

RELIABILITY AND VALIDITY TEST FOR EMPLOYEE REWARDS & CUSTOMER SERVICE TRAINING AND SERVICE RECOVERY PERFORMANCE: MEDIATION OF ORGANIZATIONAL COMMITMENT IN HOTEL INDUSTRY

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Abstract

In this study, reliability tests were checked using Cronbach Alpha. Validity tests were checked with all types of validities. Collected data were analysed using SPSS, Excell and AMOS. Results of the reliability revealed that items of rewards, customer service training, organizational commitment and service recovery performance are greater reliability. Convergent validity was measured by unstandardized regression weights (path significance), standardized regression weights (standardized factor loadings), average variance extracted and construct reliability. As per unstandardized regression weights, employee rewards have convergent validity problem. But, customer service training, organizational commitment and service recovery performance have higher convergent validity. In terms of average variance extracted, employee rewards has the problem of convergent validity. Customer service training and organizational commitment have moderate convergent validity. Service recovery performance has higher convergent validity. Results of construct reliability revealed that employee rewards has the problem of construct reliability. Customer service training and organizational commitment have moderate construct reliability. Service recovery performance has higher construct reliability. Results of discriminant validity revealed that values between employee rewards and customer service training; customer service training and organizational commitment; organizational commitment and service recovery performance are somewhat higher. But, all other variables and construct have lower values than others.

Keywords: *Customer Service Training, Employee Rewards, Hotel Industry, Organizational Commitment, Service Recovery Performance.*

Introduction

In recent years, hotel industry has been booming around the Island. Nowadays, working men and women have increased. They

have to send their kids to schools. They have work heavy work load. They have lack of time. Sometimes, take away foods are cheaper than cooking at home. Owing to these reasons, working men and women like to prepare their

foods at home. Hotels have been designed in such day by day. At any time, new hotel can easily enter and exit from the hotel industry. In these aspects, employees play vital role in hotel industry. Thus, they have to be rewarded, they have to be given customer service training for attracting more and more customers. When employees are rewarded and trained for customer services they will engage in organizational commitment which will lead to service recover performance. In hotel industry, numbers of studies have been carried out by numbers of experts in different context and in different countries. These studies have examined the relationships between employee rewards, customer service training, service recovery performance and organizational commitment. This study focuses on the reliability and validity among these variables and constructs before testing the relationships in Hotel Industry.

Statement of the Problem

Researcher states the problem with the support of previous empirical research findings. Alexander and Abdullah (2012) examined about how one dimension of traditionality, respect for authority, moderates the relationship between affective organizational commitment and three variables such as pay satisfaction, autonomy and satisfaction with supervision. Findings revealed that employees with high traditionality were found to exhibit higher levels of affective commitment when autonomy and satisfaction with supervision was low. Sajja, Amina, Wang, Nadia and Quang (2016) studied about influence of organizational rewards on organizational commitment and turnover intentions in Chinese workers turnover intention in public and private sector. Findings suggest that satisfaction with extrinsic benefits, supervisor support, coworker support, autonomy, training and participation in decision making has substantial impact on

employee's affective and normative commitment. However, affective and normative commitment was negatively related to employee turnover intention. In addition to these, there are separate research studies with respect to employee rewards, customer service training, organizational commitment and service recovery performance as far as the reviews are made by the researcher. Researcher wishes to know reliability and validity of employee rewards & customer service training and service recovery performance with the mediation of organizational commitment. This research gap led to the research question and research objective.

Research Question and Research Objective

These previous findings help to derive a research question as "Are the constructs and variables such as employee rewards, customer service training, service recovery performance and organizational commitment are reliable and valid? After converting this research question into research objective, researcher sets a research objective as "to know the reliability and validity of constructs and variables such as employee rewards, customer service training, service recovery performance and organizational commitment.

