

# AN EMPIRICAL ASSESSMENT OF HOTEL MANAGERS TURNOVER INTENTIONS: THE IMPACT OF ORGANIZATIONAL JUSTICE

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## ABSTRACT

A high turnover of managers within the hotel industry has become one of the major concerns to the researchers and practitioners. In line with this view, this paper investigates the relationship between organizational justice (OJ) and turnover intentions (TI) among hotel managers. The sample comprised 254 lower and middle-level managers from 26 medium-sized hotels (3 and 4-star) in the Klang Valley area. Organizational Justice was measured based on the three-dimensional measures of distributive justice (DJ), procedural justice (PJ), and interactional justice (IJ). Turnover intentions were measured using a five-item. It was hypothesized that distributive justice, procedural justice, and interactional justice perceptions were negatively related to turnover intentions. Results from the regression analyses revealed that only distributive justice and procedural justice have a significant negative effect on managers' turnover intentions. Interactional justice however, did not support the proposed relationship.

**Keywords:** Organizational Justice, Distributive Justice, Procedural Justice, Interactional Justice, and Turnover Intentions

## INTRODUCTION

The increasing awareness of employees' turnover in the hotel industry has become a global phenomenon across the western world. Empirical studies have consistently showed that an excessive employee turnover rate of about to percent annually is acknowledged to be one of the most problematic issues and particularly detrimental to the global hotel industry, which ranged about 60 per cent annually (Birdir, 2002; Carbery, Garavan, O'Brien, & McDonnell, 2003; Ghiselli, LaLopa, & Bai, 2001; Hinkin & Tracy, 2000). In a similar fashion, despite tremendous development of hotels in Malaysia, the problems of employee turnover is a prevailing one and remains high in the industry (Hemdi, 2006; Hemdi & Nasurdin, 2003; Zahari, 2004). According to the Malaysia Association of Hotels (2000), the average

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\* Any remaining errors or omissions rest solely with the author(s) of this paper.

employee turnover rate was to be high as 65.7 per cent annually for the year of 2000/2001. This was further exacerbated by many hotel human resource managers that turnover generally occurs among fresh hospitality graduates, managerial, as well as the operational employees (*Malaysian Association of Hotels, 1997*). The traditional constraints such as long working hours, antisocial working hours, low pay, unstable, seasonal employment, low job status make employment within the hotel industry unattractive (*Malaysian Association of Hotels, 2000*). In other word, Malaysian hotel industry clearly has more a volatile labor movement and high labor mobility. These problems have also arisen and become rampant in many other Asian countries such as Hong Kong, South Korea, Singapore, and Taiwan (Barnett, 1995; Chang, 1996; Khatri, Fern, & Budhwar, 2001). In particular, it has been discovered that managers' turnover rates are significantly higher in the hotel industry compared to other service sector industries (Carbery et al., 2003; Ghiselli et al., 2001; Ingram & Brown, 2000). Studies have reported that the rates in most countries were noted to be high: 129 per cent in Ireland (Carbery et al., 2003), 86 per cent in Hong Kong (Lam, Zhang, & Baum, 2001), 57.6 per cent in Japan, Korea, and Singapore (Khatri et al., 2001). Indeed, the issues of managers' turnover intentions is prevalent the Malaysian hotel industry.

The most recent studies on the predictors of turnover intentions within the hotel industry were conducted in the western world (Carbery et al., 2003; Hinkin & Tracy, 2000; Lam et al., 2001; Pizam & Thornburg, 2000), and the findings may not be applicable to the local organizations owing to vast economics, social, and cultural environments differences (Cotton & Tuttle, 1986). Further, there have been be limited of such studies have been conducted in the Malaysian hotel industry which focused on the operational and the managerial employees respectively (Hemdi, 2006; Hemdi & Nasurdin, 2003). To the knowledge of these researchers, no efforts have been made to understand how managers' perceptions of fairness on the part of the organization may influence their behavioral intentions in the Malaysian hotel industry. Previous local studies on turnover intentions were conducted merely among operational hotel employees' (Hemdi, 2006; Khalid, 2006), engineers (Nathan, 1998), armed forces (Toong, 1999), and government doctors (Samad, 2006). Most organizational justice studies have been carried out in western countries and surprisingly, little research has been undertaken to explain the relationships between organizational justice and turnover intentions (Dailey & Kirk, 1992; Lee, 2000; Price, 2001). Correspondingly, limited justice studies have been carried out in the Malaysian context and so far, they only focus on lecturers in the higher education institutions (Yusof & Shamsuri, 2006) and manufacturing employees (Samad, 2006). Yusof & Shamsuri (2006) argued that, organizational justice can affect not only the organization's long-term viability but also to determine the nation's economic well-being and its competitiveness globally. Thus, it is noteworthy to mention that the perceptions of organizational justice can have a huge impact on the employee-organization relationship. Hence, an understanding of the effects on and the relationship of organizational justice to managers' behavioral reactions (turnover intentions) are extremely relevant.

