THE RELATIONSHIP BETWEEN HIGH INVOLVEMENT WORK SYSTEMS, SUPERVISORY SUPPORT, AND ORGANIZATIONAL EFFECTIVENESS: THE ROLE OF EMPLOYEE EXPERIENCES AT WORK

By

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THE RELATIONSHIP BETWEEN HIGH INVOLVEMENT WORK SYSTEMS, SUPERVISORY SUPPORT, AND ORGANIZATIONAL EFFECTIVENESS: THE ROLE OF EMPLOYEE EXPERIENCES AT WORK

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ABSTRACT

This study adopts a multilevel, multiple stakeholder perspective to examine the impact of high involvement work systems (HIWS) and supervisory support on organizational effectiveness. Organizational effectiveness is measured in terms of employee experiences of work, employee turnover (voluntary and involuntary measured separately), customer satisfaction with service performance and loyalty, and financial performance (organizational traffic and sales). Guided by the contingency theory, I situate my study in the service sector with a focus on the hospitality industry. The model and the related hypotheses investigate the role of employee experiences of job resources (characteristics of jobs and co-worker support) and engagement as a linking mechanism between HIWS, supervisory support and the various employee and organizational level outcomes in question. The results suggest that in relatively smaller establishments in the service industry, which are characterized by an informal structure, supervisory support is the prime determinant of employee experiences of work and may supersede the influence of HR practices. Moreover, results of complex cross-level mediation analyses provide additional evidence to support the notion of a service market chain. Research and practical implications of these findings are discussed and recommendations for future research are provided.

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INTRODUCTION

"If the employees come first, then they're happy,… A motivated employee treats the customer well. The customer is happy so they keep coming back, which pleases the shareholders. It's not one of the enduring Green mysteries of all time, it is just the way it works."- Herb Kelleher, Founder Southwest Airlines (Freiberg & Freiberg, 1998)

This quote summarizes the underlying philosophy and logic of the firms in which senior management considers employees their top priority. These "employee-centered" organizations assume that there will be long term "spill-over" effects of employee attitudes and behaviors on customer satisfaction and, in turn, on their firm's financial performance. This link is of critical importance in the service industry where the quality of interactions at the frontline employee-customer interface is one of the most important determinants of firm performance (Bowen & Schneider, 1988). This philosophy is also consistent with themes found in the burgeoning literature on strategic human resource management (SHRM) and conveys the underlying rationale and motivation behind designing a set of human resource (HR) practices often referred to as "high performance work systems" (HPWS).

An influential body of research has shown that greater use of HPWS is associated with a range of positive organizational outcomes. These include higher labor productivity (Datta, Guthrie & Wright, 2005; Guthrie, 2001; MacDuffie, 1995), lower absenteeism (Guthrie, Flood, Liu, & MacCurtain, 2009), reduced voluntary turnover rates (Batt, 2002; Huselid, 1995; Guthrie, 2001; Guthrie et al., 2009; Shaw et al., 2005) and better firm performance (Huselid, 1995). Proponents of the HPWS paradigm view (i) firms' employees as an organizational resource offering the potential for significant and sustained competitive advantage and (ii) HPWS as a set

of HR practices that can build and leverage a firm's human and social capital toward realizing this advantage (e.g., Guthrie, 2001; Huselid, 1995; Pfeffer, 1998).

These bundles of HR practices have received various labels in the existing literature. Besides HPWS (as labeled by Huselid, 1995), some other nomenclatures include high involvement work practices (Guthrie, 2001), commitment-oriented HR systems (Lepak & Snell, 2002), innovative HR practices (MacDuffie, 1995) and human capital enhancing HR systems (Youndt, Snell, Dean & Lepak, 1996). As far as the labels are concerned, I resonate with Boxall and Macky (2009) who suggest that the term "HPWS", with its obvious focus on the bottom-line, is a misnomer and that it should be replaced by its other conceptual counterparts such as high involvement work systems (HIWS) or high commitment management (HCM) both of which more fittingly reflect the nature and purpose of introducing a bundle of horizontally and vertically aligned human resource practices. Wall and Wood (2005) have echoed a similar concern. It has also been pointed out that such labels and the accompanying research reflect a "managerial perspective" (Harley, Allen, & Sargent, 2007) and may therefore be suggestive of 'leaner' and perhaps 'meaner' workplaces. Thus, for the purpose of this study, I will be referring to these HR systems as high involvement work systems (HIWS).

The bundles of practices that constitute HIWS collectively provide employees with information, skills, motivation and latitude (Guthrie, et al., 2009). While specific practices may differ across various bundles, they generally include a combination of rigorous staffing procedures, significant investments in training and development, compensation rewarding skill development and group-level performance, systematic multi-source feedback, extensive communication and participation and employee empowerment practices such as self-managed

teams and flexible job design (Arthur, 1994; Becker & Huselid, 1998; Guthrie, 2001; Huselid, 1995; McDuffie, 1995; Way, 2002).

The existing body of research indicates that HIWS do not have a direct effect on performance; rather they create a work environment that influences employee capabilities and attitudes (Collins & Clark, 2003). Consequently, the proponents of HIWS are now exploring the underlying mechanisms through which HIWS affects firm performance. This is evident in the relatively recent attempts made by some of these scholars to explore the proverbial black box between HIWS and organizational outcomes (see Boxall, Ang, & Bartram, 2011; Chuang & Liao, 2010; Sun, Aryee, & Law, 2007; Takeuchi, Chen, & Lepak, 2009; Takeuchi, Lepak, Wang & Takeuchi, 2007; Whitener, 2001).

While the recent findings have been helpful, much is unknown with respect to employee experiences of these systems. In that vein, the aim of this dissertation is to further the examination of the underlying mechanisms by focusing on the role of supervisory support, job resources, and work engagement experienced by employees operating in environments characterized by HIWS. Drawing from the contingency perspective, extant literature suggests that the industry characteristics may influence the nature and composition of HIWS as they are anchored in the strategic objective of the business (Lepak, Liao, Chung & Harden, 2006, Zacharatos, Barling, & Iverson, 2005). Building on this suggestion, I argue that industry characteristics may also influence the underlying mechanisms through which these HR systems impact various employee and organizational outcomes.

The service sector has emerged as the largest contributor to the US economy accounting for 9.8 trillion or nearly 70% of the total GDP (gross domestic product) in the United States (International Trade Administration, US Department of Commerce). Therefore, it is surprising

that despite being a major component of both industrialized and transitional economies (Bowen & Schneider, 1988), the service sector has not received much attention in the SHRM literature. Barring a few recent studies (e.g. Batt, 2002; Boxall et al., 2011; Chuang & Liao, 2010; Liao, Toya, Lepak, & Hong, 2009; Nishii, Lepak, & Schneider, 2008), most empirical evidence linking HIWS to performance has come from the manufacturing industry (e.g. Applebaum, Bailey, Berg & Kalleberg, 2000; Arthur, 1994; Datta et al., 2005; Huselid, 1995; MacDuffie, 1995).

A service setting is different from manufacturing for a variety of reasons. Unlike a manufacturing setting, a service context is characterized by the simultaneous production and consumption of "product", the intangibility of what is offered, and the role of customers as co-producers in the process (Bowen & Schneider, 1988). Therefore, the quality of interactions between customers and the frontline employees of the business plays a pivotal role in determining customer satisfaction which is an important indicator of employee performance. Work processes, demographic differences between the two employee groups, level of interdependence between workers (Bowen & Schneider, 1988), and the level of emotional regulation required of employees (Hochschild,1983), are some other important differences that distinguish a service setting from a manufacturing one.

Given the stark differences between the two sectors, the generalization of findings based on samples drawn from manufacturing settings to the service sector is suspect. Therefore, as indicated earlier, this research aims to advance the existing research in the field by depicting the underlying processes through which HR systems impact various employee and organizational outcomes.

Within the service sector, I specifically focus on the restaurant setting. Restaurant settings (and the hospitality industry, in general) are unique from the rest of the service sector in the

sense that customers pay for the overall experience, including the service provided. For instance, when dining out, although the quality and the taste of the food matters, the customers' interactions with the restaurants' frontline staff may also play a significant role in affecting the overall experience. Customer evaluation of service performance, in turn, will enhance the probabilities of repeat business (i.e., customer retention). Further, these interactions, unlike those in the context of call centers, are face-to-face. Given the importance of the frontline staff, this study examines a series of research questions in the context of a restaurant setting. Specifically, the following research questions are proposed (see Figure 1 for a graphical representation)

[Insert Figure 1 Approximately Here]

- **Research Question 1:** What are the implications of HIWS for employees' experiences at work?
- **Research Question 2:** What role does supervisory support play in influencing these experiences?
- **Research Question 3:** What are the underlying mechanisms through which these experiences (job resources: job characteristics and supportive co-workers, and work engagement) link (a) HIWS and (b) supervisory support to various employee and organizational outcomes?
- **Research Question 4:** What is the relationship between these employees' experiences and the various indices of organizational effectiveness including employee turnover, sales, traffic, customer evaluation of service performance, and customer loyalty?

This research contributes to the existing literature in a number of ways. First, as indicated earlier, I attempt to get a better insight into the black box, by focusing on the impact of these HR systems and supervisory support on employee experiences at work. Understanding

how employees experience work is a legitimate area of inquiry not only because it helps one understand the mechanism by which HIWS impacts organizational performance, but also in terms of its consequences for workers. While referring to Luthan's (2002) inclusion criteria in positive organizational behavior (POB) of those strengths that have an impact on performance, Wright (2003) called for a need to move beyond this utilitarian perspective. The author emphasized that pursuit of employee well being should be treated as an end in itself.

Employee experiences of resources at work such as characteristics of one's job and support from co-workers have been associated with experiences of psychological availability, safety, and meaningfulness, which in turn have been found to significantly predict work engagement (May, Gilson, & Harter, 2004). Results of another study (Crabtree, 2005) using a different measure of engagement, indicated that 62% of the engaged employees (among those surveyed) believed their work positively affected their health. However, that number dropped to 22% for the employees who were actively disengaged, with 54% of those reporting work as having a negative effect on their health and 51% indicating a negative impact of work on their well being. In yet another study (Bakken & Torp, 2012) of Norwegian industrial workers, engagement was found to mediate the relationship between job resources and health.

Even from a utilitarian perspective, understanding employee experiences of engagement is very crucial. Employee engagement has been found to have a positive impact on employee performance and customer loyalty (Harter, Schmidt, & Harter, 2002; Salanova, Agut, & Peiro, 2005). Results of several studies have indicated that employee engagement is strongly related to voluntary turnover (e.g. De Lange, Witte, & Notelaers, 2008; Halbesleben, 2010; Halbesleben & Wheeler, 2008). Highly engaged employees are also five times less likely to have a safety incident and seven times less likely to have a lost-time safety incident compared to their

counterparts who experience lower engagement. In terms of savings in dollars this translated to an average cost of these incidents for an engaged employee of $63 and that for a nonengaged employee of $392 for the organization in question (Vance, 2006).

Second, as alluded to earlier, while a burgeoning literature has established a link between these high involvement HR systems and various indicators of organizational performance (e.g., Guthrie, 2001; Huselid, 1995; MacDuffie, 1995; Shaw, Gupta, & Delery, 2005), very few scholarly attempts have been made to understand the implications of HIWS-performance relationship in the service sector (particularly, the hospitality industry). Thus, much remains unknown with regard to the efficacy of these practices in the context of the service industry.

Drawing on contingency theory, scholars (Batt, 2002; Datta, et al., 2005) have brought to our attention the potential role that industry characteristics may play in determining the strength of the relationship between these HR systems and HR and organizational outcomes. In the manufacturing industry, these HR systems have been found to enhance the capabilities and performance of blue-collar workers who are mostly high-school graduates and have traditionally operated under a work environment that focuses on cost minimization (Batt, 2002). Batt argues that this is so because unlike high end industries where these systems are the "price of entry", firms in lower-end markets have traditionally adopted more of a "transactional approach" to HR and more likely employ "compliance-oriented" practices, making HIWS use an exception rather than a norm. Given this typical scenario, firms in these markets that do employ HIWS are likely to be viewed by employees as being "progressive" and "employers of choice."

Applying the same logic, restaurant franchisees (typically a low-wage industry) that have middle-class residential customers as their market segment and therefore focus on offering

an “affordable dining experience” are more likely to employ compliance-oriented HR systems with a focus on minimizing cost. Therefore, companies that do employ these practices would be relatively rare and are likely to be conferred the status of “employers of choice”. Pfeffer (1998) also emphasizes that firms in service industries can achieve a sustained competitive advantage by putting their people first and customer second. As mentioned earlier, this research hopes to augment the relatively recent work by scholars that focuses on specific industry characteristics/context.

On a related note, Way (2002) draws our attention toward the paucity of research that examines the use of these HR systems for small businesses (employing less than 100 employees), with most of the existing scholarship focusing on relatively large firms (e.g., Arthur, 1994; Guthrie, 2001; Huselid, 1995; Huselid & Becker, 1997; Ramsay, Scholarios, & Harley, 2000). It is surprising that despite the fact that 99.7% of US firms employ fewer than 100 employees (U.S. Small Business Administration, 2010), this sector has been almost excluded from extant research examining HIWS-performance link. The few studies that have examined the relationship have reported conflicting findings (e.g., Chadwick, Way, Kerr, & Thacker, under review; Chuang & Liao, 2010; Liao & Chuang, 2004; Way, 2002).

While Way (2002) reported that the benefits of these HR systems do not exceed the costs incurred, Chadwick, Way, Kerr, and Thacker (under review) found a negative relationship between HIWS and labor productivity. On the other hand, a recent study by Chuang and Liao (2010) found a positive impact of HIWS on various indices of organizational effectiveness including market performance. It is important to note that while some of these studies have focused on a single industry, others drew their samples from multiple industries. Further, most of these studies had an international sample.

Drawing from contingency theory, it has been suggested that adopting HIWS may not be in the best interest of small establishments (e.g., Chadwick et al., under review). While I am not questioning the validity of the assertion, I suggest that there may be alternative possibilities. For instance, it may be that in the context of small firms it is not so much a choice between adopting or not adopting these practices. Rather, there is a possibility that chosen HR systems should depend upon firms' strategic objectives. Also, the process of implementation may be different for small firms. Bowen and Ostroff (2004) refer to these two features of HRM systems as content and process. Further, it may be that these HR systems are not as good for some industries in the small business sector. Finally, to ensure reliable participant responses the language in the HIWS surveys has to be conducive to the informal nature of the setups in small establishments. Given the aforementioned limitations, it is difficult to reach any conclusion regarding the efficacy of these systems for smaller settings with fewer than 100 employees. I hope to contribute to this literature by focusing on a single U.S. industry.

Additionally, to get a comprehensive picture of the underlying processes, I rely on a "meso" paradigm that recognizes organizations as "loosely coupled" integrated systems. This multilevel perspective bridges the gap between micro and macro by emphasizing the role of interaction between individual, group, and organizational level variables in shaping a wide range of organizational and employee-related outcomes (Kozlowski & Klein, 2000). Recent reviews discussing the progress of SHRM as a field of research have also directed our attention toward the paucity of research that utilizes a multilevel design to test cross-level relationships (Lepak, Liao, Chung, & Harden, 2006; Wright & Boswell, 2002).

In response to that call, in my dissertation I propose to examine cross-level effects by developing an integrated framework that explores the crucial role played by unit managers in

determining how unit members experience HR policies and practices. As suggested by Becker and Huselid (2006), SHRM is slowly moving beyond the boundaries of HR departments as line managers take charge of implementing the HR strategy. I will also examine the implications of the quality of employee experiences for organizational effectiveness by examining various employee and organizational level outcomes.

Yet another contribution that I hope to make is to address some of the concerns expressed by the critics of these HR systems. The exponential growth in the mainstream literature on the benefits of HIWS is accompanied by a parallel stream of literature that questions the virtues of these systems. In his critique of the high performance human resource paradigm, Godard (2004) noted that the impact of HIWS on workers may be negative or at best "uncertain". These critics further assert that the relationship between HIWS and organizational performance is "complex" and is often mediated by work intensification, job dissatisfaction, stress, and burnout, and insecurity (e.g. Godard, 2004; Ramsay et al., 2000; White, Hills, McGovern, Mills & Smeaton, 2003).

Overall, these critics are skeptical of the claim that HIWS are as good for the employees as they are for the employers (e.g. Godard & Delaney, 2000). Thus, another motivation behind this dissertation is to examine the implications of these HR systems for employees. While the research agenda of this study does not claim to resolve the existing debate, I do hope to contribute to this debate.

Last but not the least, this dissertation also hopes to contribute to the existing literature in the area on "service profit chain" (Heskett, Jones, Loveman, Sasser, Schlesinger, 1994). The notion of service profit chain implies a causal link between employee satisfaction and customer satisfaction, which in turn leads to profitability via customer loyalty. Consistent with this line of

reasoning, the model proposed in this study explores the drivers of positive employee experiences at work and the implications of these experiences for organizational effectiveness. By employing multilevel modeling, I hope to get a better grasp of the underlying mechanisms through which positive employee experiences have a spillover effect on customer experiences.

Before I develop and test specific hypotheses that elaborate my research model, I first provide an overview of the theoretical frameworks that serve as the underlying foundation for this study.

THEORETICAL FOUNDATION

High Involvement Work Systems (HIWS)

Wright and McMahan (1992: 298) defined SHRM as the "pattern of HR deployments and activities intended to enable an organization to achieve its goals". More often than not, the theoretical framework that scholars in the field of SHRM have utilized to support their arguments is the resource-based view (RBV). RBV emphasizes exploiting a firm's internal strengths to gain competitive advantage. Thus, in line with Barney's (1991) work, if a firm's human resources have qualities that are valuable, rare, and difficult to imitate or substitute, they can be a source of competitive advantage. Therefore, SHRM advocates the importance of a firm's human resource practices as a conduit to help create competitive advantage via their impact on employees.

Within the SHRM literature, there is general agreement that companies can unleash their employees' potential by adopting an approach that broadly elicits employee discretion and commitment. The focus is on having a capable and committed workforce who will be motivated to engage in desirable discretionary behaviors because its own interests are aligned with larger organizational objectives.

Another argument made in the SHRM research is that the impact of human resource practices on both the individual as well as the organization is better understood by examining a bundle or system of these practices (Lepak, et al., 2006; MacDuffie, 1995). These systems of HR practices are believed to be "internally consistent and reinforcing to achieve some overarching results" (Lepak et al., 2006: 221). Additionally, multiple and mutually reinforcing HR practices in these systems have a synergistic effect that is more than just the sum of the effects of individual HR practices (Comb, Liu, Hall, & Ketchen, 2006; Subramony, 2009). The recent

meta-analysis by Combs et al. (2006) also provided support for the argument that HIWS have a significantly stronger impact than individual high performance work practices. Hence, SHRM and the associated focus on HIWS differ from more traditional approaches to HRM in at least two ways. The first difference is a focus on horizontal fit or adopting a bundle of internally complementary HR practices. The second difference is a focus on vertical fit, achieved by aligning the system of HR practices with organizational strategy and, in turn, with the larger organizational objective (Becker & Husilid, 1998).

Two main perspectives, a *universal* approach and a *contingency* approach have been used to understand the relationship between HIWS and organizational effectiveness. Whereas the proponents of a universal approach support the argument that there exists a positive relationship between a set of "best practices" in HRM and organizational performance universally, those taking a contingency approach argue that the magnitude and/or even the direction of the relationship between HRM and organizational outcomes is influenced by contextual factors such as industry (Youndt, et al., 1996). In fact, research suggests that even within the same firm, depending upon the employment mode and relationship, different employee groups may be subjected to different HR system (Lepak & Snell, 1999; Siebert & Zubonov, 2009). As stated before, this research is guided by the contingency perspective.

