

The Effect of Organizational Justice on Employees' Turnover Intention and Customer-Oriented Behavior in Chinese Full-Service Restaurants: The Mediating Role of Organizational Affective Commitment

Jin-Wook Seo

College of Tourism and Culture
Paichai University, Daejeon, Korea

Li Liu

Department of Tourism Management
Graduate School of Paichai University, Daejeon, Korea

Moon-Sun Kim

Department of Tourism Management
Graduate School of Paichai University, Daejeon, Korea

ABSTRACT

The purpose of this study was to provide a more comprehensive model which integrates a social exchange construct (i.e., organizational commitment) as a mediator to test the relationship between organizational justice and employees' behaviors such as intent to leaving and customer-oriented behavior. Based on the data collected from ten Chinese full-service restaurants, this study analyzed the proposed hypotheses through model comparison by using structural equation modeling (SEM) technique with AMOS 7.0. The results indicated that (1) distributive justice had negative influence on employees' turnover intention and positive influence on employees' customer oriented behavior and these influences were fully mediated by employees' affective commitment to their organizations; (2) procedural justice had negative influence on employees' turnover intention and positive influence on customer oriented behavior and these influences were only partially mediated by employees' affective commitment to their organizations. Managerial implications and future research directions were proposed at the last part of this study.

Keywords: *Distributive Justice, Procedural Justice, Organizational Affective Commitment, Turnover Intention, Customer-Oriented Behavior, Mediating Role.*

1. INTRODUCTION

There is substantial evidence that justice, or fairness, is an important dimension affecting employees' actions and reactions within organizations. The concepts of justice and fairness found in organizational settings are often referred to as organizational justice. The major dimensions of organizational justice are distributive and procedural justice. Distributive justice refers to the perceived fairness of the amounts of compensation employees receive; procedural justice refers to the perceived fairness of the means used to determine those amounts [1]. In the last 40 years, a significant amount of research on justice has been conducted in various disciplines, including law, politics, management, and marketing. Despite a growing body of

literature explored the use and the effect of distributive and procedural justice in managerial contexts, research in service, especially in hospitality industry, is still inadequate.

As a costly phenomenon, employee turnover has long plagued the hospitality industry. In the lodging segment, turnover rates have been shown to average about 60 percent annually for line-level employees and about 25 percent for managerial positions. This concern is even greater in other hospitality contexts, such as quick-service restaurants, where mean employee turnover runs in excess of 120 percent [2]. Evidence suggests that turnover is triggered by dissatisfaction with such factors as relationships with supervisors, job content, working conditions, and pay [3].

Customer orientation has been recognized as the cornerstone of marketing theory and practice. Customer orientation is a set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders, in order to develop a

* Corresponding author: E-mail : jws@pcu.ac.kr

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long-term profitable enterprise [4]. It is widely recognized that a customer-oriented firm is more likely to create satisfied customers and generate more favorable behavioral outcomes than firms that lack customer orientation [5]. While customer orientation is important for all firms, it is especially important for firms in the service sector because of the unique characteristics of service, such as intangibility, heterogeneity, and inseparability, etc. [4], [6]. Given that for service firms, customer perceptions of service quality are significantly affected by the firms' front line employees who contact customer directly. So, it is critical for service firms to have employees who engage in behaviors that lead to long-term customer satisfaction.

Social exchange theory (SET) is among the most influential conceptual paradigms for understanding workplace behavior. Organizational commitment is a widely researched and extremely promising relational construct [7], [8]. Research has shown that commitment predicts a wide range of workplace outcomes [9]. The purpose of this study was to provide a more comprehensive model which integrates a social exchange construct (i.e., organizational commitment) as a mediator to test the relationship of organizational justice and employees' behaviors such as intent to leaving and customer-oriented behavior. More specifically, the purpose of the study has three folds: (1) to examine the relationship of organizational justice and employees' behavioral intentions in Chinese full-service restaurants; (2) to identify the mediating role of organizational commitment within that relationship; (3) to test the power of mediating effect of organizational commitment.

The rest of this study is organized as follows. Section 2 provides a conceptual background and research hypotheses. Section 3 describes the research methodology and data sources used in this study. Section 4 presents the results followed by section 5 which gives the conclusion and discussion of the research and managerial implications.

2. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

2.1 Organizational Justice

The term 'organizational justice' was coined by French (1964) [10] to describe individuals' perceptions of fairness in organizations. Recent research has identified four types of organizational justice [11]. Distributive justice refers to a person's perceptions of the extent to which the outcomes he or she receives (e.g., pay) are fair [12], [13]. Procedural justice concerns the extent to which an individual perceives the procedures used to determine outcomes as fair [14]. Interactional justice refers to an individual's perceptions of fair treatment by an organization's leaders and decision makers [15], and includes both interpersonal (i.e., treating people with dignity and respect) and informational (i.e., providing explanations for procedures and decisions) components [11], [16].

