

# **THE EFFECTS OF HIGH-PERFORMANCE WORK PRACTICES ON CRITICAL PERFORMANCE OUTCOMES: EVIDENCE FROM THE HOTEL INDUSTRY**

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**ABSTRACT:** In this study, the authors propose and test a conceptual model that investigates the joint effects of high-performance work practices on creative performance and service recovery performance at the individual level of analysis. This study was conducted with full-time frontline employees in the four- and five-star hotels in Northern Cyprus. The previously mentioned relationships were tested via structural equation modeling. The results suggest that job security appears to be the most important indicator of high-performance work practices, followed by rewards, selection policies, empowerment, and training. The results further suggest that such indicators of high-performance work practices jointly influence creative performance and service recovery performance. The present study concludes with discussion of the findings and implications for research and practice. **Keywords:** creative performance, high-performance work practices, hotel employees, Northern Cyprus, service recovery performance.

**RESUMEN:** En este estudio, los autores se proponen y testan un modelo conceptual que investiga los efectos conjuntos de prácticas de trabajo de elevado desempeño en la apuesta creativa y de recuperación de servicio al nivel de la análisis individual. El estudio fue realizado con empleados a tiempo integral, que se refieren directamente con clientes, en hoteles de 4 y 5 estrellas en el norte de Chipre. Las relaciones nombradas fueron testadas a través de un modelo de ecuaciones estructurales. Los resultados sugieren que la seguridad en el empleo aparece como el indicador más importante de prácticas de trabajo de elevado desempeño, seguido de recompensas, políticas de selección, atribución de poder (empowerment) y formación. Los resultados sugieren aún que esos indicadores de prácticas de trabajo de elevado desempeño influyen conjuntamente el desempeño creativo y de recuperación de servicio. El presente estudio termina con la discusión de los resultados y sus implicaciones a nivel de la investigación y de la práctica. **Palabras-clave:** desempeño creativo, prácticas de trabajo de elevado desempeño, empleados de hotel, norte de Chipre, desempeño de recuperación de servicio.

**RESUMO:** Neste estudo, os autores propõem-se e testam um modelo conceptual que investiga os efeitos conjuntos de práticas de trabalho de elevado desempenho no desempenho criativo e no desempenho de recuperação de serviço ao nível da análise individual. O estudo foi realizado com funcionários a tempo integral, que lidam diretamente com clientes, em

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hotéis de 4 e 5 estrelas no norte do Chipre. As relações mencionadas foram testadas através de um modelo de equações estruturais. Os resultados sugerem que a segurança no emprego aparece como o indicador mais importante de práticas de trabalho de elevado desempenho, seguido de recompensas, políticas de seleção, atribuição de poder (empowerment) e formação. Os resultados sugerem ainda que esses indicadores de práticas de trabalho de elevado desempenho influenciam conjuntamente o desempenho criativo e o desempenho de recuperação de serviço. O presente estudo termina com a discussão dos resultados e as suas implicações a nível da investigação e da prática. **Palavras-chave:** desempenho criativo, práticas de trabalho de elevado desempenho, funcionários de hotel, norte do Chipre, desempenho de recuperação de serviço.

## INTRODUCTION

Enhancing customer perceptions of service quality has become an important goal of many hospitality companies. In order to achieve such a goal, hospitality managers try to increase employees' knowledge, skills, and abilities by investing in a number of human resource practices. Human resource practices that are performance-enhancing are considered high-performance work practices (HPWPs). Frontline employees (FLEs) with HPWPs can generate new ideas for service improvement and deal with customer requests and complaints successfully by offering novel solutions. With this stated, creativity or creative performance (CP) and service recovery performance (SRP) appear to be important aspects of frontline service jobs (Hon, Chan, & Lu, 2013; Karatepe & Karadas, 2012; Karatepe, Kilic, & Isiksel, 2008).

CP refers to the amount of new ideas generated and novel behaviors displayed by employees in carrying out job-related tasks (Wang & Netemeyer, 2004), while SRP refers to "FLEs' abilities and actions to resolve a service failure to the satisfaction of the customer" (Babakus, Yavas, Karatepe, & Avci, 2003, p. 274). FLEs who are expected to generate new ideas for satisfying customer needs and exhibiting novel behaviors should work in an environment where there are HPWPs. This is also valid for FLEs who are expected to deal with customer requests and complaints effectively.