HIWS are thought to optimize organizational performance by way of a twofold process. First, they help employees' acquire and develop knowledge, skills, and abilities (KSA) (i.e., human capital) along with empowering them (by way of motivation and providing opportunity) to use KSA towards achieving organizational objectives (Becker & Husilid, 1998). Second, by reducing departmental barriers, these HR systems also contribute to creating a culture and social structure that is conducive to communication, knowledge sharing, and resource exchange (Evans

& Davis, 2005). Thus, unlike the traditional control-oriented approach that views employees more as a replaceable commodity, organizations employing HIWS are more employee-centered by design in that they invest a lot in their employees (Guthrie, 2001). Employees in these firms represent an embodiment of human as well as social capital. Consequently, these organizations rely much more on their "invisible assets" (Itami, 1987) compared to their counterparts utilizing a traditional approach to managing human resources (Guthrie, 2001; Lawler, 1992).

While there is a general agreement that a systems perspective is more appropriate than the one that focuses on examining the impact of individual practices in isolation, researchers disagree on what constitutes a HIWS (Huselid, 1995). However, while practices may differ, at the policy level these systems have three integral components: (1) high skill requirement, hence a focus on effective selection and training; (2) a job design that provides employees with discretion and opportunity to apply their skills; and (3) an incentive structure that increases motivation and commitment (Guthrie et al., 2009; Huselid, 1995).

As aforementioned, alongside the literature documenting the virtues of these HR systems, there is another, more skeptical, literature suggesting that the claims made by the proponents of HIWS may be exaggerated or unfounded (e.g. Godard & Delaney, 2000; Godard, 2001; Godard, 2004; Ramsay, Scholarios & Harley, 2000; Wall & Wood, 2005). While these critics generally agree that HIWS positively affects organizational performance through an impact on employee-level outcomes (see Becker & Huselid 1998; MacDuffie, 1995, Ramsay, et al., 2000), it is the nature of these employee-level outcomes that they question and that has generated a growing debate in the field.

One school of thought adheres to the thesis that these practices enhance employees' experience at the workplace which, in turn, contributes to organizational performance (e.g.,

Applebaum, 2000; Guthrie, et al., 2009). This is reflected in nomenclature such as the "mutual gains enterprise" (cf., Kochan & Osterman, 1994). However, the opposing school of thought argues in support of an employee exploitation thesis. Invoking Barker's (1993) work, supporters of the exploitation thesis claim that under the HIWS paradigm the Taylorist type of coercive control gives way to more of a "concertive control", wherein the traditional supervisory control is replaced by the peer pressure applied by group norms (e.g., Godard, 2001) of self- managed teams.

Godard and Delaney (2000) argue that the measures used to assess organizational performance not only overestimate the positive effects of HIWS but also fail to include the cost engendered by these systems. Studies supportive of this criticism include those by Cappelli and Neumark (2001) and Guest, Michie, Conway and Sheehan (2003). Likewise, in their critical assessment, Wall and Wood (2005) cautioned that while HIWS may offer a promising line of inquiry, the existing evidence suggestive of positive organizational outcomes is purely "circumstantial".

While proponents of HIWS acknowledge the complex conceptual and methodological issues involved in studying the relationship between HIWS and firm performance, they do not assume or suggest that HIWS have negative outcomes for employees (Becker & Gerhart, 1996; Gerhart, Wright, McMahan & Snell, 2000; Lepak et al., 2006). Hence, overall there seems to be a divide in the extant literature when it comes to understanding the implications of HIWS for employees. As mentioned earlier, one of the motivations behind this disseratation is to address this concern by focusing on the nature of employee experiences at work.

Yet another development in the field of SHRM has been a shift of focus regarding how these HR systems affect the organizational climate. Organizational climate refers to the

perceptions of organizational members surrounding the formal and informal organizational policies, procedures and practices (Reichers & Schneider, 1990). Social information processing theory (Salancik & Pfeffer, 1978), which is usually employed as the theoretical foundation in the climate literature sheds light on the bottom-up emergence of shared perceptions surrounding organizational climate (Lepak et al., 2006).

Schneider (1975) was the first to question the meaningfulness of the global or generic concept of organizational climate. He recommended that the concept of climate should be anchored in the strategic focus of the organization. Lepak et al. (2006) pointed out that since climate mediates the relationship between an organizational context and its effectiveness and because the policies and practices incorporated in the HR systems have been found to be important predictors of climate, then logically, organizational HR systems should also be aligned with organization's strategic objective. Some recent studies (e.g., Takeuchi, Chen & Lepak, 2009; Chuang & Liao, 2010) applying this perspective have made significant contributions in demystifying the proverbial black box. These studies have shed more light on the underlying mechanisms through which these HR systems influence individual work attitudes such as job satisfaction, affective commitment and organizational citizenship behavior.

Job-Demands Resource Framework

Guided by the positive psychology scholarship (Seligman & Csikzentmihalyi, 2000), the growing field of positive organizational behavior (POB) focuses on strengths and virtues that promote employee well being and flourishing, and in turn performance improvement at the work place. As a result there has been a renewed interest in understanding the role of job resources in the work motivational processes (Schaufeli & Salanova, 2007)

The job demands-resources (JD-R) framework, by incorporating dual processes that operate simultaneously, explains how a combination of stressful and motivational characteristics of job and work environment influence employee well-being (Bakker & Demerouti, 2008; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Schaufeli & Bakker, 2004). This framework provides a more balanced and comprehensive view of the work environment by integrating the POB driven concept of work engagement in the original JD-R model of burnout developed by Maslach (1982).

Engagement, which is one of the core concepts of the modified JD-R framework, is defined as "a positive, fulfilling, affective-motivational state of work- related well-being" that is negatively related to burnout (Bakker, Schaufeli, Leiter, & Taris, 2008, p. 188). It is characterized by vigor (high level of energy at work, resilience, and persistence), dedication (enthusiasm, identification, pride, challenge) and absorption (happy immersion in one's work) (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002). It has been emphasized that while the construct of engagement is related to similar constructs, most notably job satisfaction, organizational commitment, organizational citizenship behavior (Macey & Schneider, 2008), job involvement (May et al., 2004), and job embeddedness (Halbesleben & Wheeler, 2008), it is distinct from them.

Also conceptualizing engagement as a psychological state when "people employ and express themselves physically, cognitively, and emotionally during role performances", Kahn (1990: 694) found that three psychological conditions that most contributed to engagement at work were psychological meaningfulness, safety, and availability. In other words, employees were found to be more engaged in a work environment that offered them psychological meaningfulness and psychological safety, and when they were more psychologically available.

The study by May, et al. (2004) which offers the only quantitative examination of Kahn's thesis confirmed the relationship between the psychological state of experienced meaningfulness at work and engagement. Psychological safety is another condition that was found to be strongly related to engagement in the same study with relations with one's supervisor being its strongest predictor. This is not surprising, as supervisor's support is one of the most important resources at work that may contribute to creation of a safety network (Edmondson, 1999).

Schaufeli and Bakker (2004 : 294) questioned the use of Maslach Burnout Inventory (MBI), the same instrument that measures burnout to measure engagement, such that low scores on burnout are indicative of high engagement (e.g. Maslach & Leiter, 1997). These scholars asserted that just as with positive and negative affect, burnout and engagement are independent states rather than being mutually exclusive. The authors therefore recommend using two different instruments to measure burnout and engagement separately.

Indeed, further examination has indicated that burnout and engagement have different antecedents and consequences. While job demands as well as lack of resources predict burnout, increase in engagement has been found to be associated only with availability of job-related resources (Schaufeli & Bakker, 2004). According to Demorouti et al. (2001) job resources include those physical, social, or organizational aspects of jobs that facilitate achievement of work goals, and stimulate personal growth and development while reducing job demands.

It is important to note that resources are important not only because they regulate the effect of job demands, but also because of their motivational characteristics. This argument is in line with the job characteristics model (JCM) by Hackman and Oldham (1980) which includes autonomy, feedback and significance among the five core dimensions that affect employee motivation. However, while JCM focuses only on intrinsic motivation, JD-R posits that

resources may play an intrinsic (by way of autonomy, empowerment, feedback etc.) or extrinsic (social support, job security) motivational role (Bakker & Demerouti, 2008).

In terms of outcomes, engaged employees have been found to be more creative, productive and more likely to display extra-role behaviors (Bakker & Demerouti, 2008). Work engagement has also been found to be a strong predictor of employee turnover (Halbesleben, 2010; Halbesleben & Wheeler, 2008), customer loyalty (Harter et al., 2002; Salanova et al., 2005), and financial performance (Harter et al., 2002; Xanthopolou, Bakker, Demerouti, & Schaufeli, 2009). In fact, it has been reported that a majority of workers today, roughly half of all Americans in the workforce, are either not fully engaged or are actively disengaged. This "engagement gap" is reported to cost US businesses $300 billion a year in lost productivity (Bates, 2004; Johnson, 2004).

Also, engagement in meaningful work has been found to be related to personal benefits as perceived by the respondents (Britt, Adler, & Bartone, 2001). As mentioned earlier, engagement has been associated with the number of safety incidents at work as well as employee health. Given the importance of engagement for practical as well as humanistic reasons, practitioners and researchers need to identify and attend to the factors that contribute to employee engagement.

Drawing from the work of Kahn (1990) and the JD-R framework as proposed by Schaufeli and Bakker (2004), I conceptualize work engagement as a psychological state that has emotional, cognitive, and behavioral components, and that is related to, but different from other similar constructs such as job involvement, organizational commitment, etc. At this point, I would like to clarify that while I recognize the role of job demands and potential burnout associated with frontline jobs in the service industry, given data collection constraints, this study

limits its focus to the motivational aspect of these jobs. As such I focus on the job resources and their influence on employee engagement. In doing so, I focus on two types of job resources. The first one, which is labeled job characteristics, refers to those intrinsic and extrinsic motivational characteristics of the job itself that serve as resources for those performing the job. The other job resource measured in this study is the perception of support received from one's co-workers.

Social Exchange Theory

Social exchange theory (SET; Blau, 1964), which has been widely applied to work settings, posits that a series of interactions between parties who are in a state of reciprocal interdependence generates obligation. One of the core arguments of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties involved abide by certain "rules" of exchange (Cropanzano & Mitchell, 2005). Freeing exchange theory of its dyadic tradition, Emerson (1976) extended the analysis to a larger social structure by equating social norms of reciprocity to a more generalized exchange.

Generalized exchange implies the existence of exchange networks that involve three or more actors. This notion of exchange networks or generalized exchange (Emerson, 1976; Yamagishi & Cook, 1993) implies a unidirectional process wherein what one actor gives to the other is not dependent upon whether he or she has received from that person. Rather, it is characterized by a lack of such direct one-to-one exchange between two actors. To elaborate, if actor A helps actor B, actor B does not return the favor directly to actor A. Rather, someone else in the network (say actor C) may receive the help from B (Lee, Lee, & Wadhwa, 2010).

These norms of indirect reciprocity as explained by the notion of generalized exchange may explain why subordinates may respond to a supportive supervisor by way of offering support to their co-workers. To elaborate, when employees have a supportive supervisor who

provides coaching and guidance, sets clear expectations, is available when needed, is open to feedback and opinion, cares about them, and treats them with respect, they feel obliged to reciprocate by way of an indirect exchange. As a result, experiences of supervisory support are likely to be accompanied by similar experiences of co-worker support.

The above perspectives serve as the theoretical framework for this study. In the next section I draw upon these theoretical underpinnings to propose a series of research hypotheses.

HYPOTHESES

Extant research has emphasized the multidimensional nature of the construct of organizational effectiveness (Meyer & Gupta, 1994). Drawing from this perspective, Dyer and Reeves (1995) delineated four integral dimensions of the construct in the context of SHRM research. These include (1) HR outcomes (employee behavior and attitudes); (2) organizational outcomes (productivity, quality, and service); (3) financial outcomes (profitability, return on investment), and finally (4) capital market outcomes (shareholder returns and stock values).

However, as Way and Johnson (2005) pointed out in their review, most examinations of the SHRM- performance linkage have systematically excluded HR outcomes from their studies (barring a few that include Arthur, 1994; Batt, 2002; Guthrie, 2001) thereby adopting a very narrow definition of performance. The authors further asserted that while recent studies reflect a shift of attention in the direction of examining other stakeholders (e.g., Whitener, 2001; Takeuchi et al., 2009), very few studies have examined them together in an integrated framework (e.g. Chuang & Liao, 2010; Liao & Chuang, 2004; Nishii, et al., 2008).

Thus, by adopting a stakeholder perspective, this study hopes to further the advances made by these scholars. The four sets of outcomes that measure organizational effectiveness in this study are employee experiences of job resources and engagement, employee turnover, customers' satisfaction with service and their loyalty, and unit level indicators of organizational performance. The following hypotheses and supporting discussion shed light on the proposed linkages.

2.1 HIWS and Engagement: The Mediating Role of Job Characteristics

Organizational HR policies and practices can have a large effect on how organizational members make sense of their work context. This process of sense-making involves attributing

meaning, and thereby developing experiential-based perceptions about the goals of the organization, how one is expected to perform day-to-day activities at work, and the kind of behaviors that get rewarded and supported in a particular setting. As highlighted by Bowen and Ostroff (2004) and recently examined by Takeuchi, Chen, and Lepak (2009), HIWS can be an important source that shape these perceptions.

HIWS are designed to increase employee knowledge, skills, autonomy, motivation, and latitude (Arthur 1992). As indicated earlier, while specific policies and practices in each bundle may differ, they generally comprise an effective staffing system (can be formal or informal) which may convey to the employees that the organization cares about the quality of its employees (Takeuchi et al., 2009) and that they are among the "selected few". This in combination with regular training and development opportunities, ensures KSA and a sense of competence.

Likewise, internal promotion opportunities, above market and skill-based pay, recognitions such as "employee of the month", etc. foster a sense of achievement, significance, and motivation. Further, practices such as information sharing, regular feedback, communication, and participation in decision making are likely to foster a sense of involvement and experienced sense of knowledge of results. Finally, working in teams and job rotation not only offer job variety and learning but also create an organizational structure that facilitates creation of intra-organizational networks. These social networks also promote a sense of social connections and support. It is not surprising that a study by Macky and Boxall (2008) found increased experiences of high involvement work practices to be associated with job satisfaction.

These HR practices are even more "visible" in establishments such as retail stores and restaurants because of their small size (Takeuchi et al., 2009). Visibility has been found to be an important contributor to the strength of these HR systems which in turn facilitates the communication of unambiguous messages to organizational members (Bowen & Ostroff, 2004).

HIWS bundles that are designed to foster autonomy, participation, feedback, and a social structure that is conducive to developing a sense of social connection should serve as important resources in work settings. For example, policies and practices focusing on regular training and development are likely to equip employees with KSAs and self-efficacy to deal with different situations encountered at work. Autonomy and latitude in decision making surrounding day-to-day tasks at work should contribute to a sense of involvement and psychological meaningfulness. As mentioned earlier, experiences of psychological meaningfulness at work have been found to be strong predictors of engagement (May et al., 2004).

Fredrickson (2004) has suggested that organizational practices that provide autonomy, competence, and meaningfulness should increase experiences of positive emotions at work. These experiences of positive emotions have been found to be associated with work engagement (Bakker & Demerouti, 2008). A case in point is Southwest Airlines, which is known for providing great latitude to its flight attendants and other frontline employees in terms of being creative while interacting with customers. As Freiberg and Freiberg (1998), authors of the bestseller "*Nuts! Southwest Airlines' crazy recipe for business and personal success*" put it, "Southwest people love working in an environment that encourages them to be themselves- even if they are nuts." The authors further assert that people want to work at Southwest because it provides them with opportunities to experience a sense of meaning and significance by being involved in something larger than themselves.

Restaurant settings are characterized by a work environment in which the interactions between frontline employees and customers are direct, frequent, and of longer duration. The job exerts physical demands as well since servers always need to be moving between different tables to make sure that their guests are cared for. These regular and intense interactions with customers undertaken in a service-focused, "customer is always right" climate will require the regulation of feelings and expressions, referred to as emotional labor (Hochschild, 1983).

Frequent emotional regulation has been found to lead to emotional dissonance (characterized by a discrepancy between emotions felt and those required to display), increased job demands, and decreased in-role performance (Bakker & Heuven, 2006). However, research indicates that availability of job resources contributes to work engagement particularly when demands are high (Bakker, Hakanen, Demerouti, & Xanthopolou, 2007). Drawing from these findings one can infer that perhaps HR practices that provide ways to allow for emotional expression at work will facilitate experiences of job resources, and in turn, engagement for these employees. In fact, Kahn (1990) argues that expression of emotions at work should strongly promote work engagement by fostering a sense of meaningfulness. Thus, HIWS that foster autonomy and involvement are likely to promote a sense of meaningfulness which, in turn, should promote work engagement**.**

Further, management practices such as regular training and development of employees, discretion in one's work, giving as well as soliciting employee feedback to improve quality of service, and appropriately rewarding employees whose suggestions make a difference, are likely to serve as resources that can mitigate the negative effects of emotional regulation. Moreover, communication and information sharing and participation in decision making are likely to convey experienced knowledge of result in terms of "what" and "how" of one's job. This is

likely to reduce the element of unpredictability associated with frontline jobs imbued with long and frequent customer interactions.

Moreover, practices such as an effective orientation training that explicitly discusses examples of difficult customer encounters while encouraging a thought process that can accommodate customers' needs and interests should prevent or at least minimize instances of emotional regulation. In fact, a review by John and Gross (2004) suggested that changing how one thinks about the emotional event, rather than engaging in surface level emotional management, was found to be associated with enhanced well being and healthier social functioning. Ashforth and Humphrey (1993) emphasized that identification with one's work should facilitate a feeling of authenticity even when engaged in emotional regulation. HIWS that are designed to promote autonomy and involvement should contribute to organizational identification. HIWS may also be a source of job resources by facilitating an integration of work and family roles. For instance, in the context of the service industry, HR practices such as considering off-work situations of frontline employees when making work schedules and flexible scheduling should increase experiences of job resources.

Work engagement has been found to be associated with availability of resources (Schaufeli & Bakker, 2004). In fact, several studies have found a robust relationship between various job resources and employee engagement (e.g. Bakken & Torp, 2012; Bakker & Demerouti, 2008; Halbesleben, 2010; Halbesleben & Wheeler, 2008; May et al., 2004; Saks, 2006; Schaufeli & Bakker, 2004; Xanthopoulou et al, 2009).

As mentioned earlier, job resources, by way of a dual-motivational processes, influence both extrinsic and intrinsic motivation. Intrinsically, these resources promote empowerment, employee growth, and learning, thereby providing a sense of competence and self determination.

Extrinsically, they enable employees to achieve their work goals and also fulfill their need for belongingness (Demerouti et al., 2001). Along the same lines, it has been suggested that job resources impact employee engagement by way of facilitating experiences of meaningfulness, and psychological safety and availability (Kahn, 1990; May et al., 2004). Further, resources have been found to play an even more crucial role when job demands are high (Bakker et al., 2007). Thus, a comprehensive bundle of HR practices that create the "right" balance of demands and resources is likely to mitigate experiences of work related burnout and increase employee experiences of engagement at work. This leads to the following Hypothesis:

Hypothesis 1. Job characteristics will partially mediate the positive relationship between HIWS and Work Engagement.

Supervisory Support and Engagement: The Mediating Role of Job Resources (Job Characteristics and Co-worker Support)

Organizational research has highlighted the crucial role that supervisors play in determining employees' job-related outcomes (O'Driscoll & Beehr, 1994). Supervisors structure employees' immediate work environment and impact employees' perceptions of the work climate at large. Immediate supervisors are not only an important source of information and resources (feedback, training, etc.) but are also the providers of socio-political support (endorsement, legitimacy, etc.; Kanter, 1988). Consequently, supervisory behavior may evoke strong affective reactions in employees (Durham, Knight, & Locke, 1997). According to Deci and Ryan (1987) supportive supervisors typically display a concern for employees' feelings, encourage them to voice their concern and provide them with positive feedback. Previous research has indicated that consideration and feedback provided by the immediate supervisor can reduce role stress (Dubinsky & Skinner, 1984). Drawing from Deci and Ryan (1987) this study

also conceptualizes a supportive supervisor as one who provides coaching and guidance, sets clear expectations, is available when needed, is open to feedback and opinion, cares about employees, and treats them with respect.