Significance of the Study

This study is important for several reasons. From the point of view of social reasons, appropriate human resource policies may be developed with the aim of increasing employee commitment which is important for enhancing employee well being. Employee commitment is also important in a global economy that is characterized by uncertainty and rapid change Alexander and Abdullah (2012). This study may be useful for the purpose of boosting employee commitment, managers can provide number of steps for their employees with greater autonomy, appropriate training and participation in decision making in the organization, as well as enhancing supervisor

and coworker support. Organizational commitment is popular. Due to its popularity, numbers of studies have been conducted in different countries in different contexts and with some other constructs. Sajja, Amina, Wang, Nadia and Quang (2016) studied about how Chinese employees with different categories of organizational rewards react to different kinds of organizational commitment and turnover intention in Chinese organizational context.

Review of Literature

Alexander and Abdullah (2012) studied about organizational rewards and employee commitment in China. This study examined about how one dimension of traditionality, respect for authority, moderates the relationship between affective organizational commitment and three variables such as pay satisfaction, autonomy and satisfaction with supervision. This study used hierarchical regression analysis to analyze survey data obtained from a sample of 290 employees of a major Chinese airline company. It was found that employees high in traditionality were found to exhibit higher levels of affective commitment when autonomy and satisfaction with supervision was low. When autonomy and satisfaction with supervision was high employees low in traditionality exhibited higher levels of emotional attachment to the organization. Sajja, Amina, Wang, Nadia and Quang (2016) studied about influence of organizational rewards on organizational commitment and turnover intentions in Chinese workers turnover intention in public and private sector. A questionnaire was utilized as the method for data collection. Structural equation modeling was utilized to examine survey data obtained from 202 employees in the southern part of China. The findings exhibit that extrinsic, social and intrinsic rewards were significantly related to affective and normative commitment. Findings suggest that satisfaction

with extrinsic benefits, supervisor support, coworker support, autonomy, training and participation in decision making has substantial impact on employee's affective and normative commitment. However, affective and normative commitment was negatively related to employee turnover intention.

Ismail(2013) studied about bases of powers of community leaders using factor analysis. This research focuses at knowing the contribution of different types of powers towards total power. A sample size of 100 community leaders was studied. Reliability was analysed by Cronbach alpha. Validity was analysed by convergent and discriminant validity. Findings revealed that items of five types of powers such as legitimate, reward, coercive, referent and expert power have higher reliability and higher validity. There are number of research studies with respect to employee

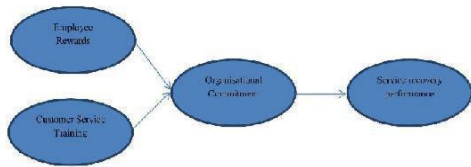
rewards, customer service training, organizational commitment and service recovery performance that have been studied separately. Ismail(2014) studied about supply chain management practices for hotel industry. This study tries to determine the factors of the supply chain management practices and know the important factors of the supply chain management practices. Study concluded that all the factors such as strategic supplier partnership, customer relationship, level of information sharing and postponement are the factors for supply chain management practices.

Motive of the researcher is to know the reliability and validity of employee rewards, customer service training, service recovery performance and organizational commitment before making the relationships with these variables.

Conceptual Model

Review of literature helped to derive the following conceptual model for service recovery performance as exhibited in Figure 1.

Figure 1: conceptual model for service recovery performance



(Source: Literature Review)

Operationalisation

Review of literature helped to operationalize as tabulated in Table 1.