Widely accepted justice dimensions include distributive justice and procedural justice. In organizational settings, distributive justice research concentrated primarily on perceptions of equity [12]. This research demonstrated that

individuals consider distributive justice for a variety of organizational outcomes including pay [17], job challenge [18], job security [19], supervision [19], office space [20], and layoffs [21]. Additionally, organizational research on distributive fairness showed that individuals' perceptions of the fairness of outcomes affect their attitudes and behaviors (e.g., job satisfaction, organizational commitment, performance, intention to remain with the organization, organizational citizenship behavior).

Thibaut and Walker (1975) [14] introduced the concept of procedural justice. They demonstrated that when individuals received unfavorable outcomes, they were more satisfied with the outcomes if they believed the procedures that produced them were fair. Leventhal (1980) [22] identified six rules (consistency, bias suppression, accuracy, correct ability, representativeness, and ethicality) he believed to be associated with fair procedures. Early procedural justice research focused on the structural aspects of procedures (e.g., voice opportunities, consistency, opportunity for appeals). This research demonstrated the importance of procedural fairness in a wide range of settings (e.g., performance appraisal) [23], drug testing [24], selection testing [25], discipline [26], budget decisions [27], and layoffs [28]. As with distributive justice, the perceived fairness of procedures also affected important employee attitudes and behaviors.

In the hospitality industry, studies have shown that organizational justice perceptions of hotel employees have an impact on their commitment [29]. Thus, it becomes critical that hotel managers be very sensitive to how their decisions and how the methods they use to reach their decisions will be perceived by their employees [30].

2.2 Organizational commitment

The construct of employee commitment is of considerable importance to both scholars and practitioners alike. In the face of increased global competition, organizations are more dependent upon the positive work attitudes and behaviors that typically emanate from employee commitment. For example, meta-analytic reviews show that organizational commitment is positively related to job performance, negatively related to withdrawal cognition and turnover, and that the commitment performance relationship is more pronounced on measures of extra-role performance than on in-role performance [9], [31], [32].

It is now well recognized that commitment is a multidimensional construct [33]. Meyer and Allen (1984) [34] initially proposed that a distinction be made between *affective* and *continuance* commitment, with affective commitment denoting an emotional attachment to, identification with, and involvement in the organization and continuance commitment denoting the perceived costs associated with leaving the organization. Allen and Meyer (1990) [35] later suggested a third distinguishable component of commitment, *normative* commitment, which reflects a perceived obligation to remain in the organization. Briefly, employees with a strong affective commitment remain with the organization because they want to, those with a strong continuance commitment remain because they need to, and those with a strong normative commitment remain because they feel they ought to do so [36]. The focus of

the present study is on affective commitment, which is perhaps the most widely studied form of commitment, and is most similar to the way in which Mowday, Porter, and Steers (1982) [37] conceptualized commitment in their groundbreaking work.

2.3 Turnovers in hospitality industry

Turnover continues to be a topic of interest among management researchers. High turnover is generally acknowledged as one of the distinguishing features of the hotel and hospitality industry [38]. Several studies have examined both the magnitude and costs of turnover in the hotel industry [39], [40]. But some researchers do not see employee turnover to be dysfunctional. One reason that a high rate of voluntary turnover is alarming for many managers is the fear that the employees with better skills and abilities will be those who are able to leave whereas those who remain will be those who cannot find other jobs [41]. Additionally, in the hospitality industry one of the most critical intangible costs is the loss of employee morale for the employees who prefer to stay with the organization. As a result, this can affect the level of service provided to the customer.

Many studies have analyzed the relationship between organizational justice and their effects on various work-related variables including turnover intention, organizational commitment, and organizational citizenship behavior and job satisfaction. In the hospitality industry, Nadiri and Tanova (2009) [30] have investigated the relationship between justice perception and hotel employees' turnover intention and find that the fairness of personal outcomes that employees receive may have more impact on turnover intentions than the perceived fairness of a firm's procedures. Cho, Johanson, and Guchait (2009) [42] argued that in hospitality sector in the US positive employee attitudes such as organizational commitment and perceived organizational support help to reduce the intention to leave.

2.4 Customer oriented behavior

Terms like market orientation, customer orientation, market-driven or market focused organization, have been used to describe a type of organizational orientation where customer needs are the basis for planning and designing organizational strategy. These concepts are critical in marketing management theory and practice in organizations and over the last ten years especially, have generated many studies directed at supporting the statement that companies which adopt a customer orientation perspective are more likely to provide quality, contribute to customer satisfaction and attain organizational goals more efficiently and effectively than competitors [43]. In addition, it is argued that this type of orientation plays an even more relevant role in service organizations than in other types of companies [6], [44].