While some have suggested that leadership behavior displayed by the supervisor may altogether prevent occurrences of stress and burnout, others have emphasized the buffering effect of supervisory support on these employee outcomes (Kirmeyer & Dougherty, 1988). For instance, Pirola-Merlo, Hartel, Mann, and Hirst (2002) found that facilitative and transformational leadership behavior of leaders counterbalanced the negative impact of obstacles confronted by the team on team climate. Babin and Boles (1996) also found perceptions of supervisory support to be associated with reduced stress. Yet another study indicated that supervisors play an important role in counterbalancing the negative impact of emotional regulation (Bono, Foldes, Vinson, & Muros, 2007).

Extant literature has also found a positive relationship between supportive supervision and enhanced trust (Britt, 1999).This enhanced trust may influence how people feel about their job and, in turn, affect their behavior. Employees' perception that their supervisor cares about their well being has also been found to be related to a positive appraisal of the work climate (Kopelman, Brief, & Guzzo, 1990) which constitutes an important job resource.

Larsen, McGraw, and Cacioppo (2001) direct our attention to the experiences of emotional ambivalence (mixed emotions) in work settings. Emotional ambivalence refers to the simultaneous experiences of positive and negative emotions surrounding the same event. Although most everyone should be able to recall instances or conflicting situations when one experienced these unique emotions, employees in service settings are particularly likely to have frequent encounters that may evoke these emotions. Drawing from social information theory,

Larsen et al. (2001) suggest that such environmental cues in the form of conflicting emotions signal that one is in an unusual environment where seemingly unrelated situations could co-occur.

One can easily see this happening in service encounters such as the ones experienced by call center employees or servers in a typical restaurant setting where employees are sometimes expected to deal with seemingly conflicting demands. For instance, a server may enjoy the interactions with guests on a particular table but at the same time experience the pressure of attending to other customers. The emotional ambivalence literature indicates that such simultaneous experiences of conflicting emotions lead to creativity (Fong, 2006). Building on that argument I argue that for these mixed emotions to be strong predictors of creativity and other important job-related outcomes, the work environment needs to signal a sense of safety and support of which one's immediate supervisor is the prime source (May et al., 2004).

Thus, it is evident that perceptions of supervisory support may significantly impact how employees experience their job. Those who perceive their supervisor as supportive experience a sense of psychological safety and are more likely to characterize their jobs as providing empowerment, flexibility, open and timely communication, creativity, etc. These job characteristics, by way of dual-motivational processes, promote employee experiences of meaningfulness, and psychological availability and safety (Kahn, 1990; May et al., 2004). Thus, based on the above discussion, the following is proposed. As mentioned earlier, job resources by way of a dual- motivational process, influences both extrinsic and intrinsic motivation.

Hypothesis 2a. Job characteristics will partially mediate the positive relationship between supervisory support and engagement.

In organizational settings, one's immediate supervisor is the prime source of social support (Maslach, Schaufelli, & Leiter, 2001). The other important source of social support is supportive co-workers. Rewarding co-worker interactions that are supportive and trusting foster a sense of belonging and psychological safety. These also contribute to experiencing work as more meaningful (May et al., 2004).

Drawing from social exchange theory, particularly from the notion of generalized/indirect exchange, one could argue that employees who experience supervisory support may indirectly reciprocate by offering support to their fellow co-workers. As a result, experiences of supervisory support are likely to be accompanied by experiences of support from co-workers.

Leader-member exchange which is an important form of social exchange (Liden, Sparrowe, & Wayne, 1997), has been found to predict supervisor-directed organizational citizenship behavior (OCB) (Settoon, Bennett, & Liden, 1996; Wayne, Shore, & Liden, 1997). The supervisor-directed OCB includes actions that benefit supervisor. Extending support to one's co-workers could also be viewed as one such supervisor-directed OCB for having a team of supportive subordinates who trust, respect, and help each other during tough times, celebrate each others' personal achievements and successes, and keep the team morale high can make a supervisor's job much easier.

As mentioned earlier, social support from team members fosters a sense of psychological safety (May et al., 2004). Psychological safety, which is an important antecedent of engagement has been defined as "feeling able to show and employ one's self without fear of negative consequences to self-image, status, or career." Having supportive co-workers who can be relied upon when handing conflicting and challenging job demands should contribute to this sense of psychological safety. Moreover, having this resource available at a time when job demands are

high can be even more crucial in promoting experiences of employee engagement (Hobfall & Freedy, 1993).

As discussed earlier, the job of a frontline employee in a restaurant involves long and frequent interactions with customers and is usually accompanied by varying degrees of emotional regulation. Ashforth and Humphrey (1993) emphasized that identification with one's work should facilitate a feeling of authenticity even when engaged in emotional regulation. To the extent that co-worker interactions foster a sense of belonging, thereby facilitating a stronger sense of identity and meaning, they should buffer the negative impact of emotional regulation on the human spirit. This likely explains Abraham's (1998) finding of no association between emotional labor and job satisfaction in the presence of social support. The experienced sense of meaningfulness and psychological safety fostered by social support increase the experiences of work engagement (Leiter & Maslach, 1988). Thus, the following is proposed:

Hypothesis 2b. Co-worker support will partially mediate the positive relationship between supervisory support and engagement.

Moderating Effect of Supervisory Support and HIWS on Job Characteristics

In small business settings such as restaurants, line managers are often the most salient individuals. Becker and Huselid (2006) emphasize the role of these line managers in influencing human resources management strategy. Others have also suggested that these line managers are much more than simply being the "robotic conformists" when it comes to implementing people management practices (e.g. Marchington & Grugulis, 2000; Purcell & Hutchinson, 2007). Consequently, if these restaurant managers vary significantly in how they implement the HR practices, then the reactions such practices evoke in employees may also be very different. Therefore, while HIWS policies and practices such as promoting empowerment, work life

balance, etc., may contribute to employee experiences of autonomy and reduction of work-family conflict, respectively, it has been suggested that their mere existence is a necessary but not a sufficient condition (Allen, 2001). Implementation of most of these supporting policies and practices is at the discretion of one's immediate supervisor (Beehr, Farmer, Glazer, Gudanowski & Nair, 2003). This would be especially true in small settings where such practices may not have been formalized, leaving a lot to individual interpretation.

Moreover, drawing from the theory of situational strength (Mischel, 1973), one could argue that if the behavior of line manager signals an endorsement of HR practices of the organization, then it creates a "strong situation" which sends unambiguous messages to the employees regarding the expected behavior. On the other hand, if the supervisor's behavior is not compatible with the intended message of the HR practices, then it creates a "weak situation" which may not only affect the strength of the relationship between HIWS and employee experiences, but also change the direction of that effect.

Additionally, as emphasized by Bowen and Ostroff (2004) and Takeuchi et al. (2009) a unit's work climate as perceived by the employees mediates the relationship between HIWS and employees' attitudes and behavior. Hence, in the context of the service industry, where the focus is to create a work climate conducive to service quality, supervisory support would be an important determinant of the strength of the relationship between HR practices and employees' perceptions of, and reactions to these practices.

Nishii et al. (2008) also bring to our attention the importance of employee attributions in their study. The authors found that depending upon the attributions employees make, the same HR practices may be experienced differently. To elaborate, the study indicated that while the commitment-focused attributions (such as service quality and employee well being) are

positively associated with employees' commitment and job satisfaction, the control-focused attributions (such as cost reduction and employee exploitation) are negatively associated with these outcomes. Building on these very important findings, I argue that immediate supervisors are among the most important sources that shape employee attributions in a unit. While a supportive supervisor may positively contribute to the relationship between HIWS and job resources, a control-oriented supervisor may contribute to decreased experiences.

Likewise, having a supportive supervisor alone may not ensure the availability of job characteristics such as empowerment, communication, creativity, and flexibility. For instance, even if a supervisor promotes empowerment, it may end up negatively impacting engagement if employees are not equipped with the KSAs and motivation to utilize empowerment as a job resource. In this instance empowerment may be experienced more as a demand than as a resource. Employing HIWS that include practices such as effective selection, training and development, and monetary and non-monetary incentives would ensure that employees have the KSA and motivation to utilize the job resources effectively, rather than finding them overwhelming. Thus the following is proposed:

Hypothesis 3. Supervisory support and HIWS will moderate the effect of each other on job characteristics such that job characteristics will be experienced the most when both HIWS and supervisory support are high.

Job Characteristics and Employee Turnover (Voluntary and Involuntary): The Mediating Role of Engagement

The relationship between engagement and various employee attitudes and behaviors has generated a lot of attention both amongst practitioners and researchers (e.g., Halbesleben & Wheeler, 2008; Harter et al.; Macey & Schneider, 2008**).** Studies examining the relationship

between engagement and turnover have found the two to be negatively related. (e.g., Bhatnagar, 2007; Halbesleben, 2010; Halbesleben & Wheeler, 2008; Harter et al., 2002; Korunka, Kubicek, Schaufeli, & Hoonakker, 2009; Saks, 2006).

Intuitively this makes sense. If an employee is not excited or energized about his/her job, then it is very likely that this individual is staying with the organization because of continuance commitment and would quit as soon as a better alternative is available. On the other hand, engaged employees identify with and are dedicated to their jobs (Halbesleben & Wheeler, 2008). Such employees are also likely to experience affective commitment toward their employers, which has been found to be negatively related to organizational turnover (see Meyer & Allen, 1991; Rhoades, Eisenberger, & Armeli, 2001).

Engaged employees are also hesitant to quit because of the availability of resources at their disposal (De Lange, et al., 2008). They may feel that they would have to start all over again if they leave to take a new job. This is consistent with the conservation of resources theory which emphasizes that individuals are very sensitive to the loss of resources and are focused on preventing that from occurring (Hobfall & Freedy, 1993).

Finally, employing the social exchange perspective, Saks (2006) argues that employees feel obligated to reciprocate in return for job resources that are made available to them by employers. As a result they are more likely to be engaged and are less likely to harbor quit intentions. Other studies have also found engagement to play a mediating role in the relationship between job resources and voluntary turnover (e.g., Halbesleben, 2010; Halbesleben & Wheeler, 2008; Korunka et al., 2009). This is consistent with the link between job resources and engagement proposed earlier.

To my knowledge, there is no study to date that has examined the effect of engagement on involuntary turnover. However, one could argue that employees who take pride in their job, and are excited about it, are less likely to engage in behaviors that could potentially cause an involuntary turnover. On the other hand, nonengaged employees are more likely to get distracted because of their indifferent attitude toward their job. Consistent with this argument, research has indicated that employees who are low on engagement are also likely to be low on both in-role and extra-role performance (Bakker & Demerouti, 2008; Chung & Angeline, 2010). As mentioned earlier, nonengaged employees are also likely to have a significantly higher rate of work safety incidents (Vance, 2006). This leads to the following hypotheses:

Hypothesis 4a: Employee engagement will partially mediate the negative relationship between job characteristics and voluntary turnover.

Hypothesis 4b: Employee engagement will partially mediate the negative relationship between job characteristics and involuntary turnover.

Relatively recent research has found job resources, including availability of tools and methods, training, communication and feedback, to significantly influence voluntary turnover (Hurley & Estelami, 2007). In fact, extant literature suggests that part-time employees may be even more sensitive to the quality of their work environment compared to their full-time counterparts. It has been argued that these employees likely experience relatively lower levels of organizational commitment and therefore are more likely to quit due to lower work quality (Fenton-O'Creevy, 1995; Hunt & Morgan, 1994). This may be especially true in service environments that are characterized by frequent employee-customer interactions. Hence, although the existing research suggests full mediation (e.g., Korunka et al., 2009), for this sample, job characteristics may also have

a direct relationship with voluntary turnover, over and above the mediating effects of work engagement. This leads to the following Hypothesis:

Hypothesis 4c: Job characteristics will be negatively related to voluntary turnover.

Engagement and Customer Loyalty: The Mediating Role of Customer Evaluation of Service

In the service industry, the quality of interactions of frontline employees with their customers is perhaps the most important determinant of customer satisfaction. As established earlier, dining out is more of an emotional experience. Therefore, while the quality of food matters, it is the behavior of servers and other frontline employees that plays a central role in customers' overall experience and their loyalty (Chuang & Liao, 2010; Liao & Chuang, 2004). Extant research has found a strong association between reliable, helpful, friendly, and responsive employees and overall customer satisfaction (Borucki & Burke, 1999; Chuang & Liao, 2010; Liao & Chuang, 2004).

Engaged employees who are full of energy and enthusiasm, are resilient, and take pride in their work are likely to be helpful, courteous and responsive toward their customers and would therefore be received positively by the customers. Supportive empirical evidence is provided by extant research that has found engaged workers to be more creative, more productive, and more likely to engage in extra-role behaviors (Bakker & Demerouti, 2008; Chung & Angeline, 2010). Work engagement has also been found to be a good predictor of customer loyalty (Harter et al., 2002; Salanova et al., 2005). In sum, one could infer that engaged employees who are more likely to be excited and energetic about work, display extra-role performance, and take pride in their work would be received well by the recipients of their service. This, in turn, should increase

the likelihood of having loyal customers who not only provide repeat business opportunities but who are also "apostles" for the business. This leads to the following hypothesis.

Hypothesis 5. Customer evaluation will mediate the positive relationship between engagement and customer loyalty.

Customer Evaluation of Service and Indicators of Unit Performance: Mediating Role of Customer Loyalty.

Extant literature has found that perceptions of work climate impact customer satisfaction and a unit's financial performance (e.g., Borucki & Burke, 1999). Employees who perceive their work climate as one that is characterized by "concern for employee" are likely to experience a sense of psychological safety and meaningfulness. These experiences have also been found to be associated with work engagement (May et al., 2004). Engaged workers have a positive effect on indicators of firm performance (Harter et al., 2002; Xanthopoulou, et al. 2009). George (1991) found that a salesperson's customer-focused OCB (as rated by their supervisors) was significantly related to the sales generated by that person. OCB or extra-role performance has been found to be related with work engagement (Bakker & Demerouti, 2008) A more recent examination by Chuang and Liao (2010) found manager-rated service performance to be a significant predictor of superior market performance.

The link between customer satisfaction and sales informs and guides management practice. Perhaps it is because of this deep rooted belief that organizations are willing to invest their time and money in finding ways to increase customer satisfaction (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). In fact, the marketing literature has found very robust results for this relationship (Keiningham & Vavra, 2001). One logical explanation for this relationship would be that engaged employees because of their in-role and extra-role behaviors, would

deliver higher levels of service performance. This, in turn, would be reciprocated by the customer in the form of customer loyalty. Finally, customer loyalty should result in both increased organizational traffic and sales (Lovelock & Wirtz, 2004). In an attempt to replicate these existing findings in this study's setting, the following hypotheses are proposed:

Hypothesis 6a. Customer loyalty will partially mediate the positive relationship between customer evaluation and unit traffic.

Hypothesis 6b. Customer loyalty will partially mediate the positive relationship between customer evaluation and unit sales.

METHODS

3.1 Organizational Context

The setting for the current study is a U.S. based restaurant franchise chain with operations at both national and international levels. This study limits its focus to the domestic operations of the franchisor.

According to one estimate, franchising accounts for more than $1 trillion annually in retail sales in the United States that is generated by 320,000 small businesses across 75 industries (Fenwick, 2001). Thus, the franchising world clearly is an important component of the economy. Franchising is referred to as a hybrid organizational arrangement because many franchisors choose to retain ownership of some units (referred to as corporate owned/corporate franchise) while franchising others (Child, 1987). Based on information from my organizational contact person, even though the corporate owned units are all owned by the franchising chain, they function in a very decentralized fashion. The unit managers are responsible for most day-to-day people management practices, ranging from recruitment, orientation, and training, to performance evaluation for the hourly employees. Hence, these units are semi-autonomous, are characterized by informality, and operate like small businesses.

Based on my observations both as a researcher and as a guest in these restaurants multiple times, I would like to point out that waiting tables in a casual full-service dining restaurant is more challenging than one may assume. Servers are expected to perform a variety of tasks simultaneously. While guests at one table may want suggestions or more information about certain menu items, those on another table may be ready for their check. Yet another table may have customers who need a refill of their beverage. And then there are customers who got the wrong order, want to substitute one of the sides with something else that is not provided as a

standard option on the menu, or simply want to engage in a conversation. While these examples are certainly not exhaustive, they illustrate the demands of the restaurant service role. As is obvious, in this type of setting, the quality of interactions between frontline employees and customers dictate unit-level customer satisfaction with service performance and, in turn, their loyalty.

Moreover, as indicated earlier, unlike many businesses in the service sector, hospitality is unique because here the customer pays for the overall experience. People often dine out to celebrate special occasions such as birthdays and anniversaries, enjoy work get-togethers, have quality time with family or just have a dinner date. Whatever the reason, the quality of interactions with their server can have a huge impact on their overall experience. As William Marriott, founder of Marriott Corporation put it "in the service business you can't make happy guests with unhappy employees (Hostage, 1975: 98).

It is also important to note that since the franchise chain in question comprises restaurants that offer full service dining, the environment is not as standardized as it would be in a fast food restaurant. The interactions between the servers and guests are much longer and more frequent, thereby also affecting the quality of those interactions. Although uniformity of customer experience is a goal since the predictability of the food and experience associated with the brand is one of the factors that drive the incoming traffic, the quantity and quality of frontline employee-guest interactions demands customization.

Hence, I do not believe that customer-employee interactions in this sample would be as mechanized as the ones suggested in the study on frontline employees in a cinema chain by Boxall et al. (2011). In terms of situation strength, given the highly scripted behavior, the situation in the context of cinema chain could be characterized as "strong". On the other hand,

the same in full service, casual dining restaurant is relatively "weak" with increased unpredictability associated with the employee-customer interactions. Thus, I expect a work design that promotes empowerment, communication, information sharing, etc. to be more effective for this population compared to one that is characterized by more of a Taylorist paradigm.

3.2 Research Design

The data for this study were obtained at multiple levels (employee and store levels), from multiple sources. Also, both perceptual and objective measures were utilized. The restaurant level data on HIWS were obtained from managers of all the participating restaurants. The frontline employees from the participating restaurants were the source of employee level data on supervisory support, job resources and engagement. Finally the data on turnover (involuntary and voluntary), unit traffic and unit sales were obtained from the franchisor for all the participating restaurants. These data are maintained by the organization on a regular basis. Further, a time lag of about three months was provided between the data collection on employee level, perceptual, independent and mediating measures and organizational level, objective, dependent measures. This strategy, coupled with strong theoretical underpinnings, enhances the researcher's ability to draw causal conclusions.

The data on HIWS were collected using online-survey methodology by the author between April-May 2012. Prior to data collection, several rounds of informal discussion were conducted with a senior representative of the management team at the franchisor's office. These qualitative assessments not only allowed me to have a better understanding of my research site but they also provided deeper insight into the phenomena being studied. This, in turn, facilitated a more informed interpretation of the quantitative responses.

Further, a pilot testing of the survey measure was completed with two junior members in the training and development department of the franchisor who provided feedback on the nature and the language of the questions, and the length of the survey. Both of these employees had worked as frontline employees in one of the corporate-owned restaurants before being promoted to their current position. Therefore, their feedback was very valuable. Feedback was also sought from a senior executive in the same department. This information was used to further refine the survey instrument. An online-version of the finalized survey was developed that included the HIWS measure and a few other demographic questions. The online survey was designed in a way that required participants to respond to all the questions on one page before they could move to the next page. This strategy significantly reduced the chances of missing data. However, participants were given the option to not respond to the demographic questions, if they chose.

Prior to launching the survey, an e-mail memo was sent by the Head of Training and Development to all the regional HR directors/managers informing them of the purpose of the study and soliciting their support for the project. This was followed by an e-mail from the human resources department to all the restaurant managers informing them about the online survey and encouraging them to participate. They were assured that the responses would go directly to the researcher and that the company would never have access to any individual information.