Although a great deal of research has addressed the issues of turnover intentions, there still remain gaps in the examination of the predictors of turnover intentions among managerial employees as most literature has highlighted a bias towards studying the non-managerial populations (Carbery et al., 2003). It is worth noting that very little research has investigated the managers' perceptions of fairness of the organization and its influence on their behavioral intentions in the Malaysian hotel industry. Consistent with this notion, a better understanding of the factors which lead to hotel managers' intentions to quit becomes increasingly relevant. In addition, to what extent the hotel managers' perceptions of organizational fairness influence their behavioral intentions (turnover intentions) to leave the organization has not yet been explored. This unexplored independent variable of organizational justice focusing on the influence of distributive justice (DJ), procedural justice (PJ), and interactional justice (IJ) in turnover intentions studies among hotel managers within the Malaysian context warrant a further investigation. The focus of this study is to investigate the relationship between organizational justice and turnover intention among lower and middle-level hotel managers.

## LITERATURE REVIEW

### Turnover Intentions

Turnover intentions are defined in several ways owing to diverse definitions but share a common term in the scholarly literature and refer to an individual's perceived probability of staying or leaving an employing organization (Cotton and Tuttle, 1986). Hellman (1997) defined turnover intentions as the behavioral intentions illuminating an individual's intention to leave or stay and are considered to be the primary antecedent to actual turnover behavior. Hom and Griffeth (1995) referred turnover intentions as a conscious and deliberate willfulness of an individual towards voluntary permanent withdrawal from the organization. Empirical studies on turnover have shown that turnover intentions are the best immediate predictor of actual turnover behavior (Griffeth, Hom & Geatner, 2000; Price, 2001; Hemdi, 2006; Samad, 2006). This relationship is further supported by the attitude-behavior theory, which holds that an individual's intention to perform a specific behavior is the immediate determinant of the actual behavior (Ajzen & Fishbein, 1980). Indeed, there is a strong and significant positive relationship between turnover intentions and the actual turnover (Lambert, Hogan, & Barton, 2001; Mor Barak, Nissly, & Levin, 2001; Price; 2001; Samad, 2006). In the review of antecedents to turnover, Mor Barak et al. (2001) argued that many studies have used turnover intentions rather than actual turnover as the work outcomes because: 1) Employees typically make conscious decision before actually quitting their jobs and 2) It is more practical to inquire from employees their intention to quit in a cross sectional study rather than actually tracking them down via a longitudinal

study to see if they have left their organization. For these reasons and consistent with previous researchers (Lambert et al., 2001; Mor Barak et al., 2001; Hemdi, 2006; Samad, 2006), turnover intentions is the criterion variable in this study since it has been recommended as a proxy in measuring actual turnover (Price, 2001). Thus, following Hom & Griffeth (1995) definition, turnover intentions is clearly defined as the hotel managers' behavioral intentions to leave or quit their particular organization.

## **Organizational Justice and Turnover Intentions**

Research on organizational justice has increased up in the psychological literature over the past 40 years. Organizational justice refers to the perceptions of fairness and evaluations of treatment received in the organization (Cropanzano & Greenberg, 1997). From another perspective, Moorman (1991) viewed organizational justice as the ways in which employees determine whether they have been treated fairly in their jobs and the ways in which those determinants influence other work-related outcomes. Consistent with Niehoff and Moorman (1993), there are three-dimensional views of the organizational justice concept have that evolved over time namely: (1) distributive justice (fairness of the outcome that an employee receives); (2) procedural justice (fairness of the procedures used to determine those outcome allocation decisions) and (3) interactional justice (fairness of communications or interpersonal treatment that accompanies organization formal procedures). These are further elucidated as follows:

Distributive justice refers to the employees' perception of fairness in the workplace by comparing their inputs/outcomes received from the organization (Niehoff & Moorman, 1993). As noted by Greenberg (2001), distributive justice highlights the employees' response to the fairness of the treatment or distribution of rewards (pay, promotions, and etc.) received from the organization. In general, distributive justice is more important in predicting personal-level outcomes such as pay satisfaction (Linda & Ping, 1996; Sweeney & McFarlin, 1993) and job satisfaction (Samad, 2006; Yusof & Shamsuri, 2006). Distributive justice was also found to have a significant negative influence on turnover intentions (Aryee & Chay, 2001; Dailey & Kirk, 1992; Lee, 2000; Loi, Ngo, & Foley, 2006). Procedural justice reflects the extent to which the employee has perceived that the outcome allocation decisions have been fairly made in relation to the organization's formal procedures and treatment given in enacting those procedures (Moorman, 1991). These procedures not only offer the employee's control over the outcomes they received but also to ensure those outcomes obtained are fair. Past research indicated that procedural justice may have strong effects on organizational outcomes such as affective commitment (Khatri, et al., 2001; Samad, 2006; Tremblay, Sire, & Balkin, 2000; Yusof & Shamsuri, 2006). Additionally, studies found that procedural justice is significantly related to turnover intentions (Khatri et al., 2001; Dailey & Kirk, 1992). Interactional justice, on the other hand, refers to the fairness the employees' perceive when they have been communicated with in a

sensitive and respectful manner and are treated with courtesy and dignity in their organizational practices (Cohen-Charash & Spector, 2001). Interactional justice has been commonly associated with personal-level outcomes such as supervisory relationships (Cropanzano, Prehar, & Chen, 2002), organizational citizenship behavior (Niehoof & Moorman, 1993), job satisfaction (Masterson, Lewis, Goldman, & Taylor, 2000), and job performance (Cropanzano et al., 2002). A recent organizational justice study by Hubbell and Chory-Assad (2005) confirmed that interactional justice has a significant and negative relationship with turnover intentions.

Empirical evidence revealed that organizational justice has a significant influence on employees' work attitudes and behaviors (Colquitt, Conlon, Wesson, Porter, & Ng., 2001; Kernan & Hanges, 2002; Shaw, Wild, & Colquitt, 2003). In particular, studies constantly showed that organizational justice negatively influence turnover intentions (Aryee & Chay, 2001; Khatri et al., 2001; Loi et al., 2006). In view of the fact that most prior justice research has been carried out in western countries, to date limited local studies have been undertaken in understanding the influences of different aspect of organizational fairness on employees' work-related outcomes (Samad, 2006; Yusof & Shamsuri, 2006). This is further exacerbated as least attention is given to the hotel managers' perceptions of organizational justice on turnover intentions within the Malaysian context. Given such concerns regarding fairness in the hotel organization, this study focuses on the predictive role of organizational justice (distributive justice, procedural justice, and interactional justice) on turnover intentions. Following Niehoof & Moorman's (1993) definition, organizational justice in this study is clearly defined as the hotel managers' perceptions of fairness of treatment received from their organizations. Therefore, based on these empirical considerations and consistent with the discussions of the aforementioned related literature, it can be hypothesized that:

**H1: There is a negative relationship between perceptions of organizational justice and turnover intentions.**

H1a: There is a negative relationship between perceptions of distributive justice and turnover intentions.

H1b: There is a negative relationship between perceptions of procedural justice and turnover intentions.

H1c: There is a negative relationship between perceptions of interactional justice and turnover intentions.

## THEORETICAL FRAMEWORK

### Conceptualization of Study Variables

The criterion variable of interest in this study is “turnover intentions” and the predictor variable is the “organizational justice dimensions” (DJ, PJ, and IJ). The theoretical framework is illustrated in Figure 1.

