on these results cannot be completely ruled out. Therefore, future research should use a combination of sources.

Another limitation in this study concerns the generalizability of the findings. The data for this study were collected from hotel employees and managers working in hotels in the United States. Thus, the findings of this study may not generalize to other hospitality contexts or other cultures; research in other settings or geographical areas might yield different results. Thus, replicating this study in different settings would be worthwhile to establish the validity and generalizability of the present findings across different contexts.

The author did not directly contact respondents for data collection, relying on hotel managers and executives in the sampling frames to distribute the questionnaires to a broad range of employees in their hotels. Therefore, the data collection practice may have caused potential selection bias or non-response bias, especially if managers and executives did not distribute the questionnaires according to the author's instructions (Blair & Zinkhan, 2006). However, the author conducted a time-trend extrapolation test to verify if key results differed between early and late respondents (Armstrong & Overton, 1977) and found that non-response bias did not significantly affect the findings of this study.

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Chapter 6 - Summary and Conclusions

Within the last decade, employee engagement has emerged as one way for an organization to create a competitive edge. Especially, in the hospitality industry, employee engagement is critical because service excellence depends largely on employee attitudes and behaviors. In spite of its importance, however, what best predicts optimal employee engagement and the attitudinal consequences that employee engagement may produce remains elusive because academic research has only very recently begun to study work engagement (Saks, 2006; Simpson, 2009). Therefore, the purpose of this study was to answer the following research questions:

- "What predicts employee engagement?"
- "What are the consequences of employee engagement?"
- "How are those consequences interrelated with job satisfaction and organizational commitment?"

Based on these research questions, the specific objectives of this study were to investigate the direct and interaction effects of core self-evaluation and psychological climate on employee engagement based on Kahn's three psychological conditions theory (1990) and the job demands-resources (JD-R) model. Based on Herzberg's two-factor motivation theory (1959) and Blau's social exchange theory (1964), this study also investigated the direct associations of employee engagement with four outcome variables: job satisfaction, affective organizational commitment, intrinsic rewards, and leader-member exchange (LMX). This study also tested the indirect relationships of employee engagement with job satisfaction and affective organizational commitment through the mediation effects of intrinsic rewards and LMX.

Hotel employees and managers were surveyed in the United States, and data from 394 employees and managers were statistically analyzed using hierarchical multiple regression and structural equation modeling to test the hypothesized relationships. All research questions were answered.

This chapter has four parts. In the first part, the study findings are summarized. In the second part, conclusions are drawn based on the results. Next implications of the research findings are presented in light of related theories and practices in the hotel industry. Limitations

of the present study and suggestions for future research are presented in the final section of the chapter.

Major Findings

Study 1 investigated predictors of employee engagement, more specifically, how employees' perceptions of the self and work environment affect their engagement in the job. In study 1, three hypotheses were proposed. To test the hypothesized relationships, hierarchical multiple regression was conducted.

Results of hierarchical regression analyses showed that core self-evaluations were found to have a significant relationship with employee engagement. All three psychological dimensions (i.e., managerial support for service, interdepartmental service, and team communication) were found significantly, positively associated with employee engagement. However, none of the interaction terms between core self-evaluations and psychological dimensions was found to have significant interaction effect with core self-evaluations on employee engagement. Table 6.1 summarizes the results of hypothesis test in Study 1.

Table 6.1 Results of Hypothesis Test in Study 1

	Hypothesis	Result
H1	Employees' core self-evaluations are positively related to their engagement.	Significant
H2	Employees' psychological climate is positively related to their engagement.	Significant
H3	Employees' psychological climate moderates the relationship between core self.	Non-significant

Study 2 investigated consequences of employee engagement, particularly examining how employee engagement relates to intrinsic rewards, LMX, job satisfaction, and organizational commitment. In study 2, eight hypotheses were proposed. To test the hypothesized relationships, structural equation modeling was conducted.

Results of the structural equation modeling found that employee engagement has positive, direct relationships with all outcome variables. However, results of the structural equation modeling failed to find the proposed positive relationship between intrinsic rewards and job satisfaction. Accordingly, the mediating effect of intrinsic rewards on the relationship between employee engagement and job satisfaction was not found significant. In turn, results of

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the study found that employee engagement is positively associated with organizational commitment through LMX. Table 6.2 reports the results of hypothesis test in Study 2.