Two days after this communication from the franchisor, restaurant managers from all of the 161 corporate-owned restaurants received an e mail invitation from me to participate in the study. The invitation described the voluntary nature of the participation while assuring the participants about the confidentiality and anonymity associated with the study. The participants were also requested to read the attached information statement for more details or questions about the study. An online link to the survey created using the Qualtrics survey software was

sent along with this invitation. Each restaurant received a unique link so as to enable the matching of manager responses with the restaurants.

A week after the survey was launched, e-mail reminders were sent along with the survey links to all the participating restaurants. A reminder by the Regional HR Heads was sent the following week to the restaurants from where fewer than two responses were received. This reminder was immediately followed by a reminder from me along with the survey links. These contacts resulted in a total of 310 responses from managers representing about 138 restaurants providing an overall response rate of 86%.

Employee-level data were extracted from a larger survey that was conducted recently (September-October, 2011) on behalf of the franchisor by a third party. These data were collected from all the corporate-owned restaurants. Since this was an internal survey conducted on behalf of the organization, the response rate was high. The final usable sample had a response rate of at least 50% from about 90% of the restaurants with an average of 27 responses per restaurant.

I obtained store level data on the outcome measures (employee turnover, customer evaluation of service and loyalty, traffic, and sales) from the franchisor for the period of January-March, 2012 (quarterly). This allowed me to procure the data on employee experiences and organizational performance in the right sequence while ensuring a good distance between the two (Wright, Gardner, Moynihan, & Allen, 2005).

The data on employee turnover were obtained separately for involuntary and voluntary turnover to allow for a separate analysis for the two. It has been suggested that while the two are related, they are distinct from each other (Shaw, Delery, Jenkins, & Gupta, 1998). These authors found that although the two types of turnover are definitely related, they cannot be taken as

synonymous for they may have different antecedents as well as outcomes. These scholars also note that while the distinction between voluntary and involuntary turnover is well established in the management literature on individuals organizational level research has often lumped the two types of turnover together (e.g., Batt 2002).

Given the situational constraints, I was not able to collect data on HIWS in the ideal sequence as suggested by Wright et al. (2005). However, the managers were asked to reflect back and specifically indicate the extent to which the statements in the HIWS survey accurately defined the job of the frontline employees (servers, hosts, etc.) in their restaurant. Further, responses from managers who reported their job tenure at the restaurant as less than six months were excluded from the study. The remaining managers were all employed by the franchisor at the time of employee-level data collection conducted on behalf of the franchisor and were also better aware of the HR policies and practices being implemented. Also, while the restaurants are corporately owned, the Vice-Presidents, Training and Human Resources, respectively, both indicated that these are operated in a decentralized fashion and that there also exists regional differences. In fact it has been suggested that the diversity of HR systems is much greater in firms that incorporate a range of establishments (Boxall et al., 2011).

Moreover, most of the HR practices included in the measure are informal. Therefore, their implementation should vary depending upon their interpretation. While providing their take on the linkage between the HIWS and the organizational outcomes, Wright and Nishii (2006) provided a causal chain that delineates how intended practices lead to actual practices, which in turn, leads to the perception of these practices by the employees. These perceptions evoke reactions in employees by influencing their abilities, motivation, and attitude. Finally these employee reactions, in turn, influence organizational performance.

This causal model highlights the gap between management's intentions and action. The intended practices as outlined in the organizational manual may not always mirror those implemented by the restaurant managers. In some cases, it may require an "intelligent adaptation" to make them work given the realities on the ground. It may also be a case where the managers reinterpret these policies for their own vested interests (Batt, 2004). Hence, overall, there was enough evidence to believe that the practices would vary between the restaurants. Results of reliability estimates (R_{wg}), and intraclass correlations (ICC(1) & ICC(2)) also supported this assumption (details in the analysis section).

3.3 Sample

The final sample for this study consisted of 248 managers representing 119 corporate-owned stores spread across the Midwest and the East Coast regions of the United States. Multiple responses were received from more than two-third (68%) of these restaurants. The average number of managerial responses per restaurant was 2.6.

Among these 248 managers representing the participating restaurants, about half (48%) had been employed at their respective restaurant for more than 4 years, about a third for 1-4 years, and about one-eighth (13%) had a job tenure of 6 month to 1 year with their unit. More than half of these managers were male (57.8%), under forty years of age (62%), and were predominantly white (91%). Their job titles ranged from General Manager and Assistant Manager, to Bar Manager, Kitchen Manager, and Service Manager.

As aforementioned, the data for the frontline employees were extracted from a larger survey conducted on behalf of the organization. Given the nature of the research question, only those employees who identified themselves as frontline employees were selected to be a part of this study. The final sample comprised 3218 employees nested within the 119 restaurants for

which the HIWS data were available. More than two-third (70%) of these employees were female. About three-fourth (74.4%) were 30 years old or younger. More than half (62.4%) reported their job tenure as under three years, about a fifth (17.1%) had been employed between 3-5 years, and a little more than a fifth (20.5%) had a job tenure of more than five years with their unit.

3.4 Assessment of Reliability and Validity

Several steps were taken to determine the validity and reliability of the self-report data. First, interrater agreement on the HIWS ratings was assessed using using R_{wg} (James, Demaree, & Wolf, 1984). The mean R_{wg} of the final sample (N=119) was .78 for the HIWS scale. This value was well above the rule of thumb value of .60 (James, 1982) and the more commonly accepted value of .70. This analysis was supplemented with the analysis of intraclass correlations (ICC(1) & ICC(2)). The ICC(1) was calculated from the one-way random-effects ANOVA (obtained using SPSS) using Bartko formula (1976; as recommended by Kozlowski & Klein, 2000). The ICC(1) for the HIWS scale was .30. This value suggested that 30% of the variance in the managers' rating was because of their unit membership (see Bryk & Raudenbush, 1992; James, 1982). ICC(1) obtained using Mplus generated the same result. While no rule of thumb value has been recommended for ICC(1), .30 far exceeded the median value of .12 as reported by James (1982).

ICC (2) which is an index of reliability of group mean was calculated using the Spearman Brown formula (Shrout & Fleiss, 1979). The ICC (2) for the scale was .52 which was slightly lower than the cutoff of .60 as recommended by Glick (1985). However, this value is comparable to what is commonly reported in the literature in SHRM (e.g. Datta et al., 2005; Takeuchi et al., 2007). Moreover, James (1982) recommends using ICC(1) as an indicator of interrater reliability

and consequently as a criterion for aggregating. Gerhart et al. (2000) also recommended the use of ICC(1) as a guide to make decisions about aggregation in SHRM research. In fact, this criterion has been employed as a standard guide by the extant research in the area (e.g., Schneider et al., 2005; Takeuchi et al., 2007). Hence there was enough evidence to justify aggregation of manager responses on the HIWS scale.

While I could not verify the interrater reliability for about 32% of the restaurants because of the availability of only one respondent from these units, I believe that might not be a big concern given the relatively smaller size of the units. The total number of employees in all the restaurants included in this study was about 60-80, the average number of frontline employees was less than 50. The number of restaurant managers in each restaurant ranged from 3-5. Further, a restaurant manager being the frontline manager would be considered to be very familiar with the HR practices being implemented in his/her establishment and therefore should be the most suitable rater to assess these practices (Chuang & Liao, 2010). .

In fact, while debating the validity of single raters, Gerhart et al. (2000) also acknowledged that the reliability was likely to much higher in smaller units. In addition, I requested the respondents to focus exclusively on the HR practices for the frontline employees and not those for all employees. This focus is likely to increase the accuracy in the managers' evaluations considering that the HR practices might vary for different types of employees (Lepak & Snell, 1999)

3.5 Measures

3.5.1 Independent, moderating, and mediating variables

High Involvement Work Systems (HIWS). HIWS were measured using a 21-item scale adopted from Chuang and Liao (2010), Lepak and Snell (2002), and Batt (2002). The language of the

questions was modified slightly to meet the context. Additionally, based on informal discussions during the pilot testing, a question enquiring about the help employees received to prevent mistreatment from the guests was added to the measure. Restaurant managers rated the extent to which they believed the practices existed for the frontline employees on a 5-point scale ranging from "strongly disagree" (1) to "strongly agree" (5). Since this study focuses only on the frontline employees, data were collected only on the existence of practices and not the extent of coverage (in terms of percentage of different employment groups).

Cronbach's α reliability estimate for the scale is .83. Additionally, consistent with my unidimensional conceptualization (HR practices are conceptualized as a part of a system) an additive approach was used to create a unitary index (Becker & Huselid, 1998). This is congruent with the previous practice in the literature (e.g. Batt, 2002; Guthrie, 2001, Takeuchi et al., 2007). Consistent with the use of an additive index, an establishment using few practices to a large extent may have the same index value as an organization using a wide range of practices to a modest extent (Becker & Huselid, 1998; Guthrie, 2001; Takeuchi et al., 2007). The 21 items used to create the unitary HIWS index are available in Appendix C**.**

A confirmatory factor analysis (CFA) was performed to confirm the unidimensional nature of the HIWS scale. This analysis revealed that three items had loadings of less than .40 on HIWS. However, these items did not load on a second factor. Moreover, the fit indices (RMSEA=.08; SRMR= .06) indicated an adequate model fit. Moreover, these three items provided relevant and important information about the HR practices. Therefore, they were retained in the survey.

Supervisory Support. The ten items for the supervisory support were selected based on their fit with the conceptualization of the construct. As far as the face validity is concerned, this scale

was comparable to the adopted version of the scale of Survey of Perceived Organizational Support (SPOS; Eisenberger, Huntington, Hutchison, & Sowa, 1986) that has been commonly used in the extant literature (e.g. Hutchison, 1997). This scale replaces the term "organization" with the term "supervisor". The participants responded to the extent to which they agreed with the provided statements using a 5-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5). Cronbach's α reliability estimate for this scale was **.**96 indicating a strong internal consistency. A CFA was performed to check how good the items hold together. The results revealed an adequate model fit (CFI =.96; SRMR =.025; RMSEA= .09) with the item loadings ranging from .71 to .88. The 10 items used to create the scale are available in Appendix C.

*Job Resources***.** Job resources were measured using two different scales. The first scale was a 12-item *Job Characteristics* scale measuring the extent to which the participants perceived their job allowed for clarity, communication, empowerment, feedback, and flexibility. Cronbach's α reliability estimate for the scale was .86. A CFA was performed to examine the item loadings and to see how good the items held together. While the model fit was relatively low (SRMR = .05; RMSEA =.10), it was within the acceptable range. Moreover, the item loading ranged from .40 to .70. The 12 items used to create the unitary HIWS index are available in Appendix C.

Another aspect of job resources measured was the degree of support employees received from co-workers. This scale had 6-items with anchors ranging from "strongly disagree" (1) to "strongly agree" (5). Cronbach's α reliability estimate for this scale was .87. A CFA conducted to further examine the validity of the measure revealed a good model fit (RMSEA =.05; CFI =.99; SRMR= .02) with item loadings ranging from .51 to .82. The 6-items scale is available in Appendix C.

Work Engagement. Three items from the data comprised the work engagement scale. Although not ideal, these items served as a shortened version of the UWES-9 scale (Schaufeli, Bakker, & Salanova, 2006). Cronbach's α reliability estimate for the scale was **.**78 which indicated an acceptable internal consistency. Results of CFA also revealed an excellent model fit (RMSEA =0.000; SRMR = 0.000; CFI= 1.00). Appendix C lists the three items used in this scale.

Customer Evaluation of Service Performance and Customer Loyalty. Unit-level aggregated data of items evaluating customer evaluation and customer loyalty for the period of January-March, 2012 were extracted from a larger customer satisfaction survey conducted by the franchisor. These data were collected from the restaurants' guests on a regular basis. A 10-item scale was used for customer evaluation of service performance and a 3-item scale was used to measure customer loyalty. Since the data were aggregated, Cronbach's reliability estimates could not be calculated. However, the items displayed very good face validity. Additionally, the average number of respondents per restaurant was high (N = 35). The items for the two scales are listed in Appendix C**.**

Controls. Variable demographic characteristics such as gender and age have been found to affect the relationship between HIWS and various indices of performance and will therefore be controlled (Applebaum et al., 2000; Takeuchi et al., 2009). Age has also been found to affect work engagement (Avery, McKay, & Wilson, 2007; Schaufeli, Bakker & Salanova, 2006). Age and job tenure with the restaurant may also impact various employee experiences, including employees' rating of supervisory support and job resources. Therefore, gender, employee job tenure, and age were used as controls in the analysis. Since all the restaurants were of similar size and structure, organizational-level control was not a concern.

3.5.2 *Dependent variables*

Drawing from the recommendations made by Rogers and Wright (1998) and Way (2002) this research takes a multiple stakeholder perspective by examining five different indicators of an organization's "performance" when attempting to link work practices with organizational success. These multiple indicators of organizational effectiveness include employee turnover (voluntary and involuntary), customer evaluation of service performance, customer loyalty, organizational traffic, and sales. As alluded to earlier, these outcomes were obtained from the franchisor for the first quarter of 2012 (January-March, 2012) at the restaurant level. While customer evaluation of service and loyalty were reported by the customers on a 5-point Likert scale, turnover rates were available in percentage form. Obtaining turnover data from key respondents is the modal approach in the SHRM literature (e.g., Guthrie, 2001; Huselid, 1995).

Since store traffic and sales were much larger numbers, a proportion of maximum score (POMS) conversion was performed to bring the two variables to a scale that is compatible with other measures (Little, forthcoming). This was chosen over Z-score conversion because Z scores force all the variances to be equal which is not appropriate for the data analysis.

Finally, as utilized in the extant research (Guthrie, 2001; Youndt et al., 1996), I entertained the idea of using a more proximal measure of organizational performance i.e. employee productivity, by calculating sales per employees. However, I ultimately decided against it, primarily because of the hourly nature of the employees in these restaurants. Not all of these employees worked for the same number of hours. For example, in a college town, where a large proportion of frontline employees are students, the average number of weekly working hours per employee may be twenty or fewer compared to non-college towns where hourly employees generally work between 20-40 hours. As a result, the employee headcount for the

restaurants in college towns would be much larger compared to the same for the restaurants in non-college towns. This variation in the number of hours worked made me question the accuracy of a measure of productivity per employee which simply divides the total sales by the number of employees.

3.6 Analysis

3.6.1 Analytical technique

The hierarchical nature of the data with employees nested in restaurants warranted a multilevel modeling (MLM) technique. MLM which belongs to the family of the regression-based methods, yields more accurate estimates of type I error rates than the nonhierarchical methods by incorporating different error terms for different levels of hierarchical data. However, while the traditional application of MLM cannot accommodate upper level (Level 2 in this case) mediators or outcome variables, multilevel structural modeling (MSEM) is a very useful tool when Level 2 variables are involved (Preacher, Zhang, & Zyphur, 2011). Also, when multilevel mediation is involved, MSEM is a good alternative to the traditional MLM approaches that conflate the point estimates (Preacher, Zyphur, & Zhang, 2010; Preacher et al., 2011).

MSEM also has the advantage over the more common approach of using SEM with data aggregated at the upper level (in this case, Level 2). Aggregation results in downward bias due to utilization of unreliable cluster means. On the other hand, MSEM with its separate Within and Between models, renders the Within and Between component effects to be "unconflated" (Preacher et al., 2010; Preacher et al., 2011). Thus, by combining the strengths of both SEM and MLM, this SEM approach to multilevel modeling provides a flexible framework that allows for specification and testing of a wide variety of theoretical models (Heck, 2009). It also allows one to test for indirect effects while simultaneously accounting for clustering and retaining all the

benefits of SEM (Preacher et al., 2011). Therefore, given the Level 2 variables (HIWS, employee turnover, customer evaluation, loyalty, traffic and sales) and multilevel mediation effects involved in the proposed model, MSEM was employed to examine the hypothesized relationships. M*plus* software version 6.12 (Muthen & Muthen, 2004) was used to perform this analysis.

As recommended by Bliese (2002), ICC(1) was calculated for the four employee level variables namely, supervisory support, job characteristics, supportive co-workers, and engagement. The ICC(1) for the four variables in question were .13, .13, .12, and .07 respectively, suggesting that enough variance resided between the restaurants to treat them as clusters. As aforementioned, while there is no cut-off, James (1982) reported .12 as the median value for ICC(1). These ICC(1) values were within the acceptable range to warrant the use of MLM (Raudenbush & Bryk, 2002).

3.6.2 Mediation analyses

Bootstrapping represents a very powerful method of obtaining confidence intervals (CI) for testing indirect effects (William & MacKinnon, 2008). While there is no feasible bootstrapping technique that is agreed upon for testing mediations in multilevel models, Monte Carlo (MC) Method (a type of parametric bootstrapping) has been recommended as a comparable and competitive method to perform the analysis of indirect effects (Preacher & Selig, 2012). This method does not make any assumptions regarding the normality of the indirect effects and therefore yields more accurate CIs than do normal-theory methods, given the skewed sampling distribution of indirect effects (Preacher et al., 2010). Moreover, in the context of multilevel modeling, this method produces results that are comparable to a bias corrected (BC) bootstrap which is considered the method with most accuracy (Pituch et al., 2006; Preacher &

Selig, 2012). Following these recommendations, MC method was used for both simple mediation and complex mediation analyses (3 and 4-path analyses).

To conduct simple mediation, I used Selig and Preacher's (2008) web-based tool to generate and run R code for simulating the sampling distribution of indirect effects. This tool requires point estimates of the *a* and *b* paths and their standard errors as the input information to calculate the 95% confidence intervals. I set the number of repetitions to the recommended default of 20000. For the complex indirect effects (3 or 4 paths), I used the asymptotic covariances from the output generated for the best fitting model along with the corresponding point estimates to create R code. This code was then used to generate 95% confidence intervals for the examined indirect effects using R. The results are presented in the next section.

RESULTS

4.1 Descriptive Statistics

Table 1 in Appendix A presents the means, standard deviations, alpha reliability estimates, and the correlations among the variables in the model. As discussed earlier, all the Cronbach alphas were well above the acceptable cut off. Also, most of the paths are in the hypothesized direction. On average, all the employee-level variables, job characteristics, supervisory support, co-worker support, and engagement were reported as moderately high. Among the organizational-level measures, while the customer evaluation of service performance was fairly high, both customer loyalty and HIWS were reported as moderately high. Further, the average voluntary turnover (12%) is comparable to the mean annual turnover rate of 12.92% reported by Guthrie (2001) and that of 13% reported by Yalabik et al. (2008). The average rate for involuntary turnover measured separately is 8%. However, it is important to note that the turnover reported here is on a quarterly and not annual basis.

4.2 Multilevel Structural Equation Modeling (MSEM) Results

To test the fit of the proposed multilevel structure equation model, I created syntax that specified the paths in the hypothesized model. Since the mediations proposed in the model were partial, along with the hypothesized indirect paths, direct paths for the proposed indirect effects were also added in this model. Finally, the three control variables (gender, age and tenure) were added as covariates in the within level model.

Generally, M*plus* analysis performs full information maximum likelihood model (FIMEL) imputation for the missing data by default. However, if data are missing on variables that are specified as only predictors in the model, it conducts a listwise deletion of those cases. Since the only missing data in this study was on the two controls variables, namely gender and

age, M*plus* ordinarily would fail to use the present data for these cases. This can be rectified by adding syntax that specifies each variable involved as a latent variable with one factor. While this modification changes nothing important in the model, it enables M*plus* to retain the cases with missing data on any variable. I chose to do so to increase the power of the tests, accuracy of parameter estimates, and generalizability of the results.

4.2.1 Hypothesized and Revised Models

The fit indices for the hypothesized model (M1) indicated that the model had a good fit with the data (RMSEA =.03, CFI=0.99, SRMR Within = .01, SRMR Between = .042). The paths specified in the Within model for the four employee-level variables were all significant. However, in reviewing the point estimates, for the Between model, I found both the paths between HIWS and job characteristics and that between co-worker support and engagement to be nonsignificant. In addition, those between engagement and employee turnover (both voluntary and involuntary) and job characteristics and voluntary turnover were nonsignificant as well. Finally, the path between engagement and customer evaluation of service was marginally significant (p =.066).