An examination of the current literature reveals that training, empowerment, rewards, job security, career opportunities, teamwork, selection policies, work-family balance, and participation in decision-making have been shown to be among effective human resource practices (e.g., Carvalho, 2011; Herington, McPhail, & Guilding, 2013; Limpitgul, Jirotmontree, Robson, & Boonchoo, 2013; Moncarz, Zhao, & Kay, 2009; Solnet, Kandampully, & Kralj, 2010). Not surprisingly, there is also evidence that the role of FLEs in the generation of new ideas for service improvement and solution of customer complaints is highly recognized by leading hospitality and travel companies such as The Ritz-Carlton Hotels and Resorts, Singapore Airlines, and Star-

bucks (e.g., Solnet et al., 2010; Wirtz, Heracleous, & Pangarkar, 2008). In short, a number of HPWPs relevant and significant for frontline service jobs should be in place.

Using social information processing (SIP) theory as the theoretical framework (Salancik & Pfeffer, 1978), we propose and test a conceptual model that examines the joint effects of HPWPs on CP and SRP. In our study, selection policies, job security, training, empowerment, and rewards have been selected as the indicators of HPWPs. These relationships are assessed based on data gathered from employee-supervisor dyads in the hotel industry in Northern Cyprus.

Our study contributes to the hospitality management literature in several ways. First, creativity or CP that is related to generation of new or novel ideas for service improvement has been neglected in service research in general (Coelho & Augusto, 2010; Lages & Piercy, 2012) and hospitality research in particular (Hon et al., 2013; Karatepe et al., 2008). Second, there is still a dearth of empirical research regarding the *joint* effects of HPWPs on employee performance outcomes. By recognizing the abovementioned gaps in hospitality research, we investigate the joint effects of HPWPs, as manifested by selection policies, job security, training, empowerment, and rewards, on CP and SRP. Third, the overwhelming majority of the empirical studies in the hospitality management literature are based on self-report data that are prone to common method bias (Line & Runyan, 2012). To minimize such a potential threat, FLEs' CP and SRP are assessed by their supervisors. Finally, the results of our empirical study will delineate useful practical implications for enhancing employees' CP and SRP via HPWPs.

We begin by presenting the conceptual model that demonstrates the hypothesized relationships. Then, we develop the specific hypotheses based on empirical evidence arising from studies in the current literature and SIP theory. This is followed by discussions of the method and the empirical results. We conclude with implications for future research and practice.