Table 6.2 Results of Hypothesis Test in Study 2

	Hypothesis	Result
H4a	Employee engagement is positively associated with job satisfaction.	Significant
H4b	Employee engagement is positively related to intrinsic rewards.	Significant
H4c	Intrinsic rewards are positively related to job satisfaction.	Non-significant
H4d	Intrinsic rewards mediate the relationship between employee engagement and job satisfaction.	Non-significant
H5a	Employee engagement is positively related to organizational commitment.	Significant
H5b	Employee engagement is positively related to LMX.	Significant
H5c	LMX is positively related to organizational commitment.	Significant
H5d	LMX mediates the relationship between employee engagement and organizational commitment.	Significant

In addition to the study hypotheses in Study 1 and 2, results of this study revealed additional indirect relationships. Employee engagement showed statistically significant indirect effect on job satisfaction through LMX. Second, employee engagement also had statistically significant indirect relationship with organizational commitment through job satisfaction. Finally, job satisfaction mediates the relationship between LMX and organizational commitment.

Conclusions

Relationship between Core Self-Evaluations and Employee Engagement

Core self-evaluation was significantly associated with employee engagement. This finding supports Kahn's (1991) three psychological condition theory, which posits that employees show engagement when they are assured of psychological meaningfulness, safety, and availability in performing their jobs or roles. Therefore, employees who have positive self-regard (i.e., self-esteem) may set high work goals, find the accomplishment of those goals worthwhile, and accordingly engage in their job, seeking meaningfulness from achievement. Also, employees who consider themselves optimistic or confident (i.e., internal locus of control and generalized self-efficacy) are less likely to see their jobs as demanding and are more likely to interpret jobs and environment as both challenging and enjoyable with high anticipation of success. These individuals are more willing to invest themselves in their work.

Relationship between Psychological Climate and Employee Engagement

Employee psychological climate is an also significant predictor of engagement. In particular, employee perceptions of managerial support for service, interdepartmental service, and team communication had a positive influence on engagement. This finding supports the JD-R model, which posits that favorable organizational work environment may function as a job resource that mitigates job demands and motivates employees, enhancing their willingness to dedicate themselves to their job (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). Therefore, hotel employees who believe their management is committed to providing customers with quality service or provides good support for employees performing service are more likely to become engaged in their jobs. Hotel employees are also likely to engage in their jobs and roles when they have smooth, systematic delivery of internal service and harmonious communication among employees in and across teams and departments.

Interaction Effect of Core Self-Evaluations and Psychological Climate on Employee Engagement

Because the interaction effects of core self-evaluations and psychological climate had no significant effect on employee engagement, positive perceptions of work environment may not necessarily increase core self-evaluation and thus the level of engagement even if employees with positive core self-evaluation work in a favorable work environment.

Direct and Indirect Relationships between Employee Engagement and Job Satisfaction

Employee engagement is positively related to employee job satisfaction. This result is consistent with previous research (e.g., Saks, 2006; Schaufeli & Bakker, 2004; Sonnentag, 2003). Thus, engaged employees are likely to be satisfied with their jobs because they experience positive, fulfilling work-associated affectivity when engrossed in their jobs.

This direct relationship can also be made through LMX. Thus, engaged employees are likely to be satisfied with their job not only because they feel fulfilled, but also because they have a high quality, dyadic relationship with their supervisors. Engaged employees who form a high quality LMX relationship with their supervisor may interact with their supervisor based on strong dyadic bond and accordingly receive preferred work responsibilities and more latitude to do their jobs. Increased freedom to perform their job in addition to more job-related resources

supports, and benefits from their supervisors may help employees to perform their job successfully, leading to higher levels of job satisfaction (Uhl-Bien, Graen, & Scandura, 2000).

Direct and Indirect Relationships between Employee Engagement and Organizational Commitment

Employee engagement has a direct relationship with affective organizational commitment. Thus, engaged employees are likely to be committed to their organizations. This result confirms the findings of previous studies of the social exchange theory (e.g., Saks, 2006; Schaufeli & Bakker, 2004; Sonnentag, 2003).

The relationship between employee engagement and organizational commitment can be established in two indirect ways through job satisfaction and LMX, which again confirms the social exchange theory. First, engaged employees with high levels of job satisfaction may attribute those enjoyable, fulfilling feelings to the support from their organization, developing a feeling of both appreciation and obligation towards their organization for its support and benefits. Highly satisfied employees accordingly increase their commitment and attachment to their organization (Cropanzano & Mitchell, 2005; DeConinck & Bachmann, 1994; Lam & Zhang, 2003).