In order to obtain a parsimonious model with a similar or better model fit, I deleted all the nonsignificant paths while retaining the marginally significant path between engagement and customer evaluation of service. The resulting model (M2) had a better model fit for the Within model but that for the between model fell in the acceptable category (RMSEA = .02, CFI = .99, SRMR Within = .01, SRMR Between = .08).

The chi-square difference test for nested model using Satorra-Bentler scaled (mean-adjusted) chi-square (Satorra, 2000) was performed to compare M2 with the hypothesized model (M1). This test uses the loglikelihood, scaling correction factor, and the parameter values for the

two models (full/hypothesized and the nested model) that are generated along with the MLR (robust maximum likelihood) estimator. The difference in Chi- square was statistically nonsignificant ($\Delta\chi2 = 10.221$, $\Delta df = 16$, $p = 0.85$). This implied that the nested model (M2) which was more parsimonious should be retained.

However, at the Between Level, this reduced model did not explain most of the paths (beyond those explained in the Within component) in the model. For instance, the paths from engagement to employee turnover were in the right direction but nonsignificant. As indicated earlier, extant research has found a very robust relationship between job characteristics and turnover that is fully mediated by engagement (e.g. Halbesleben, 2010; Korunka et al., 2009). Likewise, the path between engagement to customer evaluation of service was marginally significant (p =.07)

Detailed discussions with franchisor's representatives highlighted the fact that turnover among the frontline employees is one of the biggest problems in the restaurant industry. This has also been suggested in another recent study on service industry (Boxall et al., 2011). This, in turn, affects customer satisfaction, for the newer employees take time to familiarize themselves with the rules of the game. Consequently, it is also reflected in the quality of the interactions between the guests and these employees leading to dissatisfaction with service.

Schneider and Bowen (1993) provide the example of the retail chain Sears as anecdotal evidence. It was reported that those stores of the chain that experienced lower rates of employee turnover also had higher levels of customer satisfaction. More recent research has also confirmed this relationship (e.g. Batt & Colvin, 2011; Hancock, Allen, Bosco, McDaniel, & Pierce, 2011; Hausknecht, Trevor, & Howard, 2009; Koys, 2001). Additionally, the causal linkages in the service-profit chain (Heskett et al., 1994) also suggest that employee experiences of, and

reactions to, work quality influence customer satisfaction by way of employee retention and productivity. Extant research is also consistent with this argument (Day, 1994; Hurley & Estelami, 2007). The anecdotal evidence, coupled with the findings in the extant research, prompted me to review and re-specify the paths between engagement, employee turnover and customer evaluation.

Consequently, grounded in practical and theoretical reasoning, and to potentially obtain a model that explained more variance while providing the same or better fit, a revised model was refit to the data. This model (M3) re-specified the paths between engagement, turnover and customer evaluation in the original model in such a way that engagement now had an indirect effect on customer evaluation of service via employee turnover.

One more path was re-specified following my discussions with the representatives of the franchisor who indicated that the relationship between customer loyalty (intention to have repeat visits and recommending to others) and sales could be influenced by so many other factors such as cost of living, college/non-college town, local economy, number of competitors in the neighborhood, etc. Existing research has also indicated that the relationship between customer loyalty and repurchase behavior is influenced by various factors including household income, convenience, competitive intensity, etc. (Seider, Voss, Grewal & Godfrey, 2005) Since these factors could not be accounted for, the path between loyalty and sales was re-specified as an indirect path via traffic. The revised model had an excellent model fit (RMSEA = .01, CFI =.996, SRMR Within =0.01, SRMR Between = 0.04).

Since M3 contained all the paths specified in the reduced model (derived from the hypothesized model) along with some new paths, M2 was nested in M3. In order to choose the model that had the best fit with the data, Satorra-Bentler scaled (mean-adjusted) chi-square

(Satorra, 2000) significance test was performed. The test revealed a significant difference in chi-squares ($\Delta\chi 2 = 25.10$, $\Delta df = 8$, $p = 0.002$). This suggested that the more complex model (M3) provided very valuable information and should be chosen over the simpler model. Table 2 in Appendix A provides a summary of the model fit indices for the three models considered in this study. Table 3a and 3b provide the information on point estimates and *p* values associated with all the significant paths in the final model for both Within and Between Levels. Finally, Figures 2 and 3 depict the results at both Levels.

4.2.2 Interaction Effect

It was hypothesized that HIWS and supervisory support will have a moderating effect on job characteristics such that job characteristics would be experienced the most, when both HIWS and supervisory support are high. This moderation was tested using Mplus. However, the moderating effect in question was not found to be significant ($\beta = .191$, $p > .05$), Hence, Hypothesis 4 was not supported.

4.2.3 Mediation Analyses

Simple mediation analyses (two-path) were conducted using Monte Carlo method to test the proposed hypotheses**.** As mentioned earlier, I utilized Selig and Preacher's (2008) web-based tool to generate and run R code for simulating the sampling distribution of the indirect effects. Results of the mediation analysis conducted to examine if job characteristics mediated the relationship between supervisory support and engagement (H2a) were significant for both Within (95% CI, LL = .333 UL = .425) and Between (95% CI, LL= .135 UL = .877) models with none of the confidence intervals (CI) including zero. Figures 4 and 5 depict the 95% CI for the indirect effect at the two levels. The indirect paths between supervisory support and engagement, via co-worker support were also found significant (95% CI, LL=.007 UL = .062) at the Within Level

(see Figure 6). However, the same paths for the Between Level were not significant (95% CI, LL = -.124 UL = .125).

Additionally, mediation analysis confirmed that job characteristics had an indirect effect on involuntary turnover via work engagement (95% CI LL=-.126 UL = -.002). Figure 7 depicts the 95% CI for the proposed indirect effect. However, the CI for the indirect path between job characteristics and voluntary turnover via engagement contained zero indicating that it was not mediated by engagement. Instead, job characteristics were found to be directly related with voluntary turnover (β =-.240, p <.05).

Recall that the relationship between engagement and customer evaluation was re-specified such that engagement had an indirect affect on customer evaluation via employee turnover (both involuntary and voluntary). While the direct path from engagement to involuntary turnover and that from involuntary turnover to customer evaluation of service was significant, the mediating effect of involuntary turnover on the relationship between engagement and customer evaluation was nonsignificant (95% CI, LL = -.001 UL = .072). The indirect paths between engagement, voluntary turnover and customer evaluation were not found to be sigificant.

As indicated earlier, the hypothesized path between job characteristics and voluntary turnover was significant. Additionally, the re-specified path between voluntary turnover and customer evaluation also found significant (β = .-.444, p <.05). However, a mediation analysis performed to examine the mediating effect of voluntary turnover on the relationship between job characteristics and customer evaluation of service yielded marginally nonsignificant results (95% CI, LL = -.001 UL = .272).

As hypothesized, the relationship between customer evaluation of performance and incoming traffic was found to be mediated by customer loyalty (95% CI, LL = .016 UL = .384). Figure 8 depicts the 95% CI for the mediation in question. The relationship between customer loyalty and sales was not significant and therefore the indirect effect of customer evaluation on sales was not examined. Moreover, recall that based on theoretical and practical reasoning the relationship between customer evaluation and sales was re-specified as a three path indirect effect occurring through customer loyalty and unit traffic, respectively. A mediation analysis performed to examine this complex relationship found a significant indirect effect (95% CI, LL= 0.014 UL = 0.400). Figure 9 depicts the distribution of the indirect effect for the mediated relationship.

As indicated earlier, I also conducted additional complex mediation analyses with three or four paths to have a better understanding of the causal linkages in the model. These analyses were performed using the asymptotic covariances and the point estimates generated for the variables involved in the MSEM analysis. Asymptotic matrices were constructed using the above information and these along with the appropriate R code were submitted to the R package to obtain confidence intervals for the indirect paths in question.

The first indirect effect that was explored was that between: Supervisory support-Job characteristics-Engagement-Involuntary turnover. This three-path mediation was found significant (95% CI, LL = -.083 UL = -0.004). Figure 10 depicts the 95% CI for the examined indirect effect. However, when this relationship was extended to a four path causal linkage by adding customer evaluation of service, it became marginally nonsignificant (95% CI, LL = -0.0003 UL = 0.0382). Another three-path mediation was conducted for the causal chain, supervisory support-job characteristics-voluntary turnover-customer evaluation. This path was also found significant (95% CI, LL = -.470 UL = -0.040). However, when this relationship was

extended to a four path causal linkage by adding customer loyalty, it became nonsignificant (95% CI, LL = -0.001 UL = .105). The distribution of the examined indirect effect is depicted in Figure 11. A four-path mediation between: Voluntary Turnover-Customer evaluation–Customer Loyalty-Traffic-Sales, was found significant (95% CI, LL = -0.2063 UL = -.0008). Figure 12 depicts the 95% CI for the four-path mediation. The four-path mediation between: Involuntary turnover-Customer evaluation-Loyalty-Traffic-Sales, was found marginally nonsignificant (95% CI, LL = -.183 UL = .003).

4.2.4 Summary of MSEM Results

Given the small size of the establishments and the accompanying informal management structure, a significant relationship between supervisory support and the mediating variables was expected, which was supported by the results. Supervisory support had a significant relationship with job characteristics both at Between ($\beta = .717$, $p < .001$) and Within ($\beta = .600$, $p < .001$) Levels. Additionally, the relationship between job characteristics and engagement was also significant at both Within ($\beta = .631$, $p < .001$) and Between Level ($\beta = .717$, $p < .001$). Finally as indicated earlier, the result of mediation analysis using Monte Carlo method suggested a significant mediation effect at both Within and Between Levels, thereby supporting Hypothesis 2a.

It is interesting to note that while the direct path between supervisory support and engagement remained significant at the Within Level ($\beta = .136$, $p < .001$) even after accounting for the mediation, the direct path for the same relationship in the Between Model became insignificant ($\beta = .142$, $p < .423$). This suggests that while job characteristics fully mediate the relationship at the Between Level, the mediating effect is partial at the Within Level. Further, while the path between supervisory support and co-worker support was found significant at both

Within (β = .532, p <.001) and Between Levels (β = .634, p <.001), that between co-worker support and engagement was only found significant at Within Level (β = .064, p <.05). Further, the result of mediation analysis revealed a mediating effect at the Within Level. Thus, Hypothesis 2b was partially supported.

The most counterintuitive results were those associated with HIWS. Given the informal structure of these units, I was not really expecting HIWS to be the "star" in the model. That said, it was expected to play the role of a "supporting cast". However, HIWS was not found to be significantly related with job characteristics after accounting for the effect of supervisory support. Hence Hypothesis 1 was not supported. Additionally, the direct path between HIWS and engagement was found significant in the opposite direction after controlling for the mediating effects of both supervisory support and HIWS on engagement (β = -.075, p <.05). Finally, Hypothesis 3 proposed a moderating effect of HIWS and supervisory support on job characteristics. However, the results failed to support this Hypothesis. These results are assessed at length in the next section.

Further, engagement was not found to mediate the relationship between job characteristics and voluntary turnover, thereby rejecting Hypothesis 4a. On the other hand, engagement mediated the effect of job characteristics on involuntary turnover. Thus, Hypothesis 4b was supported. While job characteristics was not found to have an indirect effect on voluntary turnover via mediation, its direct path with voluntary turnover was significant. Thus, Hypothesis 4c was also supported.

As mentioned previously, customer evaluation did not mediate the relationship between engagement and customer loyalty for this sample. Hence Hypothesis 5 was not supported. However, the results of MSEM analysis with the re-specified paths between engagement,

turnover, and customer evaluation of service suggested that engagement may have an indirect effect on customer evaluation via involuntary turnover. The results of mediation analysis did not support this claim.

Customer evaluation was found to have an indirect effect on incoming traffic via customer loyalty, thereby supporting Hypothesis 6a. However, customer loyalty did not mediate the relationship between customer evaluation and unit sales. Thus, Hypothesis 6b was not supported. The results of MSEM analysis of the revised model (with the re-specified paths) suggested that customer evaluation may actually have an indirect effect on unit sales via a three-path relationship through loyalty and traffic. A mediation analysis conducted to examine this conjecture was supported. Table 4 summarizes the results of all the hypotheses.

Additionally, four complex mediation analyses were also found significant. Results of the first analysis provided support for the indirect influence of supervisory support on involuntary turnover via job characteristics and engagement. These results provided a deeper insight into the causal linkages between employee experiences of, and to some extent their reaction to their work environment. A three-path analysis explained the same for the relationship between supervisory support and customer evaluation via the mediation of job characteristics, and voluntary turnover. A third four-path analysis between voluntary turnover and sales via customer evaluation, customer loyalty, and traffic was also found significant. These two analyses together provide support for the part of the causal chain that implied the impact of employee experiences and reactions on various indicators of organizational performance.

The final analysis found support for the indirect paths between customer evaluation of service and organizational performance thereby providing more support for the service-profit

chain (see Heskett et al., 1994). The next section discusses these results in detail along with their implications for both research and practice.

DISCUSSION

The primary motivation behind this dissertation study was to understand how organizational HR practices in the form of HIWS interact with unit-level leadership to influence employee experiences of their work quality and to further examine the role these employee experiences play in determining organizational effectiveness. This study was contextualized in the service industry with restaurants and their frontline employees as the unit of examination. Among the employee experiences included in this study were their perceptions of two sets of job resources. The first perception measured was that of the job itself and the second one measured the supportive work environment. The role of these job resources in determining employee engagement was also examined. Finally, utilizing a multiple stakeholder approach, this study examined the impact of these experiences on various indicators of organizational performance as the final linkages in the causal chain.

In this chapter I will review and interpret my findings and their contributions in the light of existing literature. Thereafter, I will discuss the theoretical and managerial implications of the findings. Finally I will discuss the limitations of this study and provide recommendations for future research.

5.1 Discussion of Results

In order to understand the nature of relationships between the various independent, moderating, mediating, and dependent variables examined in this study, ten specific hypotheses were proposed and tested. Table 4 provides a summary of the hypothesized test results.

The failure to find support for Hypothesis 1 which examined the role of HIWS in predicting employee experiences of job characteristics is noteworthy. This is perhaps the most counterintuitive finding of the study. Given the small and informal settings of the restaurants in

question, I did not expect to find sophisticated HR practices in operation. However, while the probability of HIWS not playing the main role was entertained, it was at least expected to play a supporting role. Hypothesis 3 which examined the moderating effect of HIWS and supervisory support did not lend support to that claim. In fact, the direct path between HIWS and employee engagement suggested a negative relationship between HIWS and engagement.

These results are not consistent with the recent findings that indicate a positive role played by these bundles of practices in determining employee experiences, attitudes, and behavior (e.g., Chuang & Liao, 2010; Nishii et al., 2008; Sun et al., 2007; Whitener, 2001) in the context of the service sector. These findings may be explained by several factors. One potential explanation may lie in the reverse order in which the data on these HR systems were collected. Although the respondents were asked to focus on the practices over a period of time, the fact that the data on HR practices were collected subsequent to the data on employee experiences may have affected the responses.

An alternative possibility could be that since the organizational representatives were involved in introducing the study and sending reminders, perhaps the managers chose to play safe by reporting the "intended practices" rather than the "actual practices" that are being utilized in their restaurants based on their interpretation and/or selective implementation (Wright & Nishii, 2006). Consequently their responses may have been less than accurate. If this was the case, then the variation in HR practices was due to their inability to recall the practices as they "ought to be" rather than because of differential interpretation and implementation. What would have further contributed to this lack of clarity regarding the "intended practices" was the fact that the organization in question has recently undergone a system-wide change. Consequently, my ability to accurately test Hypotheses 1 and 3 may have been compromised.

Another more likely and straightforward explanation is that supervisory behavior acts as a substitute for HR practices. Supportive of this conclusion is the robust positive relationship between supervisory support and job characteristics at both Between ($\beta = .717$, $p < .001$) and Within ($\beta = .600$, $p < .001$) Levels. As a result, after controlling the effects of supervisory support, HR practices alone had a null effect on the experiences of these resources. Also, this lends credence to the argument made by Chadwick et al. (under review) that in small firms it is the organizational leadership and culture more than the formalized HR systems that play an influential role in determining employee experiences, attitudes, and behavior. This could also be the reason why the moderating effect of HIWS and supervisory support on job characteristics as proposed in Hypothesis 4 was not significant.

Also noteworthy here are the results of a study by Way (2002) which suggested that in the context of small firms, although sophisticated HR systems may contribute to the competitive advantage, given the resource constraints, the benefits of these HR systems may not exceed the cost incurred. However, it is important to draw attention to the hybrid structure of these corporate-owned franchises. On one hand, they are very akin to small firms in terms of their size, decentralization, and informal operating mechanisms. On the other hand, since they are part of the franchising chain, they have fairly easy access to various resources that a small firm may not be able to afford. Given the unique structure, the relationship between people management practices and employee experiences may not be that simple.

Yet another possibility is that these practices may have been working against each other. Although a systems perspective is the recommended approach to understanding the implications of these practices for different outcomes, Wall and Wood (2005) provide a word of caution when measuring these HR systems as a unitary construct. According to these scholars, some of these

practices may push in different directions, thereby counteracting each other's effect. This could provide some explanation for the negative relationship between HIWS and work engagement.

That said, it would be premature to interpret the negative finding for the relationship in question as support for the claims of Goddard and colleagues who suggest that the complex relationship between HIWS and organizational performance is mediated by experiences of work intensification, overload, stress and burnout on the part of the employees. Engagement and burnout are two distinct constructs (Schaufeli et al., 2001) and therefore experiences of low engagement should not be equated with those of high burnout. It is also important that these findings are not mistaken as support for the Taylorist paradigm as suggested by the results of some studies (e.g. Boxall et al., 2011). If anything, the strong positive relationship between job characteristics and engagement at both Between ($\beta = .717$, $p < .001$) and Within Levels ($\beta = .631$, $p < .001$) implies that resources such as empowerment, communication and participation were received well by the employees. Regardless, these findings point toward the need for further research to better understand the viability of HIWS for this population.

Hypothesis 2a that examined the relationship between supervisory support and employee engagement found strong support at both Within and Between Levels. In fact, the results of complex mediation supported the indirect paths between supervisory support, job characteristics and employee turnover. These results emphasize the important role played by the line managers in influencing employee experiences, attitudes, and behavior. These results are also consistent with the extant literature that suggests that line managers are more than just robots who implement the intended HR practices. Becker and Huselid (2006) also point out that SHRM, which is traditionally an "HR-centric" paradigm, is slowly being moved into the hands of line

managers. Thus, any research on HIWS needs to understand and attend to the important role played by these managers in implementing the HR strategy.

Hypothesis 2b concerned the mediating role of co-worker support on the relationship between supervisory support and engagement. The relationship was supported at the employee level. However, at the unit level, while supervisory support predicted co-worker support, the latter did not predict engagement. Perhaps, for some employees, co-worker support is a crucial indicator of psychology safety and availability. However, this finding implies that by and large, high co-worker support does not guarantee employee engagement, after controlling for the effect of job characteristics on engagement. It could be that, given the job demands and frequent customer interactions, these employees do not get enough opportunities to enjoy meaningful interactions with each other. This finding is to some extent consistent with that of the study by May et al. (2004) that failed to find any support for the mediating role of meaningfulness on the relationship between co-worker support and engagement. Future research that includes measures of personality variables such as extraversion, need for affiliation, etc. for the employees may provide a better insight into these results.

Hypothesis 4a concerned the mediating role played by employee engagement in the positive relationship between job characteristics and voluntary turnover. This hypothesis was not supported. This finding diverges from the extant literature focus on the JD-R framework which has consistently found engagement to fully mediate the relationship between job characteristics and voluntary turnover. Instead, I found support for Hypothesis 4c which proposed that job characteristics directly predict voluntary turnover. It could be that for the population in question, i.e hourly service employees, job characteristics are a more significant indicator of work quality. Therefore, once they were controlled for, the role of engagement in predicting quit rates fades.