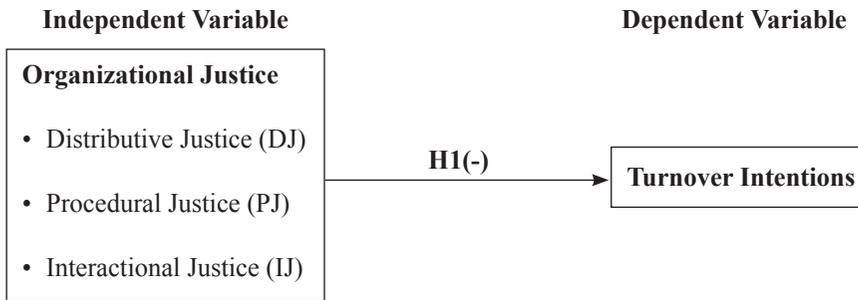


Figure 1: The Theoretical Framework of Hotel Managers’ Turnover Intentions

## METHODOLOGY

### Samples

Participants in this study consisted of lower (supervisor) and middle-level hotel managers (line/outlet managers). A total of 600 questionnaires (mini booklet form) were mailed to the respective human resource managers over 26 medium-sized hotels (3&4-star) located in the Klang Valley. Specifically, a mail survey questionnaire was employed. In view of the fact that the survey was not under the researcher’s supervision, cooperation with the human resource managers was vital for internal access and direct distribution of questionnaires to the managers. The human resource managers were told to randomly distribute the questionnaires to the managers associated with two major operating departments; room department (front office and housekeeping) and food and beverage department (production and service). Respondents were given two weeks for completion. Data entry began as soon as the completed questionnaires were returned directly to the researcher via mail using the self-addressed envelopes provided. In total, 281 questionnaires (47%) were returned. However, only 254 usable questionnaires (42%) were coded and analyzed.

### Measurements

The predictor variable of organizational justice (OJ) was measured using a 20-item instrument (Niehoof and Moorman, 1993). The justice scale consisted of three dimensions measuring perceptions of distributive justice (DJ), procedural

justice (PJ), and interactional justice (IJ) using 5, 6, and 9-items respectively. The criterion variable, turnover intentions (TI) was measured via 5-item scale adapted from Hom and Griffeth (1995). Responses to all items were made on a 7-point likert scale format ranging from (1) “Strongly Disagree” to (7) “Strongly Agree”.

### Method of Analyses

Prior to hypothesis testing, confirmatory factor analysis (CFA) was initially undertaken using covariance matrix as input to test (confirm) the prespecified relationship and to evaluate the distinctiveness of the measures used. The research hypotheses were subsequently tested using hierarchical multiple regression analysis. The five main demographic variables such as age, gender, marital status, education level, and organizational tenure were found in previous researches to affect turnover intentions (Hemdi, 2006; Lambert et al., 2001; Price, 2001). Given the potential impact of these demographic factors on the dependent variable, these personal variables were statistically controlled in all regression analyses conducted.

## RESULTS

### Respondents' Profiles

The sample profile for this study is shown in Table 1.

Table 1 Respondents' Profile

Demographic Variables	Categories	Frequencies	Percentage (%)
Gender	Male	175	68.9
	Female	79	31.1
Marital Status	Single	108	42.5
	Married	132	52.0
	Widower/Widow	1	0.4
	Divorced	13	5.1
Education Level	SPM/STPM	54	21.3
	Certificate	29	11.4
	Diploma	129	50.8
	Bachelor Degree	42	16.5
Organizational Tenure	Less than 6 months	4	1.6
	6 months – 1 year	17	6.7
	2 – 3 years	84	33.1
	4 – 5 years	59	23.2
	More than 5 years	90	35.4

	Mean	SD	Min.	Max.
Age (Years)	32.27	6.38	20	51

From Table 1, it can be observed that the mean age of the respondents was 32.3 years (SD = 6.38), where the age ranged between 20 and 51 years. A total of 175 (68.9%) respondents were males while 79 (31.1%) were females. The majority of the respondents were married (52.0%) while others were single (42.5%), widower/widow (0.4%), and divorced (5.1%). In terms of education, most respondents had educational qualifications up to Diploma level constituting a total of 129 (50.8%) respondents. The remaining respondents had SPM/STPM (21.3%), Certificate (11.4%), or a Bachelor’s Degree (16.5%). As for organizational tenure, 4 (1.6%) respondents had less than 6 months working experience in their current hotel, 17 (6.7%) respondents signified they had worked between 6 months to 1 year, 84 (33.1%) have worked between 2 to 3 years, while 59 (23.2%) respondents have worked between 4 to 5 years, and the remaining 90 (35.4%) respondents signified they had worked in their current hotel for more than 5 years.

### Confirmatory Factor Analysis of the Study Variables

As previously mentioned, the data were initially submitted for assessment of confirmatory factor analysis (CFA), using a covariance matrix as input. The main purpose of conducting CFA using LISREL 8.80 is to test (confirm) a prespecified relationship and to evaluate the distinctiveness of the measures used in this study (Jöreskog & Sörbom, 2006). The internal consistency of the factors was subsequently examined using the Cronbach’s alpha values. For the assessment of the measurement model using CFA, a total of 25-items were identified among the study variables. In particular, the 20-items of the organizational justice construct led to the identification of three dimensions: 5-items reflecting organizational justice, 6-items measuring procedural justice, and 9-items relating to interactional justice (Niehoof & Moorman, 1993). Meanwhile, the 5-items measuring turnover intentions were identified (Hom & Griffeth, 1995).