Second, engaged employees working in high quality LMX relationships may over time develop a strong, positive belief in their supervisor's dyadic support and trust. This positive belief may extend to the organization. Thus, good employee-manager relationships help employees create an affective attitudinal response toward the organization because they believe their supervisor acts on behalf of the organization as an agency of the organization.

Implications

Practical Implications

Although not all tested hypotheses were supported, this study contributes to both practice and theory. First, employees' positive core self-evaluations are often the most important determinant in their own engagement with work. This finding suggests that hotel organizations should adapt their selection process to recruit and hire applicants who possess personality traits that indicate greater proclivity for engagement on the job. Hotel organizations should also strive

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to create or increase current employees' self-efficacy, self-esteem, self-beliefs, and optimism, as these personality components create or increase core self-evaluations and engagement.

Empowerment, providing opportunities to learn, and implementing development programs are effective ways to help employees experience success and build confidence (Bandura, 1997). Also, consistently treating their employees with respect, making employees feel valued and cared for may help boost employee self-esteem. Inviting and using employees' thoughts and ideas in operational decision-making, incorporating their suggestions, and appreciating their input and contributions would help employees feel a sense of belonging, thereby enhancing their engagement.

Second, the results of this study suggest that employees with positive core self-evaluations have high levels of engagement because they find doing their jobs psychologically meaningful and safe, considering themselves capable of completing the job. Thus, organizations wishing to improve employee engagement should focus on making employees feel that their work is worthwhile, adding value to the organization as a whole. Job enrichment and job enlargement could convey the sense that employees are doing more than a simple job (Robbins, 1998). Building an organizational environment of trust and support may also increase a feeling of safety among employees and thus help them feel comfortable and immersed in their jobs.

Third, this study found that hotel employees tend to become engaged if they believe management provides quality support for the job, borderless services from other departments, and adequate information within the team. Therefore, hotel organizations should strive to develop and maintain an integrative and resourceful work environment with strong service-orientation. Managerial actions that allow employees access to the necessary materials, manuals, tools, and information to give them working conditions may eliminate unnecessary barriers to getting work done (Schaufeli & Salanova, 2007).

Fourth, the findings of this study indicate the importance of borderless interdepartmental services and team communication in generating employee engagement. Because hotel service jobs are best performed when staff members work well with other departments, seamless support and backup within/across departments are crucial. Thus, management should build an integrative, supportive corporate culture where all employees and the firm as a whole can work in trust, respect, and cooperation and commitment to a common professional goal. Aligning individual goals with organizational goals, developing systematic operation procedures that

encourage sharing, interdependence, and esprit de corps, encouraging positive and collaborative working relationships, resolving conflicts and building rapport quickly when problems arise, and implementing upward, downward, or horizontal cross-training opportunities may all foster interdepartmental support and employee engagement.

Fifth, the present study revealed that employee engagement positively predicts all outcome variables: intrinsic rewards, LMX, job satisfaction, and organizational commitment. These outcome variables are major determinants of many job-related attitudinal/behavioral variables like in-role service behavior, organizational citizenship behavior, workplace deviant behavior, and withdrawal behavior (Cherniss, 1980; Mount, Ilies & Johnson, 2006; Netemeyer, Boles, McKee, & McMurrian, 1997; Shapiro, Kessler, & Purcell, 2004; Williams & Hazer, 1986). Thus, employee engagement can be considered to be one of the organizational strategic priorities for organizational success. Hotel organizations should, therefore, focus on cultivating and supporting employee engagement in the workforce as a priority.

Finally, this study found that LMX was a common mediator linking employee engagement both with job satisfaction and affective organizational commitment. This finding suggests that for employees with high levels of engagement, job satisfaction and commitment to the organization may depend on their relationship with their supervisor. Thus, organizations that want engaged employees who are satisfied with their jobs and attached to their organization should encourage supervisors to establish and maintain trust with engaged employees. Providing engaged employees with more support, caring and helping engaged employees remove barriers that can potentially prevent them from achieving individual job satisfaction, may ultimately cause employees to reciprocate with higher levels of commitment to the organization. Selecting and hiring new employees or organizing a team structure in the organization requires consideration of potential dyadic relationships between employees and supervisors.