The role of job resources in predicting employee turnover has also been confirmed by the extant research (Fenton-O'Creevy, 1995; Hunt & Morgan, 1994)

More importantly, Hypothesis 4b which predicted engagement as a mediator between job characteristics and involuntary turnover was supported. This finding questions the traditionally accepted assumption in the extant literature that involuntary turnover is functional for organizations (e.g. Koys, 2001). Further, it can be inferred that highly engaged employees are less likely to engage in behaviors that lead to dismissal. A noteworthy observation in this study is that the average involuntary turnover (8%) is not very far behind from the average rate for the voluntary turnover (12%). It also makes one question the selection and training practices employed at the restaurant level. For example, my informal discussions with the franchisor's representative suggested, that although all the applicants are required to take a psychometric recruitment test, how many managers actually use the results of that testing to inform their hiring decisions was questionable. Together these results also lend credence to the argument for treating voluntary and involuntary turnover separately as they may have different etiologies (Shaw et al.,1998) in the context of service setting, at least as far as their antecedents are concerned.

Hypothesis 5, which predicted engagement to be a mediator between job characteristics and customer evaluation of service was not supported. However, the re-specified paths between job characteristics and voluntary turnover and that between voluntary turnover and customer evaluation of service were found to be statistically significant. Also, while the direct path between engagement and involuntary turnover and that between involuntary turnover and customer evaluation were significant, involuntary turnover did not mediate the relationship between engagement and customer evaluation**.** That said, it is noteworthy that involuntary turnover significantly predicted customer evaluation, once again questioning the assumption

about the functional nature of this type of turnover. These results are consistent with the findings of the study by Batt and Colvin (2011) which indicated that both quits and dismissals result in lowering customer satisfaction in the context of call centers. Moreover, a meta-analysis by Hancock et al. (2011) also indicated that the relationship between turnover and performance is stronger when the latter is operationalized in terms of customer service performance. Importantly, together, the effect of collective turnover on customer evaluation indicates that although temporary, these employees cannot be treated as a "replaceable commodity."

On a related note, the results of the complex mediation analysis indicated an indirect effect of voluntary turnover on unit-sales via customer evaluation of service, customer loyalty, and unit-traffic. This finding is also consistent with the extant research that suggests a complex relationship between turnover and financial performance via more proximal outcomes such as customer service, quality and safety (Hancock et al., 2011)

The relationship between customer evaluation of service and unit traffic as predicted in Hypothesis 6a was mediated by customer loyalty. This is consistent with the existing research in the service marketing literature that suggests that customers who are satisfied with the service performance tend to reciprocate by way of loyalty. This loyalty, in turn, leads to increased organizational traffic (Lovelock & Wirtz, 2004). While Hypothesis 6b which proposed the mediating role of customer loyalty between customer evaluation of service and unit sales was not supported, the re-specified path analysis suggesting an indirect relationship between customer evaluation of service and unit sales via customer loyalty and traffic, respectively, found support.

These findings converge with the existing literature that suggests a complex relationship between customer satisfaction and organizational performance as measured in terms of incoming traffic and unit sales. Noteworthy are the results of a study by Seider et al. (2005) that found

customer satisfaction and repurchase behavior to be influenced by various factors, including household income, convenience, and competitive intensity etc. (Seider, Voss, Grewal & Godfrey, 2005). Since these factors could not be accounted for, the path between loyalty and sales was re-specified as an indirect path via traffic. This is to suggest that if incoming traffic can be taken as a crude proxy for customer loyalty in action, then it does predict sales. As is evident, this claim was supported by the study results.

5.2 Implications for Research, Theory, and Practice

The results of this study, taken together, offer a number of important theoretical and managerial implications. From a research perspective, this study advances the more recent research that has focused on providing a deeper insight into the proverbial black box between people management practices and organizational performance (e.g., Chuang & Liao, 2010; Takeuchi et al., 2007; Takeuchi et al, 2009; Whitener, 2001). As pointed out previously, scholars have called for a multilevel perspective that emphasizes the role of interactions between individual and organizational level variables in shaping outcomes for the various stakeholders of a business (Lepak et al., 2006; Wright & Boswell, 2002). By adopting a multilevel, multiple stakeholder perspective, this study integrates employee experiences into the SHRM research. While this study examines employee perceptions of job resources and work engagement as indicators of employee experiences of work, there may be multiple mediators link HIWS to organizational effectiveness. For instance, given the nature of the service industry, exploring employee experiences of positive affect and emotional labor may be worthwhile.

On a related note, an important contribution of this research is methodological in nature. It advances the extant literature in SHRM by way of utilizing a multilevel approach (MSEM) that allows for including all the variables in a single model thereby enabling one to see a more

comprehensive picture. To my knowledge, there is no such study in SHRM that has done so. In fact, this omission has been cited as a major limitation in the more recent studies in SHRM that have adopted a multilevel approach. The results of this study imply that there is a lot to be gained from viewing the variables of interests in all their complexity.

The statistically nonsignificant finding between HIWS and employee experiences of job resources in this study suggests that in small establishments that are characterized by a very informal structure, and where the majority of the employee population consists of non-permanent hourly employees, HR practices are tightly meshed with the perceptions of supervisory support. So much so, that the latter account for a very large amount of variance in employee experiences. Gerhart (2005) emphasizes the role of supervisory support as an important determinant of employee relations and recommends that the same needs to be an integral component of the SHRM paradigm. The results of this study support this assertion. A future study that focuses on untangling the contribution made by people management practices and supervisory support would provide more information on this complex relationship.

As indicated earlier Becker and Huselid (2006) have also called for bringing the role of line managers to the forefront of SHRM research. As the results of this study suggest, this may especially be true for smaller establishments. Thus, another related contribution is that by examining and supporting the role of line manager in implementing SHR strategies, this study takes the supposedly HR-centric paradigm beyond the realm of HR departments. Additionally, contextualized in the hospitality industry with small unit size, these results provide support for the contingency perspective that emphasizes the importance of industry context (Datta et al., 2005).

Another contribution of this study to the existing literature is its finding that not only voluntary turnover but also involuntary turnover can influence customers' evaluation of service. This suggests that irrespective of the nature of the turnover, the loss of employees results in replacement of experienced employees with newer employees who are less familiar with both the menu and the routines of their work. This in turn affects both the quality and the efficiency of employee-guest interactions. This finding provides further support for the more recent research (e.g., Batt & Colvin, 2011; Hancock et al., 2011) that questions the assumed functional nature of the involuntary turnover.

Moreover, the results of complex cross-level mediation analyses demonstrated a significant relationship between employee experiences of, and their reactions to, work quality and customer experiences of employee service. While these causal linkages have been indicated in the notion of service profit chain (Heskett et al., 1994), very few studies have empirically examined these relationships. Yet another contribution to the service marketing literature is the demonstration of the indirect effect of customer evaluation on organizational financial performance via customer loyalty and incoming traffic. Future research that replicates this study in different types of service settings would provide boundary conditions that would further untangle the circumstances in which these linkages would hold.

This study also has important implications for theory. I relied primarily on the JD-R framework to understand the relationships among HIWS, supervisory support, and organizational effectiveness. The results of this study provide further support for the JD-R framework in the context of the hospitality industry. As demonstrated by the findings, job resources were significantly related to employee experiences of work engagement. However, it is important to note that while the characteristics associated with one's job served as a significant job resource,

social resource in the form of co-worker support did not play an important role in determining work engagement at the restaurant level. Additionally, while I did not explicitly test the relationship between job demands and job resources, one can infer that work engagement may also have regulated the negative impact of emotional labor demands on the frontline employees.

The other theoretical framework that was utilized in this study was social exchange theory. As hypothesized based on the theory, experiences of supervisory support were associated with experiences of co-worker support. This suggests that perceptions of support from the restaurant manager may set the "tone" for the supportive relationships between employees.

These results have important implications for practitioners as well. Given the findings that suggest restaurant managers to be the "face" of the organizational people management practices, effective recruitment and selection of these managers is crucial to ensure positive employee experiences. Additionally, orientation and subsequent training of these managers must ensure that they have an in-depth understanding of the organizational HR practices so as to reduce the gap between intended and actual practices. Finally, a combination of extrinsic and intrinsic motivational mechanisms need to be in place to ensure that these managers are motivated to implement the practices as intended while retaining the informal nature of implementation.

The direct relationship between job characteristics and voluntary turnover as found in this study suggests that a job low in resources may serve as an indicator of a low quality work environment. This, in turn, may contribute to voluntary turnover, particularly for the hourly employees who, given the nature of their employment contract, may not be very committed to their jobs (Hunt & Morgan, 1994). These results also question the notion of a turnover culture in the hospitality industry as suggested by the extant literature (e.g., Krackhardt & Porter, 1986)

While some of these employees (such as college students) walk into these jobs to work only for a certain amount of time, it is not the whole story (Iverson & Deery, 1997). As is evident from the results of this study, perceptions about the quality of one's immediate work environment may influence voluntary turnover. It has been suggested that in the context of the hospitality industry, formalized performance appraisal practices should foster long term commitment and thereby retention (Simms, Hales, & Riley, 1988). Together these arguments suggest that high turnover in the service industry should not be considered acceptable.

Another contribution of this study is the demonstration of the mediating role played by engagement in the relationship between job characteristics and involuntary turnover. These results together have important implications for the hospitality industry that suffers from overall high rates of both involuntary and voluntary turnover. Turnover has been typically associated with several direct costs, including those associated with recruitment and training of new employees (Hom & Griffeth 1995). In terms of indirect costs, turnover usually leads to temporary loss of productivity as well as demoralization of those who remain in the organization (Dess & Shaw, 2001).

The results of this study suggest that the availability of resources can positively contribute to employees' perceptions of work quality, thereby affecting voluntary turnover. On the other hand, interventions to increase employee engagement can go a long way by reducing involuntary turnover which can be very valuable given the relatively high voluntary turnover.

5.3 Limitations and Directions for Future Research

This study utilized a relatively strong research design. First, the hypothesized paths in this study are driven by strong theoretical underpinnings. Second, as recommended by Wright and Boswell (2002), it uses a multilevel design that enables researchers to examine how

organizational practices and behaviors interact with each other to influence outcomes across organizational levels in a single model. It also reduced the chances of alternative explanations based on reverse causality since the data on organizational performance was collected at a later time to allow for a time lag between employee experiences and performance indicators (Wright et al., 2005).

Third, it utilizes a U.S. based single industry sample which would allow for generalizing the results of this study to similar business settings the United States. Moreover, using a franchising chain as a site offers a setting that allows the researcher to hold certain factors constant across the units of analysis (such as menu, target customers, unit size, etc.) while offering unit-level between-group variance in terms of people management policies and processes.

Also, by utilizing a multiple stakeholder perspective (Way, 2002), this study measures organizational effectiveness in terms of the implications of HIWS for the various stakeholders of a business, namely, employees, customers, and owners. Finally, in an attempt to illuminate the mechanisms linking HR practices and organizational effectiveness, this study examined the impact of these practices on employee experiences at work, a neglected area in SHRM research. Finally, it brings to our attention the significant role of line managers in shaping employees' perceptions of work quality.

As with most studies, however, this study is not without its share of limitations. First and foremost, although the data on performance indicators were obtained after a time lag, the data on various employee experiences is cross-sectional in nature. Therefore, the ability to draw strong causal conclusions is limited. However, since the model is theoretically grounded, certain conservative assumptions about causality can be made. A second limitation of this study has to

do with its focus on a specific setting, consequently, rendering the generalization of these results to other industrial settings somewhat suspect. At the same time, this design feature is also a strength of this study since the use of a specific context (restaurants) allowed for the design and measures to be customized thereby providing a better understanding of organizational behavior and practices for that specific setting. Also, by adopting a single-industry, single-employee group focus, this study largely rules out the confounding effects associated with different professions, multiple HR systems, etc.

A third limitation surrounds the fact that the information on all the employee experiences was collected via self- report which may have introduced some amount of common method variance. It has been suggested however that the concerns associated with common method variance are not typically large enough to invalidate research findings (Crampton & Wagner, 1994; Spector, 2006). Moreover, the data on independent and dependent variables were obtained from different sources. While the information about service performance came from the customers, that on HIWS was obtained from store managers. Finally the information on organizational performance indicators was obtained from the franchisor at a later point. These different sources of data should reduce the level of common method variance reflected in the results.

Another related issue associated with the nature of data collection on employee experiences is that the data were collected on behalf of the organization at the place of employment. Some research (e.g. Churchill, 1996) suggests that these surveys may suffer from non-sampling biases, thereby limiting the validity of these measures as an indicator of employee experiences. The survey in question was conducted by a third party that ensured confidentiality and anonymity of the responses in all its communication messages to the employees. This was

accompanied by the detailed and strict guidelines sent to the store managers by the HR directors regarding providing privacy to the employees at the time of survey completion. Thus, there is less of a threat that an upward bias may have been present in these responses. Yet another issue associated with data collection is the backward ordering as far as the data collection on HIWS is concerned. While it is hard to imagine organizations where people management practices change on a monthly basis, the reverse ordering of data collection necessitated by circumstances is less than ideal.

A fourth limitation is associated with the use of controls in the study. While many important variables were controlled statistically, other relevant factors may be important. For instance, personal resources such as self-efficacy, resilience, and optimism have been found to contribute to work engagement (Xanthopoulou et al, 2007). Likewise, personality variables such as locus of control, neuroticism etc. that have been found to be linked with burnout (Lee & Ashforth, 1996) may also influence engagement.

A fifth limitation of this study is its 3-item measure that was used to measure work engagement. The instrument measures vigor and dedication to a large extent, but it fails to measure the level of absorption experienced by the employees. Although it has been suggested that more work needs to be done to better understand the role of absorption as an integral component of employee engagement, the inclusion of absorption would have improved this measure. Future research that replicates the results of this study should do so utilizing a more complete measure of engagement.

As noted earlier, although the results of this study hinted a negative relationship between HIWS and engagement, it would be premature to interpret this finding as a support for the claims made by the critics of HIWS (e.g. Godard, 2004) for various reasons. First, several alternative

explanations were provided in the previous section that question the reliability of this finding. More importantly, even if this finding is valid, it only suggests lower engagement in the presence of HIWS. Low engagement, although not positive, is not synonymous with stress, work intensification and burnout. As has been indicated by the extant research (Demerouti et al., 2001), engagement and burnout are two related but distinct phenomena. Therefore, it is entirely possible to experience both low engagement and low burnout. Future research that incorporates both measures of employee experiences would be better able to address the concerns raised by these critics.

Yet another limitation of this study is its use of a unitary index as a measure of HIWS. Although this is consistent with the conceptualization of the HIWS construct as a system and is also the accepted practice in the extant research, it limits my ability to examine the impact of different practices on employee experiences. As suggested by Wall and Wood (2005), it may be that some of the practices in the bundle are pushing in different directions, thereby counteracting each other's effect. It may be worthwhile to examine the effect of different sets of practices in the bundle on both job characteristics and engagement to have a better understanding of the phenomena.

5.4 Next Steps

I hope to address many of the limitations of the present study in future extensions. I am currently collecting data from some of the franchise (non-corporate-owned) stores of the same organization to extend the results of the present study. One of the main problems with this study's research design is the backward order in which the data on HR practices had to be collected. That problem has been resolved in the ongoing study with the franchises by collecting the data on HIWS and employee experiences in an appropriate sequence.

Additionally, the ongoing study in question utilizes either established or modified versions of the established instruments to measure all the constructs in the model which should further contribute to the reliability of the study results. Moreover, to obtain a more balanced view of the employee experiences, this extended study also includes measures of burnout and emotional labor. Hopefully, this will allow me to better address the concerns raised by the critics of the HIWS.

Given the time constraints, I was not able to provide sufficient time lag between the data collection on employee level measures and the various organizational performance indicators in the present study. Therefore, I also hope to collect more data on these indicators including sales, traffic, employee turnover, employee service performance and customer loyalty at the end of 2012. Utilizing these data in the study would strengthen my claim about the direction of causality.

I have diligently worked to develop high quality relationships with multiple representatives of the organization in question. I have great respect and appreciation for all these individuals who have a genuine interest in this area of enquiry and have been very giving of their time and effort to this research endeavor. Such partnerships between researchers and

practitioners can be mutually rewarding. They both open doors for future research and also contribute to bridging the gap between theory and practice.

Finally, as a token of my appreciation and also to provide the organization with some information that can be utilized for the purpose of organizational development, I have offered to provide the franchisor with a detailed executive summary. This summary will provide restaurant-level study results for all the participating restaurants along with my recommendations based on the study results. My hope is to provide evidence-based guidance to the organization, particularly with respect to the importance of employee experiences of supportive supervision and job resources as drivers of work engagement.

5.5 Closing Remarks

This study takes SHRM outside the realm of HR departments by suggesting the role of line managers as a significant determinant of work quality as experienced by employees. Employees' perception of support received from these unit leaders significantly influences their perception about availability of job resources and, in turn, their experiences of work engagement. Finally, these experiences of work determine various employee and organizational outcomes. Moreover, the saliency of these line managers increases even more in the context of the hospitality industry because of the increased employee dependency on these individuals for resources. It also suggests that compared to large firms, HR practices are very tightly meshed with supervisory support in these relatively small semi-autonomous units, thereby making it very challenging to untangle the two. Thus, as argued by Datta et al. (2005), this study supports the claim that context matters.