Table 1: Operationalisation

Construct	Dimensions/ Variables	Item	Code	Number of items
Management Commitment	Employee Rewards	Rewards for effective dealing with customers	ER1	03
		Rewards for satisfying customers	ER2	
		Recognition for serving customers	ER3	
Customer Service Training	Customer Service Training	Continuous training for staff to provide good service	CST1	03
		Extensive customer training service for staff before contacting customers	CST2	
		Customer training for staff to serve customers better	CST3	
Organisational Commitment	Organisational Commitment	Staff care about future of organization	OC1	03
		Proud about organization to work at this organization	OC2	
		A great deal of effort to organization more than expected	OC3	
Service Recovery Performance	Service Recovery Performance	Staff handle dissatisfied customers well	SRP1	03
		Working with complaining customers	SRP2	
		Customer leaves with resolved problems	SRP3	

Methodology

Geographical scope of the study

Researcher conducts this study within the geographical scope of Ampara Coastal Belt (ACB) from Maruthamunai to Pottuvil. All the hotels that were named as “hotels” were considered in this study.

Population and Sample

Population refers to all the hotels within the geographical scope of Ampara Coastal Belt (ACB) from Maruthamunai to Pottuvil. Researcher considered 260 hotel employees as sample size of this study.

Data Collection

Researcher developed a questionnaire for collecting data. Instrument was scaled on a five- point Likert scale [Very disagreed (1), Disagreed (2), Agreed (3), Very agreed (4) and Very very agreed (5)].

Data Analysis

In this study, reliability tests were checked using Cronbach Alpha. Validity tests were checked with all types of validities. Collected data were analysed using SPSS, Excell and AMOS.

Results and Discussion of Findings Reliability

Cronbach’s Alpha for items of rewards, customer service training, organizational commitment and service recovery performance are 0.527, 0.736, 0.610 and 0.758 respectively. Values of Cronbach alpha are tabulated in Table 2. Items of employee rewards, customer service training, organizational commitment and service recovery performance have higher reliability.

Table 2: Reliability Statistics

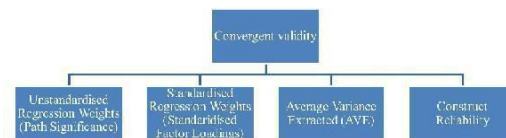
Items of	N of Items	Cronbach's Alpha
Employee rewards	3	0.527
Customer service training	3	0.736
Organizational commitment	3	0.610
Service recovery performance	3	0.758

Validity

Convergent validity

Convergent validity is measured by unstandardized regression weights (path significance), standardized regression weights (standardized factor loadings), average variance extracted and construct reliability. These 4 measures are depicted in Figure 2

Figure 2: Measures of convergent validity



Unstandardised Regression Weights

Unstandardised Regression Weights are used to know whether paths are significant. There are 12 paths as tabulated in Table 3. 5 paths (ER3...ER1, CST3...CST1, OC3...OC1 and SRP3 SRP1) are denoted by 1 which are the initial points for analysis as

at graph. All the other remaining 8 paths have the asterisks (*) which is highly significant. Since all the remaining paths are significant employee reward, customer service training, organizational commitment and service recovery performance have higher convergent validity.

Table 3: Unstandardised Regression Weights

Paths	Estimate	S.E.	C.R.	P	Label
ER3 <--- ER	1.000				
ER2 <--- ER	6.433	1.696	3.793	***	par_1
ER1 <--- ER	1.840	.549	3.353	***	par_2
CST3 <--- CST	1.000				
CST2 <--- CST	1.134	.100	11.313	***	par_3
CST1 <--- CST	.953	.104	9.197	***	par_4
OC3 <--- OC	1.000				
OC2 <--- OC	1.108	.100	11.098	***	par_7
OC1 <--- OC	1.100	.105	10.473	***	par_8
SRP3 <--- SRP	1.000				
SRP2 <--- SRP	1.183	.065	18.131	***	par_9
SRP1 <--- SRP	1.137	.058	19.763	***	par_10

Standardised Regression Weights

Standardised Regression Weights are used to know paths are having standardized regression weights that are greater than 0.5. There are 12 paths as tabulated in Table 4. 4 paths (ER3...ER, and ER1...ER) have standardised regression weights that are lower than 0.5. Although these 2 paths have standardized regression weights that are lower than 0.5 researcher wishes to keep these items without regard to the standardised regression weights of them. Therefore, employee rewards, customer service training, organizational commitment and service recovery performance have higher convergent validity.