Theoretical Implication

This study used Kahn's three psychological conditions theory to propose a relationship between psychological climate and employee engagement. This study also used the JD-R model to illuminate the relationship between psychological climate and employee engagement. The results of this study were consistent with previous research using both theory and model for theoretical underpinning. The JD-R model was only recently introduced to the academic

community as part of an emerging research trend called positive psychology (a branch of psychology that emphasizes human strengths and optimal functioning; Bakker & Demerouti, 2007; Luthans, 2002; Seligman & Csikszentmihalyi, 2000), and the findings of this study provide empirical evidence of positive organizational behavior concepts.

Despite the amount of practical literature on the effects of employee engagement on organizations, very little academic research has been able to explain how employee engagement predicts outcome variables (e.g., Saks, 2006; Salanova, Llorens, Cifre, Martínez, & Schaufeli, 2003; Schaufeli & Bakker, 2004). By filling this gap, this study provides a valuable contribution to the literature on employee engagement in the hotel workplace.

This study considered two possible mediators of employee engagement (i.e., intrinsic rewards and LMX) and integrated them into the employee engagement-job satisfaction/organizational commitment relationship model to more comprehensively and theoretically evaluate the impact of employee engagement on outcome variables (i.e., job satisfaction and affective organizational commitment). This allowed the author to empirically examine the significant mediating effects of LMX on the two outcomes of employee engagement in a hotel setting. Thus, the present study builds an extensive and integrative path model, clarifying the process of how employee engagement leads to job satisfaction and organizational commitment. Additional empirical research may be needed on potential key mediating mechanisms that influence employee engagement and on the types of mediators that best account for outcome variables.

This study used Blau's (1964) social exchange theory and thus included exchange relationship between engaged hotel employees and their supervisor to help explain the direct relationship of employee engagement. The results of this study revealed the mediating effect of LMX on both job satisfaction and affective organizational commitment. The findings were consistent with prior studies that used the social exchange theory as a theoretical framework (e.g., Houkes, Janssen, De Jonge, & Nijhuis, 2001; Saks, 2006; Schaufeli & Bakker, 2004) and clearly confirmed the generalizability of the social exchange theory to the hotel setting.

Limitations and Suggestions for Future Research

One limitation of this study is its cross-sectional design. Because data for this study were collected from individual respondents at a single point in time, the causal relationships between

the variables are prone to biases (Bobko & Stone-Romero, 1998). Therefore, future research should use longitudinal designs and or cross-lagged model testing to further validate the relationships found in this study; such longitudinal studies would allow stronger causal inferences.

Moreover, the findings of this research were based exclusively on data collected using self-report questionnaires, so another concern with the findings is the possibility that responses may have been affected by the social desirability response bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Although some researchers argue that the best way to measure respondents' subjective state of mind, disposition, or attitude is through self-reporting (e.g., Howard, 1994; Schmitt, 1994; Spector, 1994; Wallbott & Scherer, 1989), the influence of same-source variance on these results cannot be completely ruled out. Therefore, future research should use a combination of sources.

Furthermore, the data for this study were collected from a mixed group of hotel line-employees and managers working in hotels in the United States. Thus, the findings may not generalize to other hospitality contexts or other cultures; research in other settings or geographical areas might yield different results. In this regard, replicating this study in different settings would be worthwhile to establish the validity and generalizability of the present findings across different contexts.

Moreover, the author relied on hotel managers and executives in the sampling frames to distribute questionnaires to a broad range of employees in their hotels. Such a data collection practice might have caused potential biases like selection bias or non-response bias, if the managers and executives did not distribute the questionnaires according to the author's instructions (Blair & Zinkhan, 2006). However, the author did conduct a time-trend extrapolation test to verify if the key results differed between early and late respondents (Armstrong & Overton, 1977) and found that non-response bias did not significantly affect the findings.

A final limitation involves the limited measure of psychological climate in Study 1. As previously noted, psychological climate is a multidimensional construct that may reflect many different aspects of organizations because it includes individual employees' perceptions of virtually every aspect of their work environment (James & James, 1989; Koys & DeCotiis, 1991). However, the present study selected four dimensions of psychological climate from the hospitality literature. Although it was intended to reflect hospitality work and organization with

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maximum validity, the four dimensions may not sufficiently represent employee perceptions of the hotel work environment. Therefore, further research could include additional dimensions to determine the direct and moderating effects of psychological climate influencing employee engagement. In addition, the relative contribution of different psychological climate dimensions in determining employee engagement should also be investigated because this may provide more specific information about employee perceptions of the organizational environment and how that perceptions increase their engagement.