## CONCEPTUAL MODEL AND HYPOTHESES

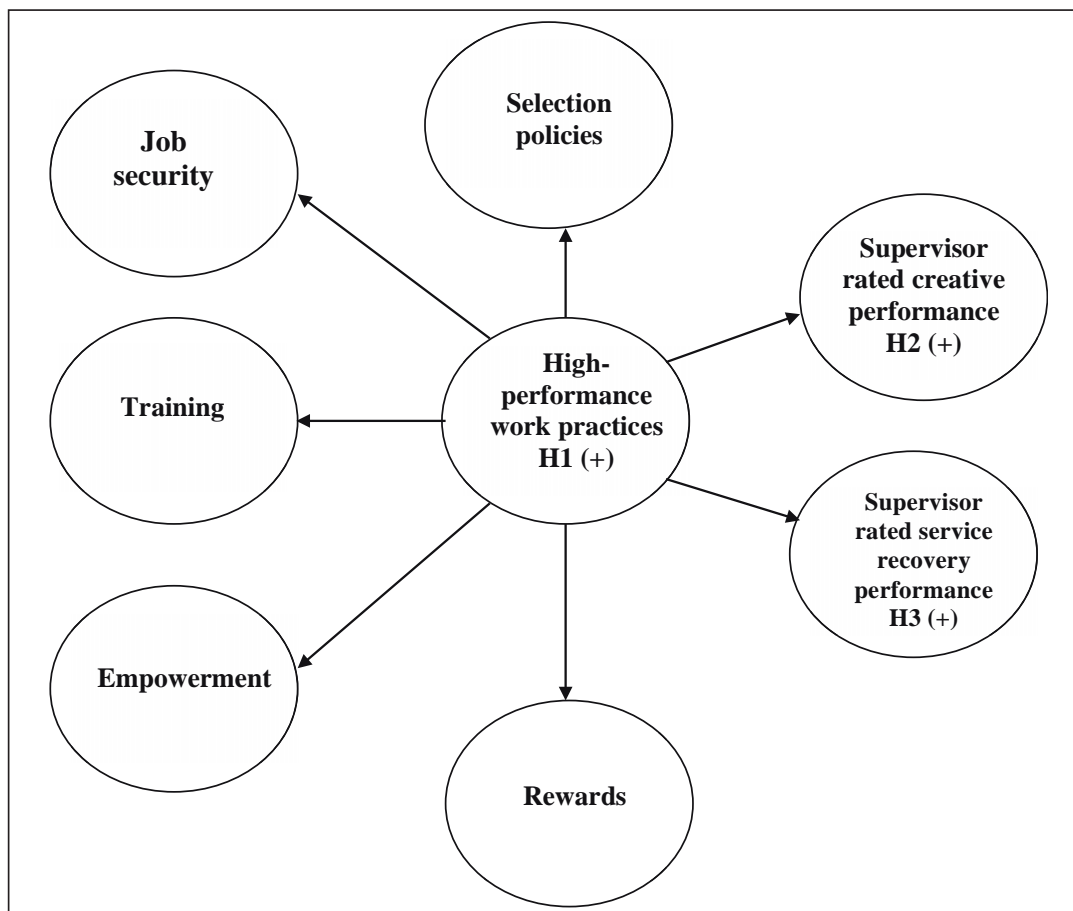
### *Conceptual model*

The conceptual model and hypotheses are shown in Figure 1. As a result of a detailed analysis of the current literature, we propose that selection policies, job security, training, empowerment, and rewards are the indicators of HPWPs relevant and significant for frontline service jobs. We also propose that such indicators of HPWPs jointly affect FLEs' CP and SRP. The aforementioned indicators may be associated

with job satisfaction or job embeddedness (cf. Karatepe, 2013; Sun, Aryee, & Law, 2007). However, we assess the joint effects of these indicators of HPWPs on FLEs' CP and SRP due to the lack of empirical research in the hospitality management literature

### *Hypotheses*

Selection policies that highlight rigorous and selective staffing result in hiring individuals whose personalities, skills, and abilities match with the requirements of frontline service jobs. Utilizing rigorous and selective staffing suggests that hiring the right person who fits well with the immediate demands of frontline service jobs and organizational culture will enable managers to retain a pool of employees who can deliver quality service to customers. A number of conceptual and empirical studies underscore the need for setting high standards for selection (e.g., Collins & Smith, 2006; Hinkin & Tracey, 2010; Karatepe et al., 2008; Karatepe & Vatankhah, 2014; Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010).



**Figure 1. Conceptual Model**

Job security is one of the indicators of HPWPs used in our study. It is really important to offer job security to employees in the hospitality industry, because low job stability and security still remains an issue unresolved (e.g., Chalkiti & Sigala, 2010). Training, empowerment, and rewards are also treated as the indicators of HPWPs. Training, empowerment, and rewards are among the most critical human resource practices in various service settings such as banks (e.g., Boshoff & Allen, 2000; Babakus et al., 2003), hotels (e.g., Karatepe, 2013) and airlines (e.g., Karatepe & Vatankhah, 2014). Leading hospitality and airline companies (e.g., Four Seasons Hotels and Resorts, Singapore Airlines) implement training and re-training continuously in order to enhance employees' knowledge and develop their skills (Solnet et al., 2010; Wirtz et al., 2008). However, a study by Poulston (2008) shows that the hospitality industry is noted for its poor investment in training. Inadequacy in training and re-training leads to a number of problems in the workplace, such as lack of communication, erosion in service standards and increases in customer complaints. With this realization, investment in training and re-training should enable employees to enhance their knowledge, skills, and abilities so that they can exhibit better performance in the workplace.

Empowerment provides FLEs with the responsibility and authority to deal with customer requests and problems quickly without a long chain of command (Babakus et al., 2003). By doing so, managers relinquish a large portion of control in service delivery and the complaint handling processes. However, employees will fail in implementing empowerment without appropriate training programs or without proper rewards (Babakus et al., 2003; Karatepe & Karadas, 2012). Employees' feelings toward their job and organization are stronger when they perceive that managers recognize and reward their success (Chiang & Birtch, 2011). Consequently, when proper rewards are in place, FLEs are motivated to display CP and effective recovery efforts. The previously mentioned HPWPs are also listed among *Fortune's* best companies to work for (Hinkin & Tracey, 2010). Based on the discussion given above, we propose the following hypothesis:

**H1:** Selection policies, job security, training, empowerment, and rewards are significant indicators of HPWPs.

There is empirical evidence that selection policies, job security, training, empowerment, and rewards as the indicators of HPWPs result in affective and behavioral outcomes. For example, Cho, Woods, Jang, and Erdem's (2006) study reported that hospitality companies using pre-employment tests as one of the human resource management practices had lower turnover rates for non-managerial employees. In a study of restaurant employees, Hancer and George (2003) indicated that job security had the highest mean score in job satisfaction. Liang's (2012)



study conducted with frontline hotel employees in Taiwan found that extrinsic work values (e.g., good pay, good job security) were among important factors fostering organizational citizenship behaviors.