Table 4: Standardized Regression Weights

Paths	Estimate
ER3 <--- ER	.174
ER2 <--- ER	.784
ER1 <--- ER	.267
CST3 <--- CST	.697
CST2 <--- CST	.753
CST1 <--- CST	.628
OC3 <--- OC	.684
OC2 <--- OC	.709
OC1 <--- OC	.682
SRP3 <--- SRP	.875
SRP2 <--- SRP	.854
SRP1 <--- SRP	.902

Average Variance Extracted (AVE)

Average Variance Extracted (AVE) is used to know whether latent variables (unobserved variables) are having the values of AVEs that

are greater than 0.5. There are 5 latent variables such as employee rewards, customer service training, empowerment, organizational culture and service recovery performance. In the calculated AVE, if the value of AVE for employee rewards is less than 0.5. Values of AVEs for customer service training and organizational commitment are approximately 0.5. Value of AVE of service recovery performance has higher than 0.5. Therefore, employee rewards, customer service training, organizational commitment and service recovery performance have higher convergent validity.

Table 5: Average Variance Extracted (AVE)

Paths	AVE
ER3 <--- ER	0.23874
ER2 <--- ER	
ER1 <--- ER	
CST3 <--- CST	0.482401
CST2 <--- CST	
CST1 <--- CST	
OC3 <--- OC	0.478554
OC2 <--- OC	
OC1 <--- OC	
SRP3 <--- SRP	0.769515
SRP2 <--- SRP	
SRP1 <--- SRP	

Construct Reliability (CR)

Construct Reliability is used to know whether latent variables (unobserved variables) are having the values of CRs that are greater than 0.6. There are 5 latent variables such as employee rewards, customer service training, empowerment, organizational commitment and service recovery performance. In the calculated CR, if the values of CRs are higher than 0.6 higher convergent validity. Table 6 tabulates construct reliability.

Table 6: Construct reliability

Paths	CR
ER3 <--- ER	0.201854
ER2 <--- ER	
ER1 <--- ER	
CST3 <--- CST	0.493555
CST2 <--- CST	
CST1 <--- CST	
OC3 <--- OC	0.526914
OC2 <--- OC	
OC1 <--- OC	
SRP3 <--- SRP	0.686343
SRP2 <--- SRP	
SRP1 <--- SRP	

Discriminant Validity (DV)

In usual correlation table, all the diagonal values are 1. All the off diagonal values may vary between 0 to 1. Discriminant validity is comparison between diagonal values and off the diagonal values. Values between employee rewards and customer service training; customer service training and organizational commitment; organizational commitment and service recovery performance are somewhat higher. But, all other variables and construct have lower values than others. All the off diagonal values and diagonal values for all variables and construct are tabulated in table 7.

Table 7: Discriminant validity for variables and constructs

	Employee Rewards	Customer Service Training	Organisational Commitment	Service Recovery Performance
Employee Rewards	0.23874			
Customer Service Training	0.719104	0.482401		
Organisational Commitment	0.086436	0.641601	0.478554	
Service Recovery Performance	0.013924	0.289444	0.677329	0.769515

Conclusion

In this study, researcher sets a research objective as “to know the reliability and validity of constructs and variables such as employee rewards, customer service training, service recovery performance and organizational commitment. Results of the reliability revealed that since Cronbach’s Alpha for items of rewards, customer service training, organizational commitment and service recovery performance are greater than 0.5 items of these variables and constructs have

higher reliability. Convergent validity is measured by unstandardized regression weights (path significance), standardized regression weights (standardized factor loadings), average variance extracted and construct reliability. As per unstandardized regression weights, paths are significant employee reward, customer service training, organizational commitment and service recovery performance have higher convergent validity.

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