Table 2 depicts the iteration process that took place in getting the perfect-fit model of the organizational justice and turnover intentions construct. It can be seen that, the initial model of distributive justice had a perfect fit and no additional modification was required (GFI = 1.00, RMSEA = 0.000). Although the initial model of procedural justice indicated an acceptable GFI, conversely, the RMSEA was high indicating the possibility of an improved fit for the measurement model (GFI = .86, RMSEA = 0.225). Jöreskog and Sörbom (2006) suggested that only one item can be altered at a time to avoid excessive model modification and this iterative process continued until the model parameters and key fit indices met the recommended criteria. In line with this view, the model tested in iteration 1 was carried out by dropping item PJ1 since the R<sup>2</sup> value was the lowest (R<sup>2</sup> = 0.19) and the result showed that the RMSEA value did not improve. Item PJ2 was

subsequently dropped in iteration 2 due to the low  $R^2$  value ( $R^2 = 0.38$ ) and the model showed a significant improvement with a perfect model fit (GFI = 1.00, RMSEA = 0.000). The initial model of interactional justice had the acceptable GFI of 0.74, but a relatively high RMSEA of 0.235. The model resulting from iteration 1 showed a perfect fit (GFI = 0.98, RMSEA = 0.010) when item IJ4 was dropped due to the lowest  $R^2$  value ( $R^2 = 0.30$ ). On the turnover intentions construct, the initial model had a poor fit with an acceptable GFI of 0.94 and a considerably high RMSEA of 0.159. Item TI1 was dropped in iteration 1 due to the lowest  $R^2$  value ( $R^2 = 0.33$ ) and the result finally showed a perfect model fit (GFI = 1.00, RMSEA = 0.000).

**Table 2** Description of the Modification Process of Unidimensionality and Convergent Validity of the Organizational Justice and Turnover Intentions Factors

	Items	GFI	RMSEA
Initial Model of Distributive Justice	DJ1, DJ2, DJ3, DJ4, DJ5	1.00	0.000
Initial Model of Procedural Justice	PJ1, PJ2, PJ3, PJ4, PJ5, PJ6	0.86	0.225
• Iteration 1	PJ2, PJ3, PJ4, PJ5, PJ6	0.90	0.227
• Iteration 2	PJ3, PJ4, PJ5, PJ6	1.00	0.000
Initial Model of Interactional Justice	IJ1, IJ2, IJ3, IJ4, IJ5, IJ6, IJ7, IJ8, IJ9	0.74	0.235
• Iteration 1	IJ1, IJ2, IJ3, IJ5, IJ6, IJ7, IJ8, IJ9	0.98	0.010
Initial Model of Turnover Intentions	TI1, TI2, TI3, TI4, TI5	0.94	0.159
• Iteration 1	TI2, TI3, TI4, TI5	1.00	0.000

Table 3 depicts the final constructs used in organizational justice and turnover intentions variables. The final constructs instrument resulted in a total of 21-items. These comprised of 17-items measuring respondents' perceptions of organizational justice followed by 4-items measuring turnover intentions. Specifically, 3-items (PJ1, PJ2, and IJ4) were eliminated from the organizational justice constructs whereas only 1-item (TI1) was eliminated from the turnover intentions construct. As previously mentioned, these items were eliminated for further analyses due to the lowest  $R^2$  value. Anchored in Hair et al. (2006) rule of thumb, a construct should be reflected by a minimum of three items. Consistent

with this notion, all constructs contain an adequate number of items and none were excluded in this study. It is evident that no modification was required to restating the initial hypotheses. Therefore, the three dimensional measures of organizational justice, the unidimensional measure of turnover intentions were included in the hypotheses testing.

**Table 3** Organizational Justice-Turnover Intentions

Abbreviated Label	Actual Scale Item
<b>Organizational Justice Items</b>	
<i>Distributive Justice</i>	
• DJ1	
• DJ2	Fair work schedule
• DJ3	Fair pay level
• DJ4	Fair workload
• DJ5	Fair rewards
	Fair job responsibilities
<i>Procedural Justice</i>	
• PJ3	
• PJ4	Accurate and complete information
• PJ5	Clarifies decisions and additional information
• PJ6	Consistent job decisions
	Challenge or appeal job decisions
<i>Interactional Justice</i>	
• IJ1	
• IJ2	
• IJ3	Treats with kindness and consideration
• IJ5	Sensitive to personal needs
• IJ6	Concern employee rights
• IJ7	Discusses the implications of job decisions
• IJ8	Adequate justification for job decisions
• IJ9	Sense explanations on job decisions
	Clear explanations on job decisions
	Treats with respect and dignity
<b>Turnover Intentions Items</b>	
• TI2	Plan to leave as soon as possible
• TI3	Actively look for a new job next year
• TI4	Often think of quitting current job
• TI5	Leave as soon as can find better job