Kim, Tavitiyaman, and Kim (2009) reported that training, empowerment, and rewards positively affected in-role performance and extra-role performance via job satisfaction among hotel employees in Thailand. Chiang and Birtch's (2011) study conducted in the hotel industry in Hong Kong indicated that reward climate positively influenced service quality orientation of employees. Yavas, Karatepe, and Babakus (2011) demonstrated that empowerment was positively related to in-role performance among frontline hotel employees in Northern Cyprus. Karatepe and Karadas's (2012) study conducted with FLEs in the hotel industry in Romania also showed that empowerment increased SRP and extra-role customer service, while training enhanced extra-role customer service and rewards triggered SRP. In this study, we focus on CP and SRP as the performance outcomes of HPWPs that have not received much empirical attention in the hospitality management literature.

SIP also presents useful guidelines for developing the relationship between HPWPs and performance outcomes. Specifically, SIP theory contends that "...individuals, as adaptive organisms, adapt attitudes, behavior, and beliefs to their social context and to the reality of their own past and present behavior and situation" (Salancik & Pfeffer, 1978, p. 226). The social environment where individuals work affects their attitudes and behaviors. This is due to the fact that the social environment provides cues about socially acceptable beliefs, attitudes and needs, and acceptable reasons for action (Salancik & Pfeffer, 1978). As argued by Aryee, Walumbwa, Seidu, and Otaye (2012), in such an environment, individuals use cues to interpret organizational events and develop attitudes and behaviors. Individuals who work in an environment where HPWPs are implemented due to management's intent to deliver service quality and care about employees' well-being display effective performance outcomes.

Using guidance provided by SIP theory, we argue that each high-performance work practice will send powerful signals to employees that management of the hotel cares about and supports its employees. Employees with HPWPs can generate new ideas for service improvement, display novel behaviors to solve customer complaints, and respond to customer requests successfully. Based on the precepts of SIP theory and empirical evidence, we propose the following hypotheses:

**H2:** FLEs' perceptions of HPWPs, as manifested by selection policies, job security, training, empowerment, and rewards, will exert a significant positive effect on their CP.

**H3:** FLEs' perceptions of HPWPs, as manifested by selection policies, job security, training, empowerment, and rewards, will have a significant positive impact on their SRP.

## METHOD

### *Sample and Procedure*

We gathered data from full-time FLEs (e.g., front desk agents, food servers, bartenders, guest relations representatives, bell attendants) and their supervisors in the four- and five-star hotels in Northern Cyprus. According to the information received from the Ministry of Tourism, Culture and Environment at the time of our study, there were six 4-star hotels and fifteen 5-star hotels in Northern Cyprus. The research team contacted management of the hotels using a letter that included the purpose of the study and permission for data collection. Management of six four-star and nine five-star hotels agreed to participate in the study. Each frontline employee self-administered the questionnaire, sealed it in an envelope, and placed it in a box. This was deemed necessary for keeping anonymity and confidentiality. Then, the research team collected the questionnaires from this box.

The frontline employee questionnaire included the selection policies, job security, training, empowerment, and rewards measures as well as items about respondents' profile (e.g., age, education). The supervisor questionnaire consisted of the CP and SRP measures. The supervisor questionnaires were matched with the employee questionnaires via the names of employees and identification numbers. Using self-report data is prone to common method bias. In line with the suggestions made by Podsakoff, MacKenzie, Lee, and Podsakoff (2003), FLEs' CP and SRP were assessed by their supervisors.

A total number of 200 questionnaires were distributed to FLEs. One hundred and sixty-five questionnaires were returned, providing a response rate of 82.5%. Twenty-eight supervisors participated in the study to assess FLEs' CP and SRP. The research team was also able to receive 165 questionnaires from supervisors that were matched with the frontline employee questionnaires.

The sample of the study consisted of 105 (64%) male and 60 (36%) female respondents. In terms of educational achievement, seven (4%) respondents had primary school education, while forty-two (26%) respondents had secondary and high school education. The rest had two-year college degrees or better. The sample included seventy-five (46%) respondents who ranged in age from 18 to 27 years, while it consisted of seventy-four (45%) respondents who ranged in age from 28 to 37

years. The rest were older than 37. Ninety-one (55%) respondents were single or divorced, while the rest were married. In terms of organizational tenure, one hundred and twenty-nine (78%) respondents had tenures of five years or less. The rest had been with their hotel for more than five years.

### *Operationalization of Variables*

All items in the frontline employee and supervisor questionnaires were originally prepared in English and then translated into Turkish using the back-translation method (McGorry, 2000). The employee questionnaire was tested with a pilot sample of ten FLEs. The supervisor questionnaire was also tested with a pilot sample of two supervisors. As a result of these pilot studies, there was no need to make changes in the wording of questions.