Hogan, Hogan, and Busch (1984) [45] defined service orientation as the disposition to be helpful, thoughtful, considerate, and cooperative. Dienhart, Gregoire, and Downey (1990) [46], in their study of table-service restaurant employees, found that service orientation consists of three separate components: customer focus, organizational support, and service under pressure. They defined customer focus as an employee's personal focus to provide excellent service to

customers. Employees who are highly focused on customer service actively interact with customers, enjoy providing a service to customers, and are self-satisfied with how they perform the act of service.

Social exchange theory (SET) suggested that if employees receive fair treatment from their organizations, they will reciprocate this kindness with desired behaviors, such as in-role and out-role job performance. As a kind of out-role behavior, customer oriented behavior may be impacted by organizational justice and organizational commitment.

Based on the review of previous literature, research hypotheses of the study were proposed:

Hypothesis 1a: Perception of distributive justice will be positively related to employees' affective commitment to the restaurant which they worked for.

Hypothesis 1b: Perception of procedural justice will be positively related to employees' affective commitment to the restaurant which they worked for.

Hypothesis 2a: Perception of distributive justice will be negatively related to employees' intention to leave the restaurant which they worked for.

Hypothesis 2b: Perception of distributive justice will be positively related to employees' customer oriented behavior.

Hypothesis 3a: Perception of procedural justice will be negatively related to employees' intention to leave the restaurant which they worked for.

Hypothesis 3b: Perception of procedural justice will be positively related to employees' customer oriented behavior.

Hypothesis 4a: Employees' affective commitment to their organization will be negatively related to their intention to leave the restaurant.

Hypothesis 4b: Employees' affective commitment to their organization will be positively related to their customer oriented behavior.

According to aforementioned research hypotheses, we established the proposed research model of this study as follows:

2.5 The mediating role of organizational commitment

A dominant approach in explaining the employee-organization relationship is social exchange perspective. Gouldner (1960) [47] referred to social exchange as a pattern of mutually contingent exchanges of gratification between two parties with a belief in reciprocity under a generalized moral norm. With such a norm of reciprocity, the mutuality of gratification serves to maintain a stable social system. Blau (1964) [48] further explained the notion of social exchange by differentiating it from economic exchange. Social exchange tends to be long term, whereas economic exchange is short term and on a quid pro quo basis. Unlike economic exchange, social exchange involves less tangible or even symbolic resources, and both the time frame and nature of the expected future returns are not specified. Since the returns are unspecified obligations in social exchange, the exchange parties conform to the norm of reciprocity to discharge their obligations in future.

Organizational commitment is a widely researched and extremely promising relational construct [7], [8]. Previous research has investigated the mediating role of organizational

commitment between relationship of organizational justice and various outcome variables, such as organizational citizenship behaviors [49]. The last two hypotheses of the study are proposed:

Hypothesis 5a: The relationship between distributive justice and employees' intention to leave and customer oriented behavior will be mediated by employees'

affective commitment to their organization.

Hypothesis 5b: The relationship between procedural justice and employees' intention to leave and customer oriented behavior will be mediated by employees' affective commitment to their organization.

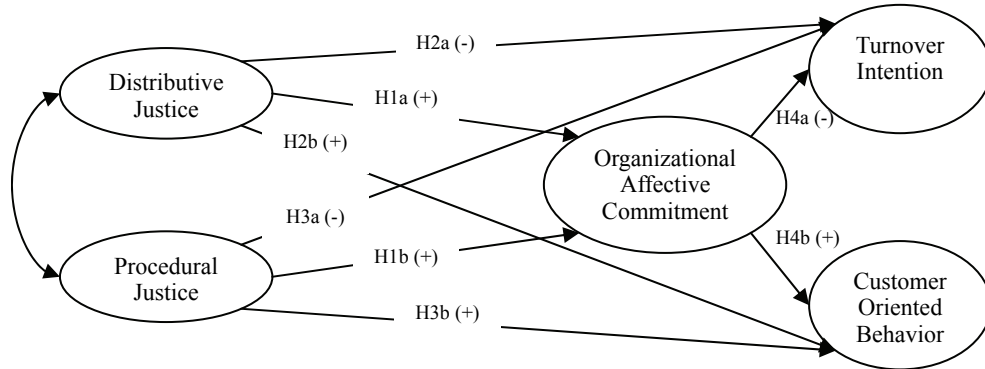


Fig. 1 Proposed Research Model

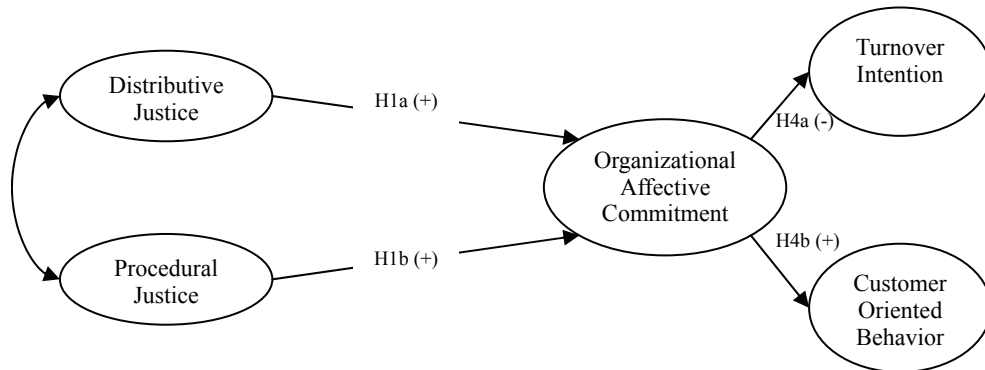


Fig. 2 Competitive Model—Fully Mediated Model

Based on these hypotheses, we proposed a competitive research model: fully mediated model.