### Reliability and Validity Analysis

After the evaluation of the model, the measurements of each construct were assessed for the reliability and validity as these factors can influence the quality of the obtained data. The reliability coefficient for each measure was initially examined by computing the Cronbach’s alpha values. The items included in the test are based on the results of the earlier confirmatory factor analysis conducted. As shown in Table 4 below, the initial reliability estimates for the organizational justice dimensions of distributive justice, procedural justice, and interactional justice were .89, .83, and .93 respectively. The dependent variable of turnover intentions had an excellent reliability coefficient of .91. Generalizing from the results and concurring with Hinton et al.’s (2004) minimum alpha score range of .50 to .70, the Cronbach’s alpha values for the internal consistency of all study variables were considered high and acceptable.

Once the construct reliability was established, the instruments validity was next assessed. In testing validity, the construct validity is highlighted in this study which deals with the accuracy of the measurement. According to Steenkamp and Van Trijp (1991), the criteria for achieving construct validity is by checking the unidimensionality of the measure which refers to the existence of a single construct underlying a set of measures. For the purpose of this study, unidimensionality analysis was carried out identifying the measurement model for each construct and confirmatory factor analysis (CFA) was run for all constructs. A comparative fit index (CFI) value above .90 for the model implies that there is a strong evidence for unidimensionality (Hair et al., 2006). Consequently, all scales for the study variables had a CFI value exceeding .90.

Convergent validity on the other hand, is defined as the extent to which a new measure of a specific construct “converges” with other similar measures (Zikmund, 2003). Specifically, when there is a high correlation between a measure and other measures that are believed to measure the same construct, convergent validity is obtained. Each item in a scale can also be treated as a different approach to measure the same construct. In this study, convergent validity can be assessed using the normed fit index (NFI) in CFA. As further recommended by Hair et al. (2006), the NFI value above .90 signifies a strong convergent validity. Indeed, all scales had an NFI value ranging from .90 to 1.00. Therefore, this implies a reasonably strong indication of convergent validity. The CFI and NFI values for all scales are summarized in Table 4.

**Table 4** Unidimensionality and Reliability Indices for the Study Variables

Variables	Number of Items	Cronbach’s Alpha ( $\alpha$ ) (Before)	Items Deleted	Cronbach’s Alpha ( $\alpha$ ) (After)	Comparative Fit Index (CFI)	Normed Fit Index (NFI)
<b>Organizational Justice</b>						
• Distributive Justice	5	.89	–	.89	1.00	0.96

• Procedural Justice	6	.88	2	.83	1.00	1.00
• Interactional Justice	9	.95	1	.93	1.00	0.98
<b>Turnover Intentions</b>	5	.92	1	.91	1.00	1.00

Note.  $N = 254$

### Descriptive Statistics

The descriptive statistics and the correlation among the study variables (predictor and criterion variable) are shown in Table 5.

**Table 5** Mean Scores, Standard Deviations, and Pearson Correlations Matrix for Study Variables

Variables	Mean (M)	Standard Deviation (SD)	1	2	3	4
1. Distributive Justice	5.23	1.05	-			
2. Procedural Justice	5.39	.89	.68**	-		
3. Interactional Justice	5.54	.79	.72**	.83**	-	
4. Turnover Intentions	2.85	1.64	-.58**	-.46**	-.43**	-

Note.  $N = 254$ , \* $p < 0.05$ ; \*\* $p < 0.01$ , All items used a 7-point Likert scale with (1=strongly disagree to 7=strongly agree)

As portrayed in Table 5, the respondents’ perceptions of organizational justice were found to be relatively high; distributive justice ( $M=5.23$ ,  $SD=1.05$ ), procedural justice ( $M=5.39$ ,  $SD=.89$ ), and interactional justice ( $M=5.54$ ,  $SD=.79$ ). These mean scores were obtained by averaging the scores for the 5, 6, and 9 items identified under the distributive justice, procedural justice, and interactional justice dimensions respectively resulting from the confirmatory factor analysis. The level of turnover intentions experienced by the respondents were relatively low ( $M=2.85$ ,  $SD=1.64$ ). This mean value was gauged by averaging the scores for the 4 items associated with one’s intention to leave.