All items were operationalized using well-established scales in the current literature. These items were also utilized in other recent and past studies (e.g., Babakus et al., 2003; Karatepe, 2013; Karatepe & Vatankhah, 2014; Sun et al., 2007). Items pertaining to the indicators of HPWPs are assessed based on frontline hotel employees' perceptions. A four-item scale taken from Collins and Smith (2006) was used to measure selection policies. Job security was measured through four items received from Delery and Doty (1996). A six-item scale obtained from Boshoff and Allen (2000) was used to operationalize training. Five items adapted from Hayes (1994) were used to operationalize empowerment. Rewards and SRP were measured using items from Boshoff and Allen (2000). Rewards and SRP each included five items. Six items adapted from Wang and Netmeyer (2004) were used to measure CP. Responses to items in selection policies, job security, training, empowerment, rewards, and SRP were rated on five-point scales ranging from 5 (*strongly agree*) to 1 (*strongly disagree*). Responses to items in CP were elicited on a five-point scale ranging from 5 (*almost always*) to 1 (*never*). Higher scores indicated higher levels of each construct (e.g., rewards, SRP).

### *Data Analysis*

We used a two-step approach for assessing the measurement model and structural model (Anderson & Gerbing, 1988). In the first step, the measures were subjected to confirmatory factory analysis (CFA) for a rigorous psychometric assessment of the measures (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). HPWPs were treated as a second-order latent variable. In the second step, the hypothesized relationships were tested through structural equation modeling (SEM).



Composite reliability was assessed via the commonly accepted cut-off value of 0.60 (Bagozzi & Yi, 1988). These analyses were employed using LISREL 8.30 (Joreskog & Sorbom, 1996). According to Kline (2005), 10 to 20 respondents per parameter are likely to lead to an adequate sample size. The sample size of this study meets this criterion. The overall  $\chi^2$  measure, CFI [Comparative fit index], IFI [Incremental fit index], RMSEA [Root mean square error of approximation], and SRMR [Standardized root mean square residual] were used to evaluate model fit.

## RESULTS

### *Measurement Results*

The results of CFA showed a reasonable fit of the seven-factor measurement model to the data based on the following fit statistics: ( $\chi^2 = 798.53$ ,  $df = 539$ ;  $\chi^2 / df = 1.48$ ; CFI = 0.93; IFI = 0.93; RMSEA = 0.054; SRMR = 0.057). As shown in Table 1, all loadings were greater than 0.50. Specifically, the magnitudes of the loadings ranged from 0.51 to 0.93 and all  $t$ -values were significant. The average variance extracted (AVE) by each latent variable, excluding empowerment, was greater than 0.50 (Fornell & Larcker, 1981). Specifically, the AVE by selection policies, job security, training, empowerment, rewards, CP, and SRP was 0.62, 0.51, 0.62, 0.49, 0.75, 0.73, and 0.65, respectively. The AVE by empowerment was slightly below 0.50. Though it was below 0.50, the loadings for empowerment were greater than 0.50.

The AVE by each latent construct was higher than the respective squared correlation between variables, excluding the squared correlation between job security and rewards and between selection policies and job security (Fornell & Larcker, 1981). Therefore, we re-checked discriminant validity via pairwise  $\chi^2$  difference test (Anderson & Gerbing, 1988). The results were significant with  $\chi^2$  difference scores (job security and rewards 63.08,  $p < 0.05$ ; selection policies and job security 50.02,  $p < 0.05$ ). The results were also significant for the rest of pair of constructs.

The results in Table 1 indicated that composite reliabilities for selection policies, job security, training, empowerment, rewards, CP, and SRP were 0.87, 0.80, 0.91, 0.82, 0.94, 0.94, and 0.90, respectively. That is, composite reliability for each latent variable was above 0.60 (Bagozzi & Yi, 1988). The results collectively revealed that the measures were reliable and had convergent and discriminant validity (Anderson & Gerbing, 1988; Bagozzi & Yi, 1988; Fornell & Larcker, 1981).