3. RESEARCH METHODS

The research process involved the following steps. First, a literature review was undertaken to identify the relationship among organizational justice, employees' affective commitment to organizations, and employees' behavioral outcomes such as turnover intention and customer oriented behavior. Second, measurements of scales and questionnaire were developed and constructed. Third, the population and sampling procedure was established. Finally, the methods of data collection and analysis were determined.

3.1 Measurement development

The design of the questionnaire was primarily based on multiple-item measurement scales taken from previous research. Statements were adapted to suit the specific characteristic of restaurant sector. The questionnaire was then translated into Chinese and revised to better match a full-service restaurant context. It included questions regarding different organizational

justices, organizational affective commitment, intention to leave, and customer oriented behavior, as well as some social-demographic variables. The questionnaires were presented in Chinese with all the scales translated and back-translated [50] to ensure the quality of our translation. Employees responded to the items using five-point Likert scales ranging from strongly disagree (1) to strongly agree (5).

Organizational justice: The two antecedent variables were distributive and procedural justice. Distributive justice was measured using five items from Niehoff and Moorman (1993) [51]. Sample questions were "I consider my work load to be quite fair" and "I feel that my job responsibilities are fair." Recent conceptualizations of procedural justice suggested that the concept refers to the formal structure of the decision-making process, as well as the interpersonal behavior of the parties responsible for implementing the decision making procedures [16]. But in our research, we just measured the formal procedural justice using five items taken from Lambert, Hogan, and Griffin (2007) [52]. Sample questions were "My own hard work will lead to recognition as a good performer" and "My supervisor is familiar enough with my job to fairly evaluate me."

Affective commitment: The three forms of measurement

of organizational commitment were affective, continuance, and normative. Affective commitment is a psychological/emotional bond with the organization. According to Griffin and Hepburn (2005, p.612) [53], "affective commitment stems from an emotional attachment to the organization and is especially sensitive to work experiences." Affective commitment, the most commonly measured form of organizational commitment, has been shown to be a valid measure [9] and was used in this study including five items adapted from Ganesan and Weitz (1996) [54]. Sample questions are "I am glad that I chose to work for this restaurant" and "I am willing to put extra effort beyond expected to make this restaurant successful."

Turnover intention: Turnover intention was defined simply as the behavioral intentions to leave an organization [55]. In this study, we examined the employee's intention to leave, not the actual turnover or termination of employment. However, most studies having found a strong link between turnover intention and actual turnover [55]. Employees' intention to leave the organization was measured by 4 items. These items assess the extent to which employees believe that they would be leaving the organization within a short period of time. They are based on turnover intention scales used in Ganesan and Weitz (1996) [54]. Sample items are "I have decided to quit this restaurant" and "I am looking at some other jobs now."

Customer oriented behavior: Four items were selected from the so-called SOCO scale (selling orientation—customer orientation) developed by Saxe and Weitz (1982) [56] to measure the degree to which a front-line employee of restaurant engages in behaviors aimed at increasing long-term customer satisfaction. Sample items are "I try to satisfy customers by selling food which they need" and "I answer customers' questions as correctly as I can".

3.2 Data collection

First-line employees of 10 full-service restaurants in China were surveyed during summer vacation (August of 2009). Data was collected by using a convenience sampling method. The questionnaires were distributed to employees during the break time between lunch and dinner. A total of 345 usable questionnaires were collected among 400 questionnaires distributed, which represented a response rate of 86.3%.

3.3 Data analysis methods

Frequency distribution of the variables was conducted in order to identify the respondents' profile, and compute means and standard deviations for each variable measured in the study.

Structural equation modeling (SEM) was utilized to empirically test the relationships between the constructs in this study. The SEM is developed to evaluate how well a proposed conceptual model that contains observed multiple indicators and hypothetical constructs explains or fits the collected data. The SEM procedure was an appropriate solution for the measurement of the proposed causal relationships among the unobserved constructs in this study that were set up on the basis of prior research and theory [57]. To test and estimate the hypothesized model, a two-step approach with an initial measurement model and a subsequent structural model was employed. Using AMOS 7.0, a confirmatory factor analysis (CFA) was employed to validate the five-factor measurement model. The reliability of the measurement items was verified using the Cronbach's alpha. Following the verification of convergent and discriminant validity of the measurement model, the structural model was run to test the hypothesized relationships. The structural portion of the SEM allows for the testing of multiple equations with multiple dependent variables, provides parameter values (i.e., path coefficients) for each of the research hypotheses and determines their respective significance.