All study variables were significantly intercorrelated. Correlations among organizational justice dimensions were significantly large, ranging from  $r = .68$  ( $p < 0.01$ ) to  $r = .83$  ( $p < 0.01$ ). Accordingly, the correlations between distributive justice and procedural justice ( $r = .68$ ,  $p < 0.01$ ), interactional justice ( $r = .72$ ,  $p < 0.01$ ), and between procedural justice and interactional justice ( $r = .83$ ,  $p < 0.01$ ) were considered large. The correlations between organizational justice dimensions and turnover intentions were negative and significant ranging from  $r = -.43$  ( $p < 0.01$ ) to  $r = -.58$ , ( $p < 0.01$ ). Distributive justice had a much stronger correlation with turnover intentions compared to procedural justice and

interactional justice. From the intercorrelation results, it also can be said that no serious multicollinearity exists among the study variables as the strength of the correlations was all below .90 (Hair et al., 2006).

**Hypothesis Testing**

To test the formulated hypothesis, a hierarchical multiple regression analysis was undertaken. Specifically, a two-step hierarchical regression was conducted to test the relationship between organizational justice and turnover intentions. From the hypothesis, three-sub hypotheses were developed comprising the three dimensional measures of organizational justice (DJ, PJ, and IJ). The criterion variable relates to turnover intentions. The five main demographic variables (age, gender, marital status, education level, and organizational tenure) were statistically controlled and entered into the first step of the regression equation. For the second step, all three model variables concerning dimensions of organizational justice were entered. Table 7 summarizes the regression results.

**Table 7** Results of Hierarchical Regression of perceptions of organizational justice on turnover intentions

Predictors	Model 1 Std. $\beta$	Model 2 Std. $\beta$
<b>CHAPTER TWO Step 1: Control Variables</b>		
Age	-.11	-.12
Gender <sup>a</sup>	.19**	.05
Marital <sup>b</sup>	-.02	.03
Education Level	-.10	-.11
Organizational Tenure	.21**	.12
<b>CHAPTER THREE Step 2: Model Variables</b>		
<b>Organizational Justice:</b>		
• Distributive Justice		-.56**
• Procedural Justice		-.26**
• Interactional Justice		.15
$R^2$	.07	.45
Adj. $R^2$	.05	.43
$R^2$ Change	.07	.38
F-Change	3.49**	55.01**

Note: \* $p < 0.05$ , \*\* $p < 0.01$ ; Dummy Coded, <sup>a</sup>male = 1, female = 0; <sup>b</sup>unmarried = 0, married = 1.

As can be observed from Table 7, the control variables managed to explain 7.0 % of the variance in turnover intentions ( $R^2 = .07$ ,  $F\text{-Change} = 3.49$ ,  $p < 0.01$ ). Of the five control variables, only respondents' gender ( $\beta = .19$ ,  $p < 0.01$ ) and organizational tenure ( $\beta = .21$ ,  $p < 0.01$ ) were significantly related to turnover intentions. Adding the three model variables relating to organizational justice, the  $R^2$  increased to .45. This indicated that organizational justice was able to explain an additional 38% ( $R^2 \text{ Change} = .38$ ,  $p < 0.01$ ) of the observed variations on turnover intentions and above the effects of demographic variables. Of the three organizational justice dimensions, only two dimensions namely distributive justice and procedural justice were significant and negatively predict turnover intentions. Indeed, distributive justice had the most impact on the prediction of turnover intentions ( $\beta = -.56$ ,  $p < 0.01$ ) followed by procedural justice ( $\beta = -.26$ ,  $p < 0.01$ ). In other words, distributive justice was found to be more influential in explaining the variation in turnover intentions. Conversely, the interactional justice dimension (H1c) had no significant relationship with turnover intentions. In sum, these findings only support H1a and H1b. Thus, the hypothesis is partially supported.

## DISCUSSIONS

The results of this study showed that, of the three organizational justice dimensions, only distributive justice and procedural justice were significant and negatively related to turnover intentions. Nevertheless, the perceptions on procedural justice showed an insignificant relationship with turnover intentions.