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Appendix A - Survey Invitation Email

November 11, 2011

K·STATE
Kansas State University®

Department of Hospitality Management and Dietetics
104 Justin Hall
Manhattan, KS 66506–1404
785-532-5521
Fax: 785-532-5522

Dear

My name is Jay Lee and I am a Ph.D. candidate at the Department of Hospitality Management and Dietetics in Kansas State University. I really appreciate your help in my previous survey last year!

I am sending this email to seek a valuable help from you again in regards to my dissertation research survey I am currently conducting.

May I please ask you to take 5-10 minutes to encourage your employees to participate in this survey? Simply forwarding the survey website, https://surveys.ksu.edu/TS?offeringid=187749, to your employees would be perfectly helpful and greatly appreciated. As a token of my appreciation, a $5 Starbucks or Walmart gift card will be mailed to the first 350 individual respondents upon completion of the survey.

The purpose of my dissertation research is to investigate the determinants and outcomes of work engagement among hotel employees. The specific purpose of the research is to examine whether hotel employees' fundamental evaluation of themselves and their perceptions of the work environment influence their engagement at work. My study also will examine whether employee engagement leads to job satisfaction, organizational commitment, and intrinsic rewards as well as examining the quality of the relationship between employee and supervisor.

Your support is very valuable to this research because this research aims to provide hospitality practitioners with important understanding and insights about hospitality human resources management.

All the responses and personal information of respondents in this study will remain strictly confidential.

For any questions, please feel free to contact me at jkstate@gmail.com.

Thank you!

Jay Lee
Ph.D. Candidate
Dept. of Hospitality Management & Dietetics

Appendix B - Survey Questionnaire

AXIO SURVEY

Determinants and Outcomes of Employee Engagement

Survey Description:

We are conducting a dissertation research project investigating the determinants and outcomes of work engagement among hotel employees. The specific purpose of the research is to examine whether hotel employees' fundamental evaluation of themselves and their perceptions of the work environment influence their engagement at work. This study also will examine whether employee engagement leads to job satisfaction, organizational commitment, and intrinsic rewards as well as examining the quality of the relationship between employee and supervisor. The result of this study will provide the hospitality industry with meaningful human resources insights and strategies.

Opening Instructions:

As a respondent of the survey, your responses are very valuable to this research. It should take about 10 minutes to complete this survey. Your participation is strictly voluntary. Refusal or stop participating at any time will involve no penalty. Submission of a completed questionnaire indicates your willingness to participate. You must be at least 18 years of age to participate.

As a token of our appreciation, we will send you a $5 gift card if you provide us with your name and mailing address at the link provided at the end of this survey. Your name and contact information will be stored separately from your response so that your response will remain anonymous. You will also have an option not to provide your personal information if you want to do so. All responses will remain confidential. No individual responses will be shared. Only aggregate responses will be reported. A summary of results will be available at K-state Research Exchange (http://krex.k-state.edu/dspace/) when the study is finalized.

This study has been approved by the committee for Research Involving Human Subjects on October 17, 2011 at Kansas State University. If you have any question regarding this study, please feel free to contact me at 785-532-2211 or Dr. Chihyung Ok at 785-532-2207. For questions about your rights as a participant or the manner in which the study is conducted, you may contact Dr. Rick Scheidt, Chair of the Committee on Research Involving Human Subjects, (785) 532-3224, 203 Fairchild Hall, Kansas State University, Manhattan, KS 66506

Next ⟩

AXIO SURVEY

Determinants and Outcomes of Employee Engagement

Page 1 : Work Engagement

Question 1 ** *required* **

The following set of statements asks about your engagement at work. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Never - 7: Always). Your answer will remain confidential and information about you will not be identified in any way.