4. RESULTS

4.1 Descriptive analysis of the sample

Descriptive statistics of the respondents were presented in Table 1. Most of the respondents were female (82.7%), with male employees only representing 17.3%. More than four-fifth of respondents were under 25 years old (80.4%). In general, the education level of the respondents was low, with approximately three quarters of the respondents just received high school or lower education. Respondents who worked less than a year at a current restaurant accounted for approximately 40.5%, 47.9% respondents have worked for the same restaurant for one to three years, and only 11.6% of them have worked for the same restaurant more than 3 years. As to whether the employees had been received formal hospitality related training before they were hired by restaurant, approximately 60.2% of respondents didn't have the experience related to hospitality management.

Table 1. Descriptive Analysis of Respondents

Variables	Number	Percent
<i>Gender</i>		
Male	59	17.3
Female	283	82.7
<i>Age</i>		
25	275	80.4
≥25	67	19.6
<i>Education level</i>		
Lower than or equal to high school	245	72.3
Two-year college	82	24.2

Equal to or higher than university	12	3.5
<i>Years working at the same restaurant</i>		
Less than one year	137	40.5
1-3 years	162	47.9
More than 3 years	39	11.6
<i>Hospitality major</i>		
Yes	137	39.8
No	207	60.2

4.2 Overall measurement model

First, all of the 23 measurement variables were subjected to conduct an exploratory factor analysis with the extraction method of eigen-value greater than 1 and varimax rotation to identify underlying dimensions of research constructs. The result indicated that all indicators were loaded significantly on the intended latent variables except two items of distributive justice and one item of organizational affective commitment which either had highly cross loaded on two factors or had factor loadings lower than 0.5. After these 3 items deleted, overall measurement quality of the remaining 20 items was assessed using confirmative factor analysis. The robust Maximum Likelihood was selected for an estimation algorithm. The result indicated that the hypothesized 5-factor measurement model showed a reasonable fit ($\chi^2_{(160)} = 400.014$, $p < 0.01$, GFI = 0.895, AGFI = 0.862, NFI =

0.872, NNFI = 0.919, CFI = 0.918, RMSEA = 0.066). In order to further test the validity of measures used in the study, the hypothesized 5-factor model was compared with other two alternative measurement models (i.e., a single factor model with all 20 indicators loaded on one underlying factor and a 4-factor model which combined distributive justice and procedural justice into one organizational justice factor) according to models' goodness of fit indices. The results are shown in Table 2, from which we can see that the single factor model showed clearly unsatisfactory goodness of fit indices. Although the 4-factor model showed significant improvement in terms of fit indices relative to the single factor model, the 5-factor model has the best goodness of fit indices among the three models.

Table 2. Comparison of Fit Indices among Three Comparative Measurement Models

Measurement model	GFI	NFI	NNFI	CFI	RMSEA	χ^2 (df)	Changed χ^2 (df)
Model1 (single factor)	0.717	0.657	0.695	0.693	0.124	1072.255(170)	—
Model2 (4-factor)	0.860	0.827	0.873	0.872	0.082	540.067(164)	532.188(6)**
Model3 (5-factor)	0.895	0.872	0.919	0.918	0.066	400.014(160)	140.053(4)**

Note: ** $p < 0.01$.

Once the fit of the 5-factor measurement model was verified, the construct reliability and validity were estimated. First of all, the Cronbach alphas ranged from 0.708 to 0.872, higher than the critical value of 0.7. Second, following the recommendations by Anderson and Gerbing (1988) [58] and Hair et al. (2006) [57], the construct reliability (CR) and averaged variances extracted (AVE) are calculated for each factor. These results are shown in Table 3. Taking into account that values above 0.6 and 0.5 respectively are considered sufficiently appropriate [59], all of the CRs and AVEs of latent constructs are above the critical value except for the AVE of "turnover intention" scale. The scale reliability is verified. Therefore, the items proposed for measurement of the latent variables are providing consistent measures. Third, a scale has construct validity when it has convergent, discriminant, and nomological validity [60], [61]. Convergent validity exists when the different items of the same latent variable are strongly correlated. Scale convergent validity can be verified by checking the t tests of the factor loadings in such a way that if all of the factor loadings of the manifest variables that are measuring the same construct are statistically significant, they serve as evidence to support the convergent validity of these indicators [58]. In this study, all of the factor loadings are significant for $p < 0.001$. Additionally, all of the loadings are above 0.5, which means convergent validity of all the scales

used in the study [61]. Furthermore, evidence of discriminant validity exists when the proportion of variance extracted in each construct exceeds the square of the F coefficients representing its correlation with other factors [62]. From Table 4 we can see that, except for one value of correlation, all others are lower than the root square of AVE. Thus, according to this assessment, the measures appear to have acceptable levels of validity.