Distributive justice have a significant negative influence on turnover intentions, as hypothesized. This relationship is consistent with the findings of Aryee & Chay (2001) and Lee (2000). From this study, it could be said that if the managers feel contented in what they receive compared to those of a referent other, they are more likely to be productive and remain with the organization. Indeed, managers who perceived fair prospects of different work outcomes particularly with regards to pay satisfaction, work schedule, workload, rewards, and job responsibilities may viewed their current organization as favorable and might not see outside alternatives as attractive. Thus, the result implied that hotel managers who perceive a higher level of distributive justice are less likely to have the intention to leave their current organization. Similarly, procedural justice appeared to be significantly and negatively predicts on turnover intentions as hypothesized. This finding is in incongruence with Khatri et al. (2001). This study indicates that high perceptions of fairness of the formal decision-making procedures would influence the managers to stay in the organization. In other words, managers are more accepting decisions that results from a guaranteed fair procedural treatment by their organization. Procedural justice can be assessed in terms of the fairness and consistency of the organization's policies and practices received by the managers. For example, if the management of the hotel clarifies and applied consistent job decisions, allow managers to challenge or appeal

job decisions and give unbiased information upon request, they would evaluate procedures made by the organization to be fair. Hence, when managers have high perceptions of procedural justice in their organization, they are less likely to experience turnover intentions.

Surprisingly, the interactional justice was found to have an insignificant relationship with turnover intentions. This finding was contrary to the recent work of Hubbell and Chory-Assad (2005), who found that if managers' perceived fairness and a good quality of communication received in their organization, they were less likely to leave the organization. One possible explanation for this unexpected finding is that managers in this sample may perceive the interpersonal treatment they receive to be unfair (e.g. they are treated with dishonesty and disrespect) and, in turn, they progressively seek options of better job positions through the external labor market. Specifically, as the external labor market becomes more attractive, managers' tended to engage more in job-search behaviors, reflecting increased intentions to leave the organization. Another explanation is that there may be a lack of an interpersonal relationship between the managers and the top management. Hotel managers in this study may not have a close interaction with the top management since according to their job descriptions they perform more operational tasks which require high customer contact and less supervision from the management (Dittmer, 2002). In addition, the "culture" or the "nature" of high job mobility among employees in the hotel industry as reported by Iverson and Deery (1997) also could be one of the reasons managers in this sample continually seek for better job promotions and job security.

The overall findings support previous researches on the relationship between organizational justice (distributive justice and procedural justice) and turnover intentions (Aryee & Chay, 2001; Khatri et al., 2001; Loi et al., 2006). Consistent with this notion, the result implies that hotel managers who have higher perceptions of fairness of the outcomes received (distributive justice) and fairness of the procedures used to determine the outcomes (procedural justice), would be less likely to have the intention to leave their organization. Loi et al.'s (2006) study on practicing solicitors in Hong Kong proved that the perceptions of fairness of treatment received in the organization are crucial factors in affecting employees' intention to leave or not to leave their organization. They found that both distributive justice and procedural justice have significant impacts on employees' intention to leave. In the hotel sample, this finding contradicted Lee's (2000) study in which it was reported that the perceptions of distributive justice were found to be negatively related to managers' turnover intentions, whereas procedural justice was positively associated with turnover intentions. He further argued that most middle-level hotel managers only consider better pay or rewards, to be necessary regardless of fairness in their organization's procedures. In simplest terms, even if managers' are guaranteed fair procedural treatment, they are more likely to leave the organization.

## **CONCLUSIONS**

Based on the aforementioned discussion, it can be concluded that the perception of fairness of reward allocations and procedures received in the organization prompt managers to reciprocate with their behavioral intentions. It is logical to predict that when managers' perceive that they are treated fairly in terms of outcome and procedures, they tend to stay in their current organization and do not have the intention of seeking a fairer alternative. Even though it is not hypothesized, the results highlighted that the perceptions of distributive justice are found to have a strong impact on turnover intentions compared to procedural justice. This is in accordance with Roberts et al. (1999) and Rahim et al. (2001) who reported that distributive justice was a more important predictor of managers' behavioral intentions (turnover intentions) than procedural justice. On demographic factors, only managers' gender and organizational tenure had a significant relationship with turnover intentions. It was observed that, most male managers' who have high or low perceptions of organizational justice may have the intention of leaving their organization. Additionally, the longer the managers' stayed in their particular organization, the higher their turnover intentions.

From the managerial point of view, the findings suggest that the relevant hotel authorities concerned with reducing turnover intentions among their managers should be consistent and focus their attention on providing adequate fairness in terms of reward allocation, formal procedures, and interpersonal treatment that fosters a positive employee-organization relationship. It is hoped that the research findings may offer some insights into hotel organization in Malaysia to better understand how they can retain their valuable managers and reduce turnover intentions. It is worth mentioning that organizational justice (distributive justice and procedural justice) played a vital role in predicting managers' turnover intentions as such perceptions of organizational fairness, in turn, will reduce managers' likelihood of quitting the organization.

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