1 - Never | 2 - Almost never | 3 - Rarely | 4 - Sometimes
5 - Often | 6 - Very Often | 7 - Always

	1	2	3	4	5	6	7
1.1 At my work, I feel energetic.	○	○	○	○	○	○	○
1.2 At my job, I feel strong and vigorous.	○	○	○	○	○	○	○
1.3 When I get up in the morning, I look forward to going to work.	○	○	○	○	○	○	○
1.4 My job inspires me.	○	○	○	○	○	○	○
1.5 I am enthusiastic about my job.	○	○	○	○	○	○	○
1.6 I am proud of the work that I do.	○	○	○	○	○	○	○
1.7 I feel happy when I am working intensely.	○	○	○	○	○	○	○
1.8 I am engrossed in my work.	○	○	○	○	○	○	○
1.9 Time flies when I am working	○	○	○	○	○	○	○

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Page 2 : Self Evaluations

Page 2 out of 8

Question 2 ** required **

The following set of statements asks about your personal traits in terms of worthiness, capability, and functionality as a person. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Strongly disagree - 7: Strongly agree). Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
2.1 I am confident I get the success I deserve in life.	○	○	○	○	○	○	○
2.2 Sometimes I feel depressed.	○	○	○	○	○	○	○
2.3 When I try, I generally succeed.	○	○	○	○	○	○	○
2.4 Sometimes when I fail I feel worthless.	○	○	○	○	○	○	○
2.5 I complete tasks successful.	○	○	○	○	○	○	○
2.6 Sometimes I do NOT feel in control of my work.	○	○	○	○	○	○	○
2.7 Overall, I am satisfied with myself.	○	○	○	○	○	○	○
2.8 I am filled with doubts about my competence.	○	○	○	○	○	○	○
2.9 I determine what will happen in my life.	○	○	○	○	○	○	○
2.10 I do NOT feel in control of my success in my career.	○	○	○	○	○	○	○
2.11 I am capable of coping with most of my problems.	○	○	○	○	○	○	○
2.12 There are times when things look pretty bleak and hopeless to me.	○	○	○	○	○	○	○

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Page 3 : Service Environment of My Organization

Page 3 out of 8

Question 3 ** required **

The following set of statements asks about your perception of your work environment. Using a 7-scale below (1: Strongly disagree - 7: Strongly agree), select the number that most describes how often, if ever, you have experienced these feelings. Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
3.1 My organization does a good job keeping customers informed of changes that affect them.	○	○	○	○	○	○	○
3.2 Top management in my organization commits resources to maintaining and improving the quality of our work.	○	○	○	○	○	○	○
3.3 Top management in my organization has a plan to improve the quality of our work and service.	○	○	○	○	○	○	○
3.4 Managers in my organization are very committed to improving the quality of my work.	○	○	○	○	○	○	○
3.5 Managers in my organization recognize and appreciate high quality work and service.	○	○	○	○	○	○	○
3.6 Managers in this organization remove obstacles which prevent me from producing high quality work and service.	○	○	○	○	○	○	○
3.7 Other departments provide quality service to my unit.	○	○	○	○	○	○	○
3.8 Other departments provide speedy service to my unit.	○	○	○	○	○	○	○
3.9 Other departments keep commitment they make.	○	○	○	○	○	○	○
3.10 People in my work unit/team/department are adequately trained to handle the introduction of new products and services.	○	○	○	○	○	○	○
3.11 I have access to strategic information I need to do my job well.	○	○	○	○	○	○	○
3.12 I understand management's vision of our organization.	○	○	○	○	○	○	○
3.13 My work unit/team/department asks our customers to evaluate the quality of our work and service.	○	○	○	○	○	○	○

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Page 4 : Job Satisfaction

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Question 4 ** *required* **

The following set of statements asks about how much you are satisfied with your job. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Strongly disagree - 7: Strongly agree). Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
4.1 All in all, I am satisfied with my job.	○	○	○	○	○	○	○
4.2 In general, I like working at my organization.	○	○	○	○	○	○	○
4.3 In general, I do NOT like my job.	○	○	○	○	○	○	○

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Page 5 : Personal Attachment to My Organization

Page 5 out of 8

Question 5 ** required **

The following set of statements asks about your personal attachment to your organization. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Strongly disagree - 7: Strongly agree). Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
5.1 I would be happy to work at my organization until I retire.	○	○	○	○	○	○	○
5.2 Working at my organization means a great deal to me personally.	○	○	○	○	○	○	○
5.3 I really feel that problems faced by my organization are also my problems.	○	○	○	○	○	○	○
5.4 I feel personally attached to my work organization.	○	○	○	○	○	○	○
5.5 I am proud to tell others I work at my organization.	○	○	○	○	○	○	○
5.6 I feel a strong sense of belonging to my organization.	○	○	○	○	○	○	○

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Page 6 : Rewards from My Job and Organization
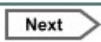
Page 6 out of 8