4.3 Structural model results

Table 4 also shows that all correlations between predictors and criteria variables are significant and at the desired directions. Hypotheses 1 through 4 are preliminarily verified and prerequisites of testing mediating effect are also satisfied.

To further illustrate the hypothesized relationship between organizational justice, employees' affective commitment to the restaurant, intention to leave, and customer oriented behaviors, structural equation modeling (SEM) was used. The variables described in Table 3 were entered in proposed model. The robust Maximum Likelihood (ML) was selected for an estimation algorithm. The ML solution maximizes the probability that the observed covariances are drawn from a population that has its variance-covariances generated from the process implied by the model, assuming a multivariate normal distribution. According to Golob (2003, p.8) [63], "corrections

have also been developed to adjust ML estimators to account for non-normality". The goodness of fit indices of the proposed research model are quite good ($\chi^2_{(159)} = 327.485$, $\chi^2/df = 2.060$, GFI = 0.914, AGFI = 0.886, NFI = 0.895, NNFI = 0.943, CFI = 0.943, PNFI = 0.749, RMSEA = 0.056), which suggest that the hypothesized model fits the data well.

The detailed results are shown in Fig. 3. The first set of hypotheses concerned with the effects of organizational justice on organizational commitment. As assumed, distributive justice and procedural justice have significant positive influence on organizational commitment ($\beta_1 = 0.222$, $t = 2.481$; $\beta_2 = 0.343$, $t = 3.876$). H1 was supported. While the effects of distributive justice on employees' intention to leave and customer oriented behavior are not statistically significant ($\beta_3 = -0.079$, $t = -0.943$; $\beta_4 = 0.049$, $t = 0.642$), the effects of procedural justice on employees' intention to leave and customer oriented behavior are statistically significant ($\beta_5 = -0.213$, $t = -2.522$; $\beta_6 = 0.599$, $t = 6.509$) and at the desired directions. So, H2 was not and H3 was supported. The last set of hypotheses concerned the relationship between work attitudes and work behaviors. Consistent with the prediction, organizational commitment has significant negative influence on employees' turnover intention ($\beta_7 = -0.630$, $t = -6.969$) and significant positive influence on employees' customer oriented behavior ($\beta_8 = 0.250$, $t = 3.835$). H4 was supported.

In order to test the mediating role of organizational commitment, we compared the proposed partially mediated model with competitive fully mediated model. The results are shown in Table 5, through which we can see that the partially mediated model fitted the data much better than the fully

mediated model did.

At last, we conducted a Sobel's (1982) [64] test to examine the power of indirect effects of distributive justice on employees' intention to leave and customer oriented behavior through their affective commitment to organization. From Table 6 we can see that organizational justice has significant negative indirect effect on employees' turnover intention ($B_{DJ} = -0.137$ and $Z = -2.322$ for distributive justice; $B_{PJ} = -0.220$ and $Z = -3.385$ for procedural justice) and significant positive indirect effect on employees' customer oriented behavior ($B_{DJ} = 0.056$ and $Z = 2.000$ for distributive justice; $B_{PJ} = 0.090$ and $Z = 2.647$ for procedural justice).

Combining the results of model comparison and Sobel's (1982) [64] test, it is clear that distributive justice has not significant direct effect but does have significant indirect effect on employees' turnover intention and customer oriented behavior, while procedural justice has both significant direct and indirect effects on employees' turnover intention and customer oriented behavior. We can conclude that the relationships between distributive justice and employees' turnover intention and customer oriented behavior are fully mediated by employees' affective commitment to their restaurants and the relationships between procedural justice and employees' turnover intention and customer oriented behavior are only partially mediated by employees' affective commitment to their restaurants. So, H5 was partially supported.

Table 3. Confirmatory Factor Analysis of the Construct Measurement

Construct and Item Description	Mean	S. D.	Std. factor loading	C. R. (t value)	Cronbach α
<i>Distributive justice</i> (CR = 0.829, AVE = 0.619)					0.787
My work schedule is fair	4.053	0.854	0.710	—	
I think that my level of pay is fair	4.020	0.881	0.785	11.746	
Overall, the rewards I receive here are quite fair	3.991	0.868	0.725	11.267	
<i>Procedural justice</i> (CR = 0.895, AVE = 0.633)					0.872
My own hard work will lead to recognition as a good performer	3.991	0.891	0.656	—	
My supervisor is familiar enough with my job to fairly evaluate me	3.700	0.893	0.823	12.805	
I trust my supervisor's evaluation of my work performance	3.834	0.882	0.770	12.173	
There is a fair opportunity to be promoted	3.962	0.867	0.782	12.325	
The standards used to evaluate my performance at this restaurant have been fair and objective	3.951	0.934	0.762	12.077	
<i>Organizational affective commitment</i> (CR = 0.872, AVE = 0.630)					0.794
I really care about the fate of this restaurant	3.719	0.731	0.733	—	
I am proud to be a part of this restaurant	3.787	0.722	0.663	10.952	
I enjoy discussing this restaurant with people outside it	3.654	0.845	0.747	12.137	
I am glad that I chose to work for this restaurant	3.767	0.750	0.668	11.031	
<i>Turnover intention</i> (CR = 0.738, AVE = 0.417)					0.708
I have decided to quit this restaurant	2.543	0.977	0.596	—	
I am looking at some other jobs now	2.278	0.740	0.736	9.433	
I intend to leave this restaurant within a short period of time	2.532	0.986	0.591	8.286	