**Table 1. Scale Items and Confirmatory Factor Analysis Results ( $n = 165$ )**

Scale items	Standardized loading	<i>t</i> -value	AVE	CR
Selection policies			0.62	0.87
In this hotel, internal candidates are given consideration over external candidates for job openings	0.64	8.88		
In this hotel, employees are selected based on an overall fit to the company	0.84	12.89		
Management of the hotel ensures that all employees in these positions are made aware of internal promotion opportunities	0.84	12.89		
Management of the hotel ensures that all employees in these positions are made aware of internal promotion opportunities	0.80	11.91		
Job security			0.51	0.80
Employees can expect to stay in the organization for as long as they wish	0.77	10.97		
It is very difficult to dismiss an employee in this organization	0.64	8.68		
Job security is almost guaranteed to employees in this organization	0.79	11.39		
If this company were facing economic problems, employees in this organization would be the last to get cut	0.63	8.51		
Training			0.62	0.91
I receive continued training to provide good service	0.69	9.88		
I received extensive customer service training before I came into contact with customers	0.67	9.39		
I receive training on how to serve customers better	0.88	13.97		
I receive training on how to deal with complaining customers	0.87	13.70		
I receive training on dealing with customer problems	0.88	13.95		
I was trained to deal with customer complaints	0.70	10.03		
Empowerment			0.49	0.82
I am empowered to solve customer problems	0.60	7.96		
I am encouraged to handle customer problems by myself	0.51	6.54		
I do not have to get management's approval before I handle customer problems	0.80	11.67		
I am allowed to do almost anything to solve customer problems	0.72	10.12		

*(cont.)*

Scale items	Standardized loading	t-value	AVE	CR
I have control over how I solve customer problems	0.82	12.14		
Rewards			0.75	0.94
If I improve the level of service I offer customers, I will be rewarded	0.85	13.42		
The rewards I receive are based on customer evaluations of service	0.80	12.23		
I am rewarded for serving customers well	0.87	13.92		
I am rewarded for dealing effectively with customer problems	0.89	14.50		
I am rewarded for satisfying complaining customers	0.93	15.52		
Creative performance			0.73	0.94
This employee carries out his/her routine tasks in ways that are resourceful	0.81	12.42		
This employee comes up with new ideas for satisfying customer needs	0.86	13.71		
This employee generates and evaluates multiple alternatives for novel customer problems	0.85	13.37		
This employee has fresh perspectives on old problems	0.82	12.70		
This employee improvises methods for solving a problem when an answer is not apparent	0.87	13.78		
This employee generates creative ideas for service delivery	0.89	14.49		
Service recovery performance			0.65	0.90
Considering all the things this employee does, he/she handles dissatisfied customers quite well	0.78	11.49		
This employee doesn't mind dealing with complaining customers	0.84	12.82		
No customer this employee deals with leaves with problems unresolved	0.77	11.28		
Satisfying complaining customers is a great thrill to this employee	0.82	12.52		
Complaining customers this employee has dealt with in the past are among today's most loyal customers	0.81	12.14		

*Model fit statistics:* $\chi^2 = 798.53$ ,  $df = 539$ ;  $\chi^2 / df = 1.48$ ; CFI = 0.93; IFI = 0.93; RMSEA = 0.054; SRMR = 0.057

*Note.* All loadings are significant at the 0.05 level. CR = Composite reliability; AVE = Average variance extracted; CFI = Comparative fit index; IFI = Incremental fit index; RMSEA = Root mean square error of approximation; SRMR = Standardized root mean square residual.

Means, standard deviations, and correlations of observed variables are presented in Table 2. As shown in Table 2, all correlations among observed variables are significant.

**Table 2. Means, Standard Deviations, and Correlations of Observed Variables**

Variables	1	2	3	4	5	6	7
1. Selection policies	-						
2. Job security	0.684	-					
3. Training	0.470	0.390	-				
4. Empowerment	0.473	0.527	0.470	-			
5. Rewards	0.688	0.687	0.459	0.534	-		
6. Creative performance	0.349	0.334	0.197	0.338	0.355	-	
7. Service recovery performance	0.350	0.437	0.322	0.369	0.399	0.263	-
Mean	3.69	3.76	3.68	3.48	3.44	3.62	3.64
Standard deviation	0.92	0.86	0.93	0.88	1.12	0.92	0.90

*Note:* Composite scores for each measure were obtained by averaging scores across items representing that measure. Correlations that are equal to or greater than 0.197 are significant at the 0.05 level or better.

### *Tests of Research Hypotheses*

As depicted in Figure 2, the proposed structural model fits the data well ( $\chi^2 = 820.58$ ,  $df = 553$ ;  $\chi^2 / df = 1.48$ ; CFI = 0.93; IFI = 0.93; RMSEA = 0.054; SRMR = 0.063). The results from SEM in Figure 2 demonstrate that all of the indicators of HPWPs are significant and positive. Specifically, job security ( $\gamma_{21} = 0.89$ ,  $t = 9.58$ ) appears to be the most important indicator of HPWPs, followed by rewards ( $\gamma_{51} = 0.87$ ,  $t = 11.03$ ), selection policies ( $\gamma_{11} = 0.87$ ,  $t = 8.04$ ), empowerment ( $\gamma_{41} = 0.71$ ,  $t = 6.37$ ), and training ( $\gamma_{31} = 0.57$ ,  $t = 6.21$ ). Hence, hypothesis 1 is supported. The results from SEM also show that HPWPs significantly and positively influence CP ( $\gamma_{61} = 0.43$ ,  $t = 5.09$ ) and SRP ( $\gamma_{71} = 0.51$ ,  $t = 5.82$ ). Hence, hypotheses 2 and 3 are supported. The results explain 62% of the variance in HPWPs, 19% in CP, and 26% in SRP.