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APPENDIX A- TABLES

List of Tables

TABLE 1

Descriptive Statistics (Mean, Standard Deviation, Cronbach Alphas, and Correlations)

	Variables	Mean	SD	α	1	2	3	4	5	6	7	8	9	10	11
1.	HIWS	4.03	.34	.83	1.00										
2.	Supervisory Support	4.04	.81	.96	.04	1.00									
3	Job Characteristics	4.00	.62	.86	.08	.81	1.00								
4.	Co-worker Support	3.85	.75	.87	.12	.59	.67	1.00							
5.	Engagement	3.89	.78	.78	-.05	.56	.64	.46	1.00						
6.	Voluntary Turnover	.12	.07	---	-.13	-.21	-.23	-.18	-.14	1.00					
7	Involuntary Turnover	.08	.06	---	-.12	-.22	-.25	-.29	-.23	.14	1.00				
8.	Customer evaluation of service	4.50	.13	---	-.02	.14	.16	.09	.15	-.28	-.24	1.00			
9.	Customer Loyalty	4.25	.14	---	-.12	.07	.12	.06	.10	-.14	-.09	.66	1.00		
10.	Unit Traffic	.59	.14	---	-.02	-.07	.03	-.02	-.05	-.14	-.08	.03	.17	1.00	
11.	Unit Sales	.60	.15	---	-.04	-.06	.04	-.04	-.02	-.13	-.09	.003	.16.	.98	1.00

TABLE 2
Multilevel Structural Equation Model Comparisons

	χ2	*df*	*P value*	*RMSEA*	*CFI*	*SRMR(Within)*	*SRMR(Between)*
Model 1	107.143	35	.000	.03	.99	.01	.04
Model 2	95.425	51	.000	.02	.99	.01	.08
Model 3	69.101	43	.007	.01	.99	.01	.04

TABLE 3a
Significant Paths in the Revised Model (Within Level)

Paths	B	*S.E.*	*p-value*
Supervisory Support----------> Job Characteristics	.600	.012	0.00
Supervisory Support----------> Coworker Support	.532	.021	0.00
Job Characteristics----------> Engagement	.631	.037	0.00
Co-worker Support ----------> Engagement	.064	.026	0.01
Supervisory Support ----------> Engagement	.136	.028	0.00

TABLE 3b
Significant Paths in the Revised Model (Between Level)

Paths	β	*S.E.*	*p-Value*
Supervisory Support----------> Job Characteristics	.717	.047	0.00
Supervisory Support----------> Co-worker Support	.634	.088	0.00
Job Characteristics----------> Engagement	.717	.249	0.00
HIWS----------> Engagement	-.075	0.037	0.04
Engagement----------> Involuntary Turnover	-.074	.035	0.03
Job Characteristics----------> Voluntary Turnover	-.240	.117	0.04
Involuntary Turnover ------> Customer Evaluation of Service	-.375	.172	0.02
Voluntary Turnover -------> Customer Evaluation of Service	-.444	.182	0.01
Customer Evaluation of Service----------> Customer Loyalty	.735	.094	0.00
Customer Loyalty----------> Unit Traffic	.259	.123	0.03
Unit Traffic----------> Unit Sales	.999	.017	0.00

Model fit information: $\chi 2$= 69.101, df = 43, p= .007; RMSEA= .01 CFI .99 SRMR (Within)=.01 SRMR (Between)= .04

TABLE 4
Summary of Hypothesized Test Results

Hypothesis	*Description*	*Supported*
Hypothesis 1	Job characteristics will partially mediate the positive relationship between HIWS and work engagement.	Not Supported
Hypothesis 2a	Job characteristics will partially mediate the positive relationship between supervisory support and work engagement.	Supported
Hypothesis 2b	Job characteristics will partially mediate the positive relationship between coworker support and work engagement.	Partially Supported
Hypothesis 3	Supervisory support and HIWS will moderate the effect of each other on job characteristics.	Not Supported
Hypothesis 4a	Employee engagement will partially mediate the negative relationship between job characteristics and voluntary turnover.	Not Supported
Hypothesis 4b	Employee engagement will partially mediate the negative relationship between job characteristics and involuntary turnover.	Supported
Hypothesis 4c	Job characteristics will be negatively related to voluntary turnover.	Supported
Hypothesis 5	Customer evaluation will partially mediate the relationship between engagement and customer loyalty.	Not Supported
Hypothesis 6a	Customer loyalty will partially mediate the relationship between customer evaluation and unit traffic.	Supported
Hypothesis 6b	Customer loyalty will partially mediate the relationship between customer evaluation and unit sales.	Not Supported

APPENDIX B

List of Figures

FIGURE 1
HIWS, Supervisory Support, and Organizational Effectiveness: The Role of Employee Experiences
Conceptual Model

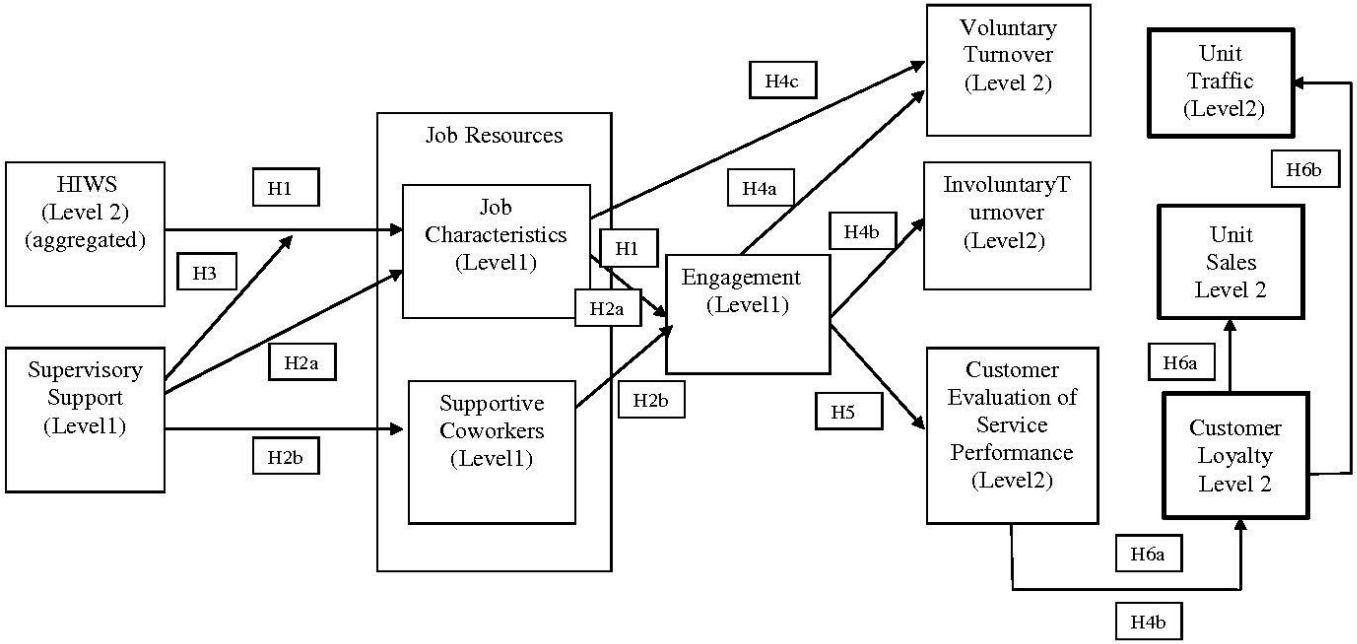
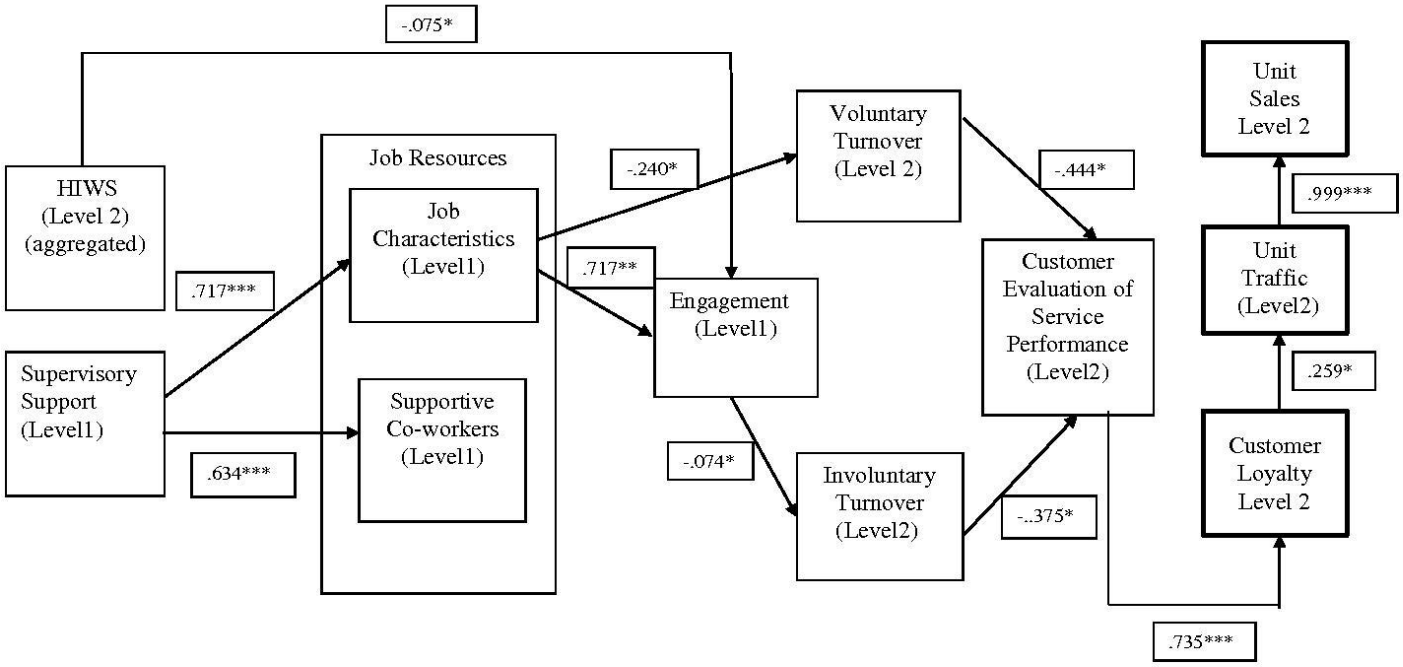


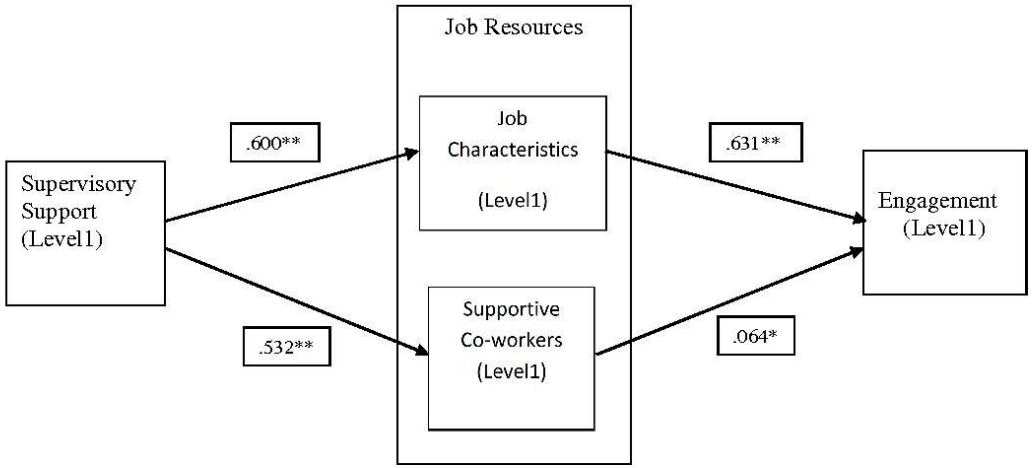
FIGURE 2
HIWS, Supervisory Support, and Organizational Effectiveness: The Role of Employee Experiences
Revised Model (Between Level)
(Nonsignificant Paths Removed)



*p<.05; ** p<.01; *** p<.001

Model fit information: $\chi 2$= 69.101, df = 43, p= .007; RMSEA= .01 CFI .99 SRMR (Within)=.01 RMSR (Between)= .04

FIGURE 3
HIWS, Supervisory Support, and Organizational Effectiveness: Role of Employee Experiences
Revised Model (Within Level)
(Nonsignificant Paths Removed)



*p<.05; ** p<.01

FIGURE 4
95% CI for the Mediation Analysis Proposed in Hypothesis 2a (Within)

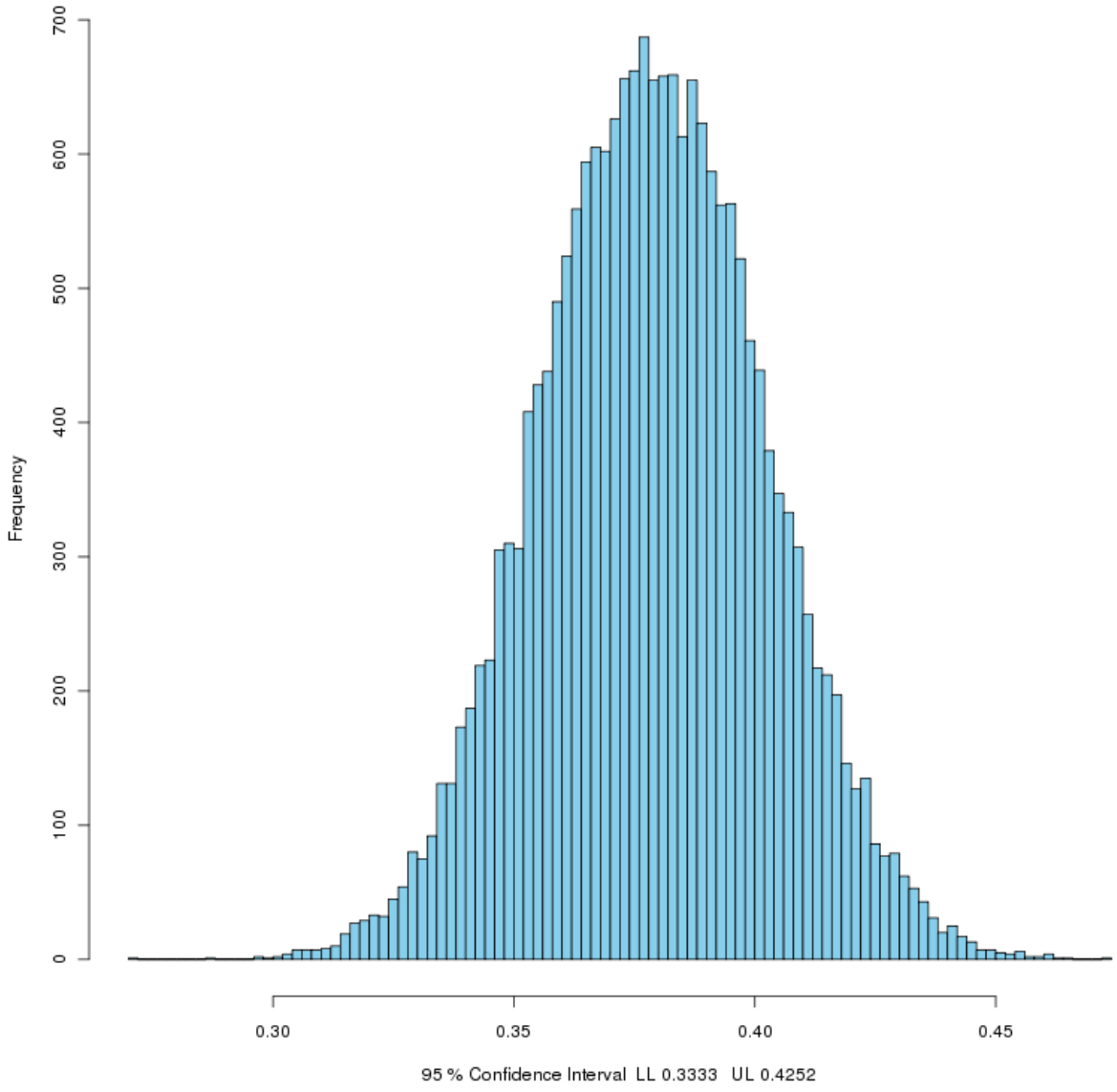


FIGURE 5
95% CI for the Mediation Analysis Proposed in Hypothesis 2a (Between)

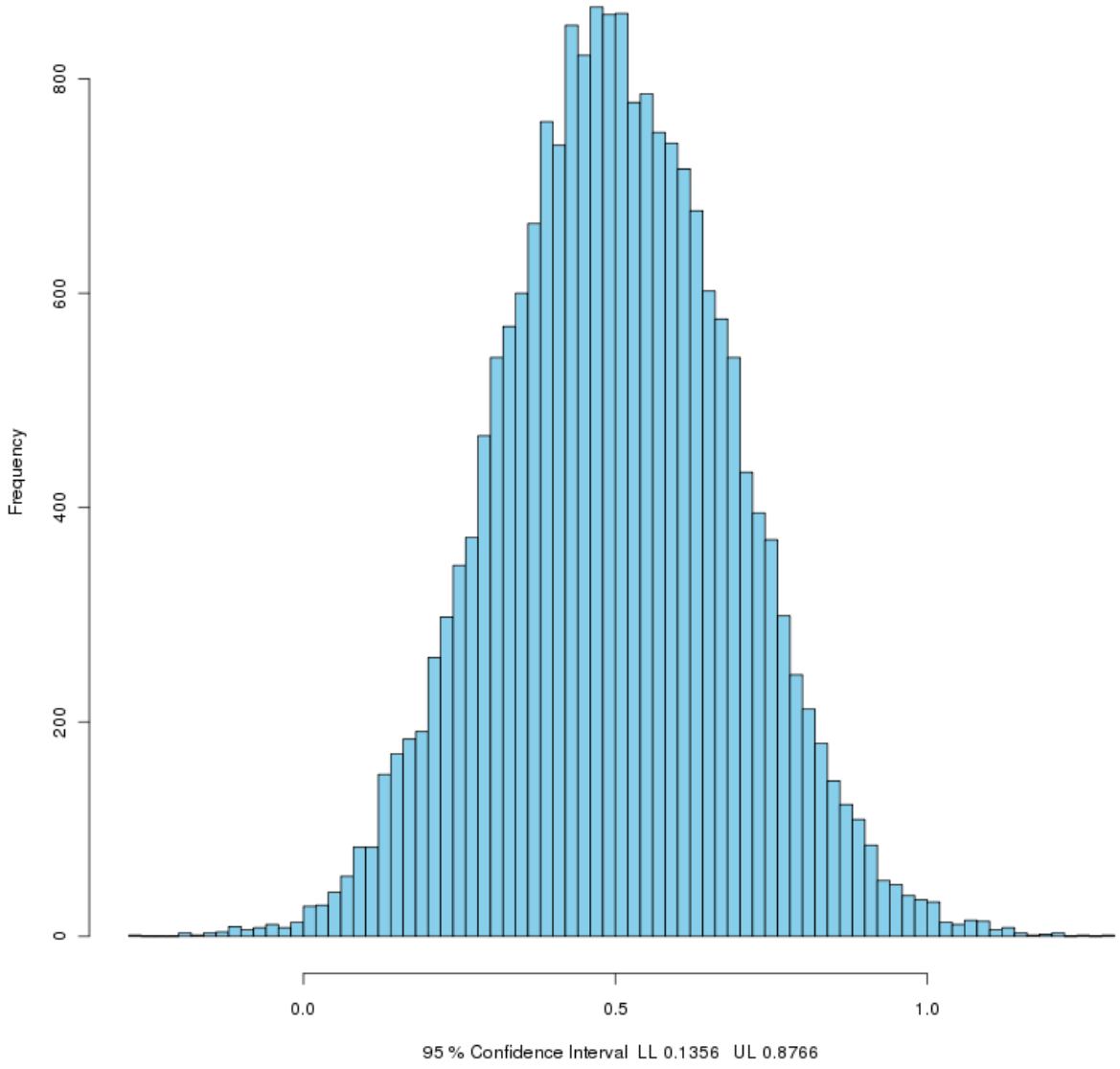


FIGURE 6
95% CI for the Mediation Analysis Proposed in Hypothesis 2b (Within)