If I do not get promoted soon, I will look for a job elsewhere	2.646	0.947	0.533	7.684	
<i>Customer oriented behavior</i> (CR = 0.845, AVE = 0.577)					0.827
I try to sell high price food to customers (reverse coded)	3.644	0.946	0.740	—	
I try to satisfy customers by selling food which they need	3.642	0.942	0.761	13.012	
I answer customers' questions as correctly as I can	3.786	0.906	0.696	11.968	
I recommend the food suited to the customers' problem	3.628	0.925	0.740	12.861	

Note: (1) All t values are statistically significant at the level of 0.001.

(2) $\chi^2 = 400.014$, $df = 160$, $\chi^2/df = 2.500$, GFI = 0.895, AGFI = 0.862, NFI = 0.872, NNFI = 0.919, CFI = 0.918, RMSEA = 0.066, RMR = 0.040.

(3) CR refers to composite reliability; AVE refers to average variance extracted.

Table 4. Correlations among Latent Variables Used in This Paper

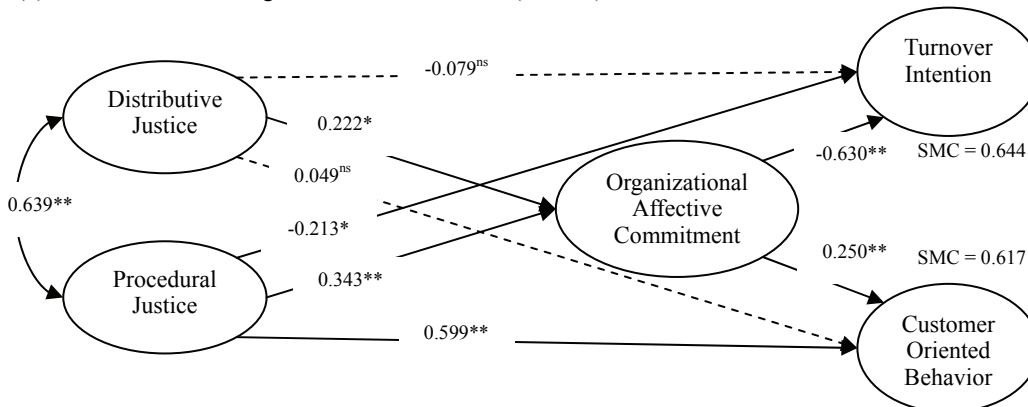
	Mean	S. D.	(1)	(2)	(3)	(4)	(5)
(1)Distributive Justice	4.017	0.736	0.786	0.640	0.440	-0.498	0.542
(2)Procedural Justice	3.886	0.728	0.535	0.795	0.485	-0.575	0.722
(3)Org. Affective Commitment	3.730	0.602	0.347	0.416	0.794	-0.732	0.511
(4)Turnover Intention	2.502	0.676	-0.371	-0.458	-0.523	0.646	-0.562
(5)Customer Orientation Behavior	3.675	0.752	0.429	0.612	0.416	-0.414	0.760

Note: (1) Values on the diagonal are root squares of averaged variance extracted (AVE).

(2) Values above the diagonal are correlation coefficients between latent variables.

(3) Values under the diagonal are correlation coefficients between factors.

(4) All Correlations are significant at the 0.01 level (2-tailed).



Note: (1) ns indicates not significant at the level of 0.05. *p < 0.05, **p < 0.01.

(2) SMC refers to squared multiple correlations.

(3) $\chi^2 = 327.485$, $df = 159$, $\chi^2/df = 2.060$, GFI = 0.914, AGFI = 0.886, NFI = 0.895, NNFI = 0.943, CFI = 0.943, PNFI = 0.749, RMSEA = 0.056, RMR = 0.038.