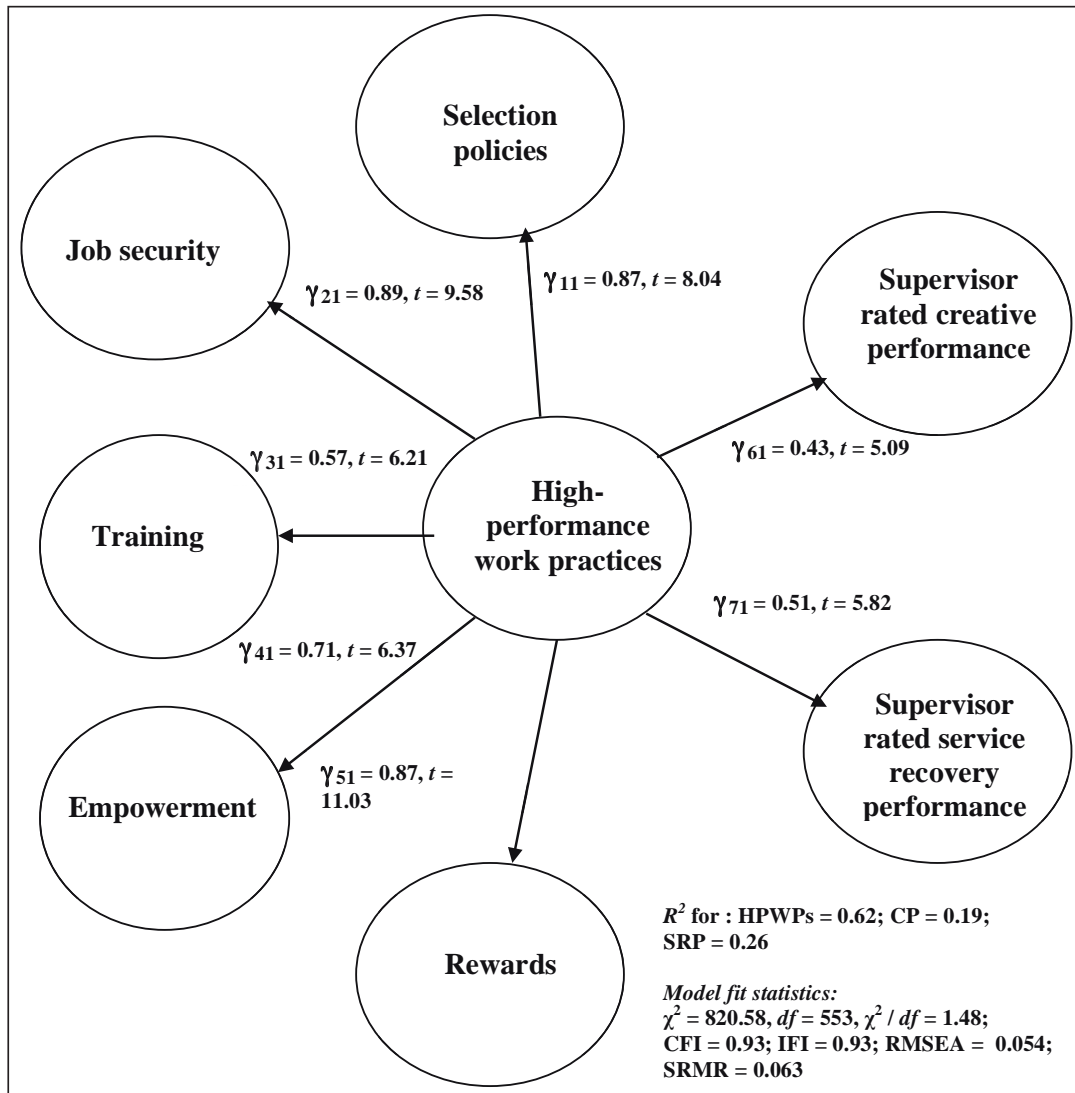


Figure 2. Structural Model Test Results

DISCUSSION

*Summary of Findings*

The purpose of our study was to propose and test a conceptual model that investigated the joint effects of HPWPs on CP and SRP. The indicators of HPWPs relevant and significant for frontline service jobs were selection policies, job security, training, empowerment, and rewards. We gathered data from frontline hotel employees and their supervisors in Northern Cyprus to assess these relationships.