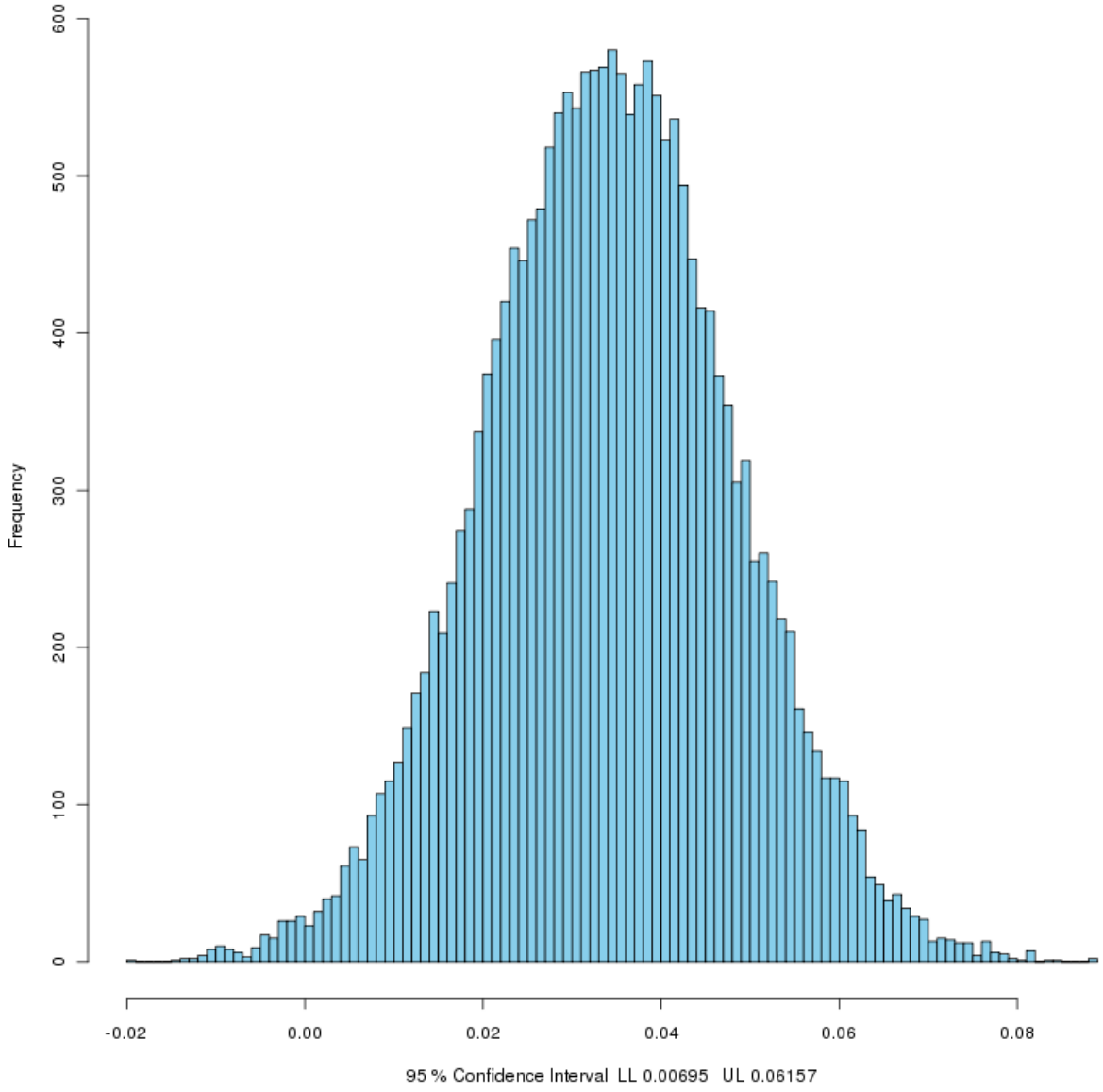


FIGURE 7
95% CI for the Mediation Analysis Proposed in Hypothesis 4b

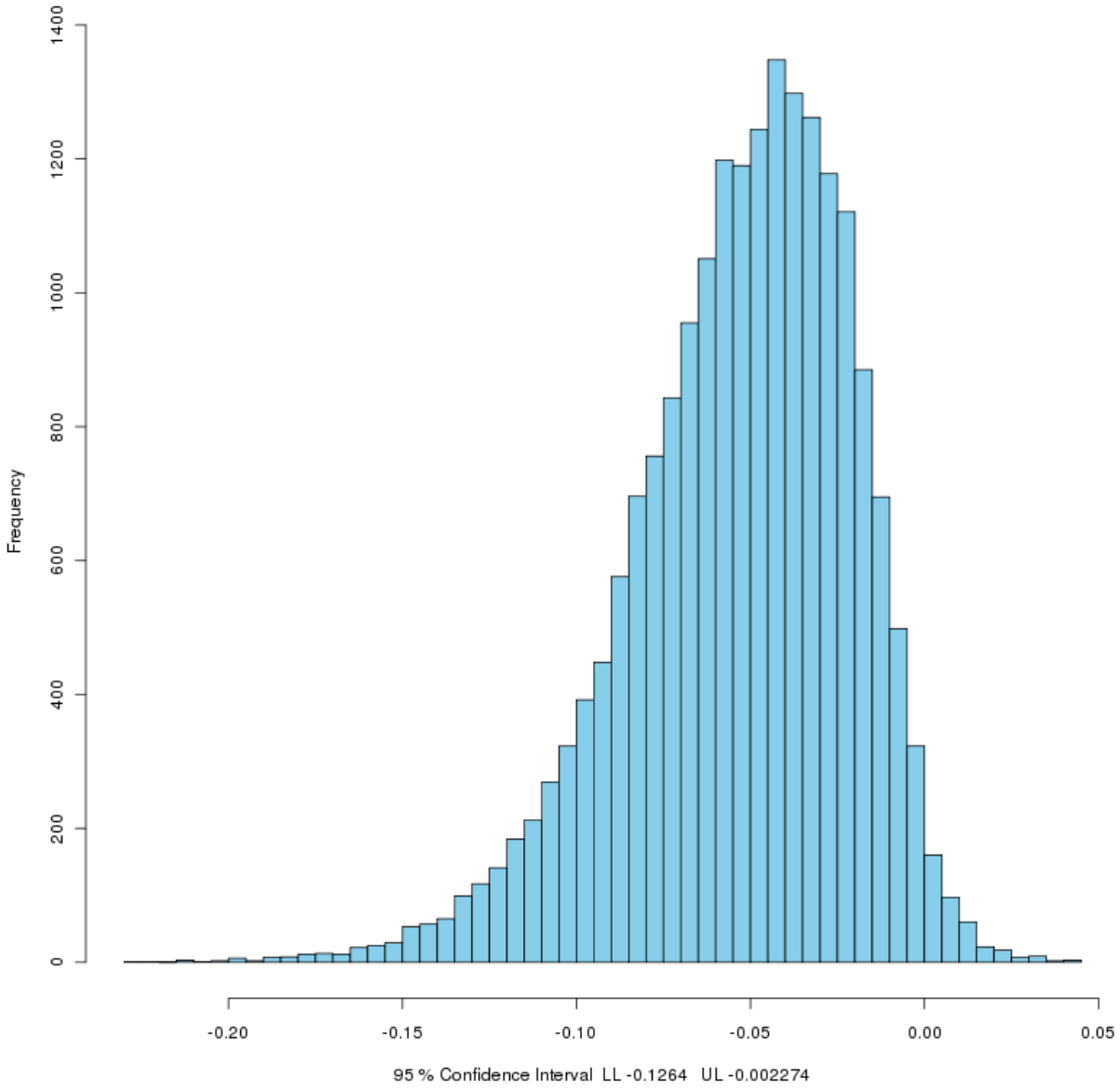


FIGURE 8
95% CI for the Mediation Analysis Proposed in Hypothesis 6a

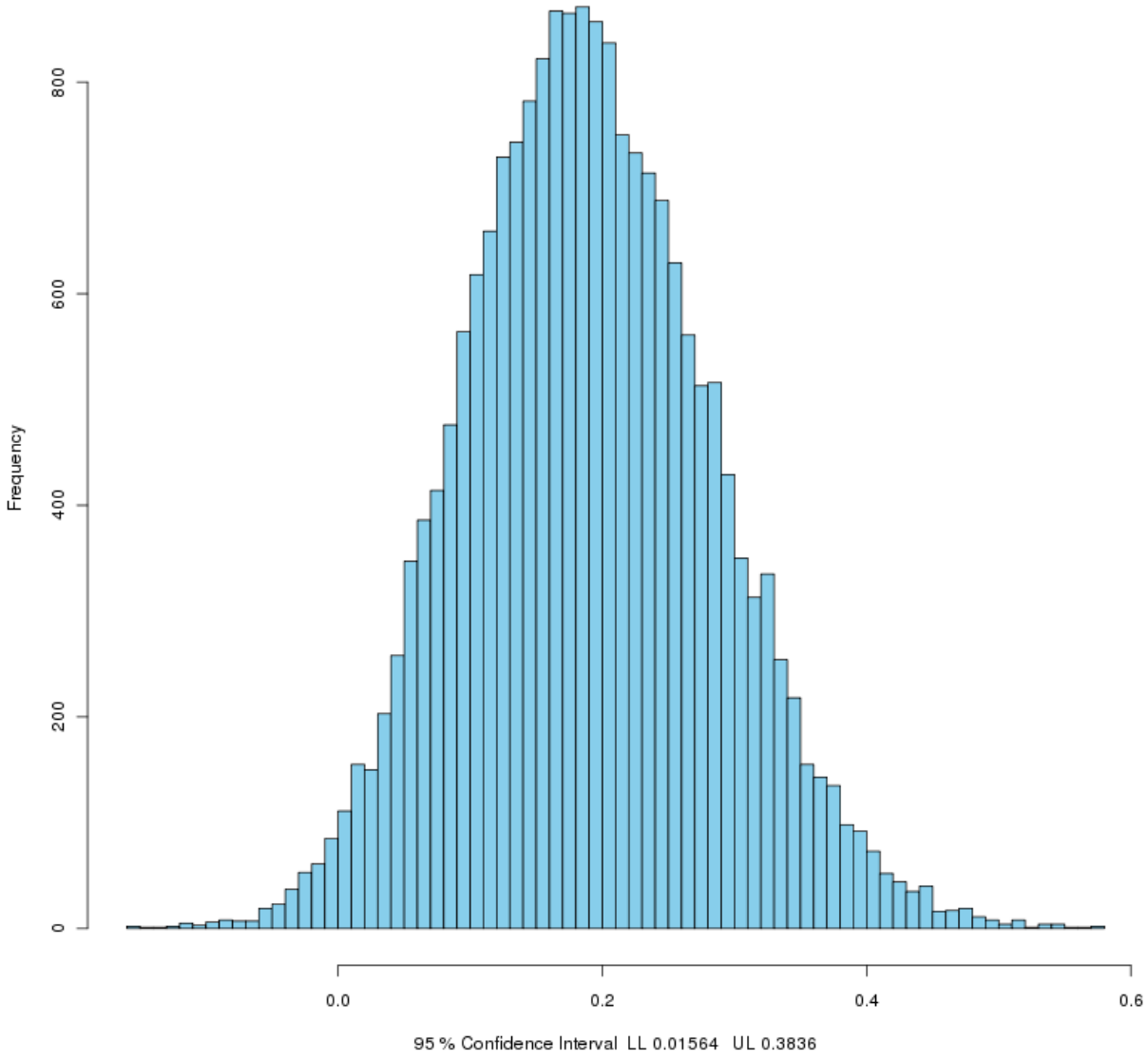


FIGURE 9
95% CI for the Mediation Analysis between Customer Evaluation and Unit Sales via Customer Loyalty and Unit Traffic

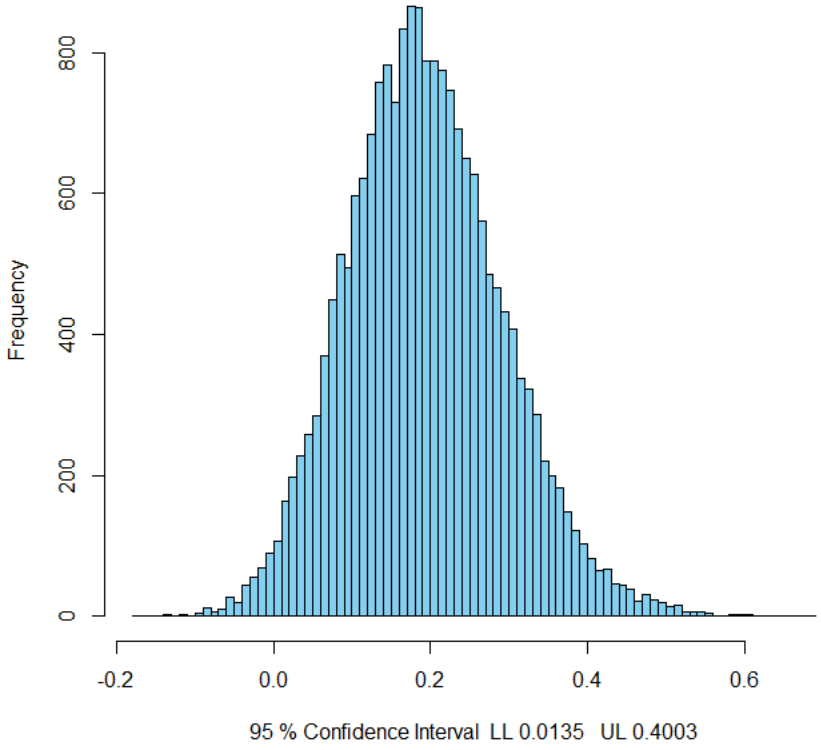


FIGURE 10
95% CI for the Mediation Analysis between Supervisory Support and Involuntary Turnover via Job Characteristics and Engagement

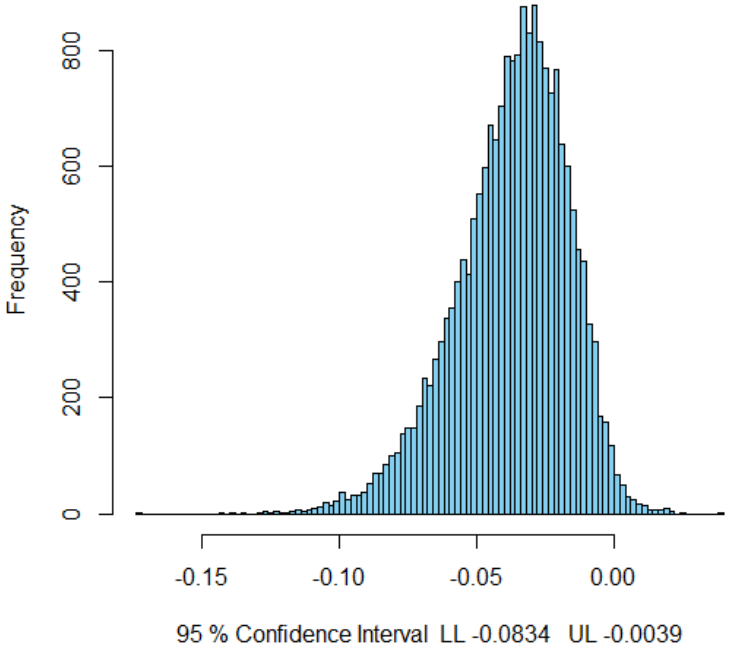


FIGURE 11
95% CI for the Mediation Analysis between Supervisory Support and Customer Evaluation of Service via Job Characteristics and Voluntary Turnover

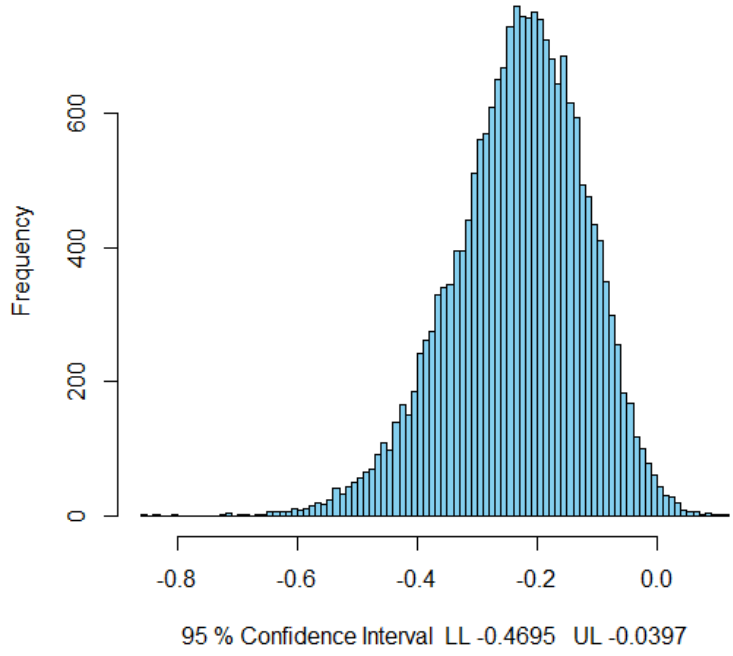
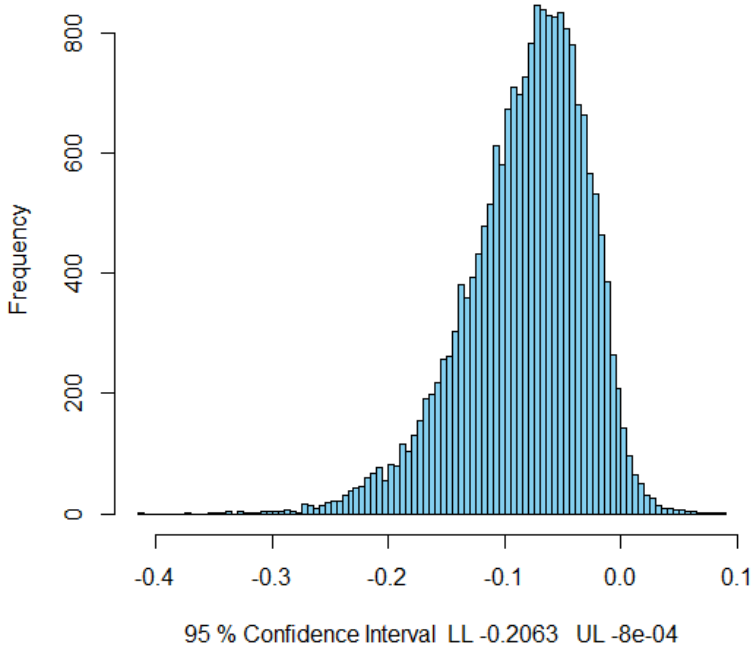


FIGURE 12
95% CI for the Mediation Analysis between Voluntary Turnover and Unit Sales via Customer Evaluation, Customer Loyalty and Unit Traffic



APPENDIX C
Measurement Scales

Supportive Supervisor (Cronbach Alpha=.96)

1. My manager(s) is available when I need him/her.
2. My manager(s) provide/s me with useful feedback and coaching to improve my performance.
3. My manager(s) lead by example through their words and actions**.**
4. My manager(s) provide/s clear expectations about my role and performance.
5. My manager(s) is/are open to feedback and opinions.
6. My manager(s) provide/s guidance and relevant information when I need it.
7. When I voice an opinion, I feel heard.
8. My manager(s) care/s about me as a person.
9. My manager(s) is/are someone I can go to when problems arise.
10. My manager(s) treat/s me with respect.
11. My manager thank/s me for a job well done.
12. How satisfied are you with the overall effectiveness of your manager(s)?

Job resources (Cronbach Alpha= .86)

1. I receive open, relevant and timely communication on a consistent basis.
2. I am empowered to make decisions.
3. My job responsibilities have been clearly explained.
4. My work schedule is flexible to meet my needs.
5. I have the tools and resources to perform my job effectively.
6. I receive an appropriate amount of coaching/training to do my job well.
7. Team members here are willing to expend a great deal of effort in order to get the job done right.
8. I am encouraged to come up with new ways of doing things.
9. Training programs teach me how to do my job well.
10. I receive enough notification

Supportive Co-worker (Cronbach Alpha = .87)

1. Team members celebrate each others' personal achievements and successes.
2. I have good friends at work.
3. I can rely on my immediate team members to help me when needed.
4. The morale of the team members I work with is excellent.
5. Team members treat each other with respect.
6. There is a high level of trust among my work team.

Engagement (Cronbach Alpha=.78)

1. This restaurant has a work atmosphere that energizes me
2. I am excited about the work I do
3. I am proud to say I work for this restaurant.

High Involvement Work Systems (HIWS) (Cronbach Alpha = .83)

1. The restaurant places emphasis on candidates' potential to learn when recruiting team members.
2. Recruitment emphasizes traits and abilities required for providing high quality of customer services.
3. Team members have the priority over external candidates for job openings at higher levels.
4. The restaurant provides an orientation program for new team members to learn about the organization (formal or informal).
5. The restaurant continuously provides training programs (formal or informal).
6. Training is comprehensive, not limited to skill training.
7. If a decision made might affect team members, the restaurant asks them for opinions in advance.
8. Team members are often asked to participate in work-related decisions.
9. Team members have discretion in handling customers' additional requests.
10. Team members have discretion in settling customer complaints without reporting to a Manager
11. Team members are allowed to make necessary changes in the way they perform their work.
12. The restaurant fully supports team members with necessary equipments and resources for providing high quality of customer services.
13. Performance appraisal (formal or informal) provides feedback for personal development.
14. Performance feedback is collected from multiple sources (self, co-workers, supervisors, customers etc.).
15. On average, the pay level (including incentives) provided to team members is higher than that of other local competitors.
16. Team members' salaries/ incentives and rewards are determined by their performance.
17. Team members receive monetary or nonmonetary rewards for great effort and performance.
18. The restaurant considers team members' off-work situations (family, school etc.) when making schedules.
19. The restaurant cares about work-safety and health of team members.
20. The restaurant has ways to help team members alleviate work stress.
21. The restaurant has ways to help protect team members from mistreatment by customers.

Customer Evaluation of Service Performance

1. Host welcomed at the door
2. Host was friendly
3. Felt cared for by the server
4. Server was warm and welcoming
5. Server was enthusiastic
6. Server was knowledgeable about the menu
7. Service was attentive and responsive
8. Server greeted promptly
9. Server was enjoying his/her job
10. I was able to pay bill quickly

Customer Loyalty

1. Overall satisfaction
2. Likely to return
3. Likely to recommend