Fig. 3 Standardized Path Coefficients and R² of Proposed Research Model

Table 5. Comparison of Proposed Model with a Series of Nested Models

	GFI	NFI	NNFI	CFI	RMSEA	$\chi^2(df)$	Changed $\chi^2(df)$
Proposed model—							
Partially mediated model	0.914	0.895	0.943	0.943	0.056	327.485(159)	99.17(4)**
Competitive model—							
Fully mediated model	0.884	0.864	0.911	0.910	0.069	426.655(163)	—

Table 6. Indirect Effects of Organizational Justice on Employees' Turnover Intention and Customer Oriented Behavior through Organizational Commitment

	Distributive justice	Procedural justice	Affective commitment
Affective commitment(Direct effect)	0.196(0.079)*	0.315(0.081)**	—
Turnover intention Direct effect	-0.077(0.082) ^{ns}	-0.216(0.086)*	-0.698(0.100)**

	Indirect effect	-0.137(0.059)*	-0.220(0.065)**	—
Customer oriented	Direct effect	0.049(0.076) ^{ns}	0.629(0.097)**	0.286(0.075)**
behavior	Indirect effect	0.056(0.028)*	0.090(0.034)**	—

Note: (1) Values out of the parentheses are unstandardized path coefficients; Values in the parentheses are standardized errors of corresponding path coefficients.

(2) ns indicates not significant at the level of 0.05. *p < 0.05, **p < 0.01.

5. CONCLUSIONS AND DISCUSSIONS

5.1 Conclusions

The study examined the relationship between two types of organizational justice—distributive justice and procedural justice and employees' behavioral intentions—turnover intention and customer oriented behavior in the context of Chinese full-service restaurants. Consistent with previous research, the results of study indicated that organizational justice has significant impact on employees' work related attitudes and behaviors, but different dimension of justice has different impact on different aspect of attitude. Furthermore, these effects were at least partially mediated by employees' affective commitment to their organizations. More specifically, distributive justice has negative influence on employees' turnover intention and positive influence on employees' customer oriented behavior and these influences are fully mediated by employees' affective commitment to their organizations. On the other side, procedural justice has negative influence on employees' turnover intention and positive influence on customer oriented behavior and these influences are only partially mediated by employees' affective commitment to their organizations.

5.2 Managerial implications

Central role played by employees in services sector should be taken into account seriously. The service quality depends on employee performance. Therefore organizational justice perceptions of employees is very crucial in that sense where increased organizational commitment together with effective training will lead to increased service quality which finally results in increased customer satisfaction and loyalty. On the other hand, if employees do not perceive organizational justice they will not demonstrate affective commitment to their organizations and in turn they will not care about customer needs. Lack of perceived fairness may also lead to increased turnover of employees. Thus, high turnover may result in decrease in service quality.

Results of the study were consistent with extant literature. Distributive justice was a predictor for organizational commitment, turnover intention and customer orientation of employees. However, procedural justice was an even stronger predictor for these outcome variables. This means that employees' decision to leave the restaurant that they have been working for is related to not only the perception of fairness about the allocation of rewards made in the restaurant, but how the decision-making procedures are achieved. As the most important factor of production and service, employees play a significant role in the effectiveness of organizations. Creating a sense of belonging to the organization with loyal employees and fostering loyalty among employees can be a competitive

advantage in today's business world. Therefore, managers in hospitality industry should come to understand that transparency in the fairness of firm's procedures and rewards will allow them to develop more loyal and committed employees. Restaurant managers have to become aware of the extent their decisions and their methods of making the decisions influence the performance of their staff, and how this in turn impacts customer satisfaction. Managers in hospitality industry should realize that if companies want to satisfy their customers, they should satisfy their employees first. Committed employees will have less intent to leaving their company voluntarily and will engage in customer-oriented behavior automatically.

5.3 Limitations and future research implications

The present findings have several implications for future research, some of which are related to the limitations of this study. In this study, relatively small sample size and non-probabilistic and convenience sampling method will constrain the generalizability of our results to other context. Second, the current study is cross-sectional, we cannot insist on a strong causal connection between perception of justice and the dependent variables. Future research using longitudinal approaches is required to ensure causality. Third, our study has only emphasized the effect of distributive and procedural justice on dependent variables but overlooked the importance of interactional justice. More integrated study should be conducted in this field. Furthermore, future research in this field should investigate the relationship between organizational justice and various outcome variables in different cultural and organizational settings.

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Professor, Jin-Wook Seo

He received MBA in the field of Finance from Aurora University, USA, in 1988 and also obtained Doctoral Degree in International Business focused on Finance from United States International University (AIU), USA, in 1998. He has been working in Paichai University as a professor since 2000 lecturing on International Business, Finance, Service Management, and Human Resource Management.



Ph. D. Candidate, Liu, Li

He received a master's degree in economics from Anhui University, China in 2005. He is a candidate for the Ph. D. in Paichai University, Korea in 2010, His main research interests include hotel business, hotel service management, and human resource management.



Ph. D. Candidate, Moon-Sun Kim

She received a master's degree in hotel management from Paicahi University, Korea in 2007. She is studying hospitality service management. as a candidate for Ph. D. in Paichai University, Korea. Her main research areas include customer relationship management, service quality, and customer satisfaction in the field of hospitality industry.