The results suggest that all hypotheses are supported. Specifically, selection policies, job security, training, empowerment, and rewards are significant indicators of HPWPs. Job security appears to be the most important indicator of HPWPs. The availability of job security does not only serve as the most important indicator of HPWPs, but



also mitigates FLEs' intentions to leave the organization. Though not tested in our study, job security can also be considered a panacea for high turnover in the hospitality industry (cf. Chalkiti & Sigala, 2010). The results also suggest that FLEs working in an environment where there are HPWPs due to management's intent to deliver service quality and care about employees' well-being are able to contribute to the organization by offering novel solutions to customer problems, providing novel ideas for service improvement, and responding to customer complaints effectively. The results concerning the joint effects of HPWPs on CP and SRP are also consistent with the precepts of SIP theory (Salancik & Pfeffer, 1978).

#### *Limitations and Implications for Future Research*

There are several limitations that should be underscored. First, we used cross-sectional data to test the hypothesized relationships. This does not allow us to draw final conclusions about the issue of causality. Benefiting from longitudinal design in future research would be useful for making causal inferences. Second, other HPWPs such as work-family balance, career opportunities, and teamwork can be incorporated into the conceptual model to ascertain their potential joint effects on CP and SRP. Third, this study considered the individual frontline hotel employee as a unit of analysis. Future empirical studies may test the hypothesized relationships at the organizational level. This is a worthy issue for further research. Finally, individuals high in positive affectivity tend to perceive the world around them in a generally more positive manner (Iverson, Olekalns, & Erwin, 1998). The positive effects of HPWPs on CP and SRP can be stronger among FLEs high in positive affectivity. With this stated, future research can examine positive affectivity as a moderator of the effects of HPWPs on CP and SRP.

#### *Practical Implications*

The results of our study provide a number of useful implications for managers who can plan and implement HPWPs. First, job security seems to be the most important indicator of HPWPs in our study. Offering job security to FLEs should be a top priority. Such a high-performance work practice suggests that FLEs can stay in the organization for as long as they wish provided that they carry out their job-related tasks based on management expectations.

Second, CP and SRP are the critical performance outcomes in frontline service jobs examined in our study. Hiring the right person for the job via rigorous and selective staffing enables managers to retain a pool

of employees who enjoy serving customers and responding quickly to customer requests. FLEs who fit well with the requirements of the job and organizational culture can then be expected to generate new ideas for service improvement and display novel behaviors for solving customer problems. Otherwise, the wrong decisions made during the hiring process will result in a pool of employees who are incapable of fulfilling the requirements of the jobs.

Finally, as underscored in past and recent studies, training, empowerment, and rewards should be implemented simultaneously (Babakus et al., 2003; Karatepe & Karadas, 2012). Specifically, management should organize training and re-training programs for FLEs who can share their new or novel ideas for service improvement and provide feedback about potential solutions to recent customer problems or complaints in a relaxed work environment. In such training programs, FLEs can learn how to practice empowerment. Management should ensure that FLEs view these training and re-training programs as opportunities for their career progress and promotion within (Hinkin & Tracey, 2010). FLEs who generate solutions for novel customer problems and exhibit effective recovery efforts should be recognized and rewarded. Management can also offer high performing FLEs generous life insurance packages, tuition reimbursement programs, and subsidized child care (Hinkin & Tracey, 2010; Karatepe et al., 2008). As stated earlier, the simultaneous implementation of training, empowerment, and rewards will produce the intended outcomes. Otherwise, implementing empowerment without training and rewards will lead to failure.

## CONCLUSION

Our study contributes to the current knowledge base by examining the joint effects of HPWPs on CP and SRP. Specifically, the first strength of our empirical investigation is related to CP as a performance outcome. CP is an important aspect of frontline service jobs that has received little attention in hospitality research (Hon et al., 2013; Karatepe et al., 2008). Testing CP in frontline service jobs is significant, since FLEs can provide new ideas for service improvement and help the organization to come up with potential solutions to novel customer complaints. The second strength of our study is associated with the joint effects of HPWPs on CP and SRP. Although there are studies that measure the differential impacts of training, job security, or empowerment on employee performance, empirical research concerning the joint effects of HPWPs on performance outcomes among FLEs is scarce.

The final strength of our study refers to use of data gathered from frontline employee-supervisor dyads for minimizing the potential risk of common method bias. Using multiple sources of data is important, because the preponderance of empirical research in the hospitality management literature is based upon self-report data (Line & Runyan, 2012). Consequently, our study aims to fill in the aforementioned gaps in hospitality research. We hope that the findings of our study will encourage other researchers to focus more on the simultaneous effects of HPWPs on performance outcomes relevant and significant for frontline service jobs.

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