Question 6 ** required **

The following set of statements asks about intrinsic or extrinsic rewards you may receive from your work or organization. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Strongly disagree - 7: Strongly agree). Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
6.1 When I do my work well, it gives me a feeling of accomplishment.	○	○	○	○	○	○	○
6.2 When I perform my job well, it contributes to my personal growth and development.	○	○	○	○	○	○	○
6.3 I feel a great sense of personal satisfaction when I do my job well.	○	○	○	○	○	○	○
6.4 Doing my job well increases my feeling of self-esteem.	○	○	○	○	○	○	○
6.5 When I do my work well, I receive a higher salary or pay raise.	○	○	○	○	○	○	○
6.6 When I do my work well, I receive a bonus/tip/reward.	○	○	○	○	○	○	○
6.7 When I do my work well, I receive increased promotion opportunities.	○	○	○	○	○	○	○
6.8 When I do my work well, I receive increased job security.	○	○	○	○	○	○	○

Next >

Page 7 : Relationship with My Supervisor

Page 7 out of 8

Question 7 ** required **

The following set of statements asks about the quality of your relationship with your immediate supervisor. Please read the following statements carefully and select the number that best reflects your level of agreement using a 7-point scale below (1: Strongly disagree - 7: Strongly agree). Your answer will remain confidential and information about you will not be identified in any way.

1 - Strongly disagree | 2 - Disagree | 3 - Somewhat disagree
4 - Neutral | 5 - Somewhat agree | 6 - Agree | 7 - Strongly agree

	1	2	3	4	5	6	7
7.1 My supervisor would be personally inclined to help me solve problems related to my work.	○	○	○	○	○	○	○
7.2 My working relationship with my supervisor is effective.	○	○	○	○	○	○	○
7.3 I have enough confidence in my supervisor that I would defend and justify his/her decisions if he or she were not present to do so.	○	○	○	○	○	○	○
7.4 My supervisor considers my suggestions for change.	○	○	○	○	○	○	○
7.5 My supervisor and I are well suited to each other.	○	○	○	○	○	○	○
7.6 My supervisor understands my problems and needs.	○	○	○	○	○	○	○
7.7 My supervisor recognizes my potential.	○	○	○	○	○	○	○

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The purpose of following questions is to gather some basic demographic information on survey participants. Please indicate your response by selecting or filling in the blank. All answers will be kept completely confidential.

Question 8 ** required **

What is your gender?
- ○ Male
- ○ Female

Question 9 ** required **

What is your age group?
- ○ Younger than 20
- ○ 20 - 29
- ○ 30 - 39
- ○ 40 - 49
- ○ 50 or older

Question 10 ** required **

What is the highest level of education you have completed?
- ○ Less than high school
- ○ High School
- ○ 2-year college (e.g., junior college, community college, etc.)
- ○ 4-year college or university
- ○ Post graduate (i.e., Master's or Doctoral degree)

Question 11 ** required **

Please indicate the type of the hotel you are currently working for.
- ○ Budget and economy hotel (e.g., Super 8, Motel 6, Days Inn, Fairfield Inn, etc.)
- ○ Midscale hotel (e.g., Holiday Inn, Best Western, Hampton Inn, Comfort Inn, etc.)
- ○ Upscale hotel (e.g., Hyatt, Marriott, Hilton, Sheraton, etc.)
- ○ Upper upscale hotel (e.g., Ritz-Carlton, Four Seasons, JW Marriott, etc.)
- ○ Other

Question 12 *** required ***

How long have you been working with your immediate supervisor?
○ Less than 1 year
○ 1 year – Less than 2 years
○ 2 years – Less than 3 years
○ 3 years – Less than 4 years
○ 4 years – Less than 5 years
○ 5 years or more

Question 13 *** required ***

How long have you been employed in your current organization?
○ Less than 1 year
○ 1 year – Less than 2 years
○ 2 years – Less than 3 years
○ 3 years – Less than 4 years
○ 4 years – Less than 5 years
○ 5 years or more

Question 14 *** required ***

How long have you been employed in the hospitality industry?
○ Less than 1 year
○ 1 year – Less than 2 years
○ 2 years – Less than 3 years
○ 3 years – Less than 4 years
○ 4 years – Less than 5 years
○ 5 years or more

Question 15 *** required ***

What is your current employment status?
○ Full time
○ Part time

Question 16 *** required ***

What department are you working in?

Characters Remaining: 100

Question 17 *** required ***

What is the title of your position?

Characters Remaining: 100