The Role of Managers’ Ethical Leadership Behaviour on Hotel Employees’ Perception of Organizational Justice

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ABSTRACT

Keywords:
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Organizational Justice
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Purpose – The purpose of the research is to reveal the role of managers’ ethical leadership behaviours on the employees’ perceptions of organizational justice in five-star hotels in Ankara.

Design/Methodology/Approach – Quantitative research method was used and it was benefited from questionnaire technique in data gathering in this study. Data was gathered by means of a questionnaire from 398 participating employees working in 9 five-star hotel businesses in Ankara.

Findings: It was determined that managers exhibited behaviours within the framework of ethical principles and this situation affected the employees’ perception of justice positively in the organization. Also, it was suggested that ethical leadership behaviour affected distributive justice mostly.

Discussion – It is thought that the research will make contributions to hotel managers about human resources management. The important limitation of the research constituted that it was only conducted on the hotel employees in five-star hotels in Ankara. For future researches, it will be beneficial that determining different destinations and tourism establishments as application field will provide opportunity for evaluate the topic thoroughly.

1. Introduction

Gaining a competitive advantage in tourism is not only related to touristic products but also service quality. Service quality is the perception for knowledge, skill, attitudes and behaviours of the human resources. Because of high labour turnover in tourism industry, positive perceptions about working conditions effect the recruitment process positively. Salary, bonus, social security, promotion and working conditions are some of the motivational factors. But, employees also consider that a management mentality based on ethical values and principles should be adopted. Perception of justice affects employee commitment positively in the organizations having a fair reward and punishment system. According to employees, decisions should be taken in accordance with justice and equality; the relation between employee and manager should be maintained within the scope of love, respect and honesty.

Accordingly, the purpose of the research is to reveal the role of managers’ ethical leadership behaviours on the employees’ perceptions of organizational justice in five-star hotels in Ankara. There are limited research in tourism area in contrast to several research in the foreign and domestic literature on the topic. Hence, it is thought that the research will contribute the tourism literature.

2. Conceptual Framework

Perception of organizational justice, ethical leadership behaviour and the relation between two concepts are explained within the context of conceptual framework.

Organizational Justice

Justice is a whole system accepting that every individual has fundamental freedoms and equal rights (Taylor, 2003: 211). This concept has transformed into organizational justice” meaning fair distribution of...
rights gained in organization in time (İşbaşi, 2001: 60). Empirical researches indicate that organizational justice is a significant matter because of being related to organizational processes and results (Demir, 2011: 205). Perception of organizational justice is a judgement that individuals evaluate the attitudes and behaviours towards themselves in terms of fairness in the organization. As a consequence of the judgement, they develop an attitude towards organization and job (Meydan et al., 2011: 46). Perception of organizational justice is an important source of motivation for employees. Employees who think that unfair policies, procedures and practices are used in the organization lose their motivation and they intent to leave the organization as soon as possible (Parker and Kohlmeyer 2005: 357).

Organizational justice, an evaluation process regarding managerial decisions, is comprised of three dimensions: distributive justice, procedural justice and interactional justice (Searle and Ball, 2004: 710). Distributive justice refers to behaving fairly in the process of distributing rewards in the organizations. Distributive justice is based on “equity theory” by Adams who considers that rewards should be given in accordance with performance (Wu and Wang, 2008: 183). Distributive justice is related to sharing of acquired rights as well. These acquirements are sometimes rewards, promotion, status and salary; sometimes sanctions such as punishment. Employees always compare the acquirements with their colleagues and as a result of the comparison, a perception concerning the justice balance develops in the organization. Perception of justice increases job performance and work commitment; perception of injustice decreases productivity and prompts employee to leave the organization (İşcan and Naktiyok, 2004: 187-188).

Procedural justice, the second dimension of organizational justice, relates to taking distributive decisions. Perceived justice and equality regarding decision procedures affect the attitude and behaviours in organization. Procedural justice states whether the procedures and policies determined by managers are fair or not unlike distributive justice limited with materialistic expectations (Jahangir et al., 2006: 23). Positive results developing in line with perceived justice depend that decisions should be consistent and unbiased. Employees’ opinions should be received during the process of making decisions. The process of making decisions should be based on valid information and ethical values (İçerli, 2010: 82).

Interactional justice suggested by Bies and Moag (1986: 43-44) is simply a phenomenon concerning the quality of interpersonal relations in organizations. It explains the attitudes and behaviours of the managers towards employees when organizational procedures are applied. It is expected to be respectful and honest towards employees and they are appreciated in interactional justice having the characteristics of human and social (Greenberg, 1990: 411). Bies and Moag (1986) determined four criteria defining interactional justice. Respect is being polite instead of rude. Propriety refers to not asking inappropriate questions and making comment in a biased way. Truthfulness refers being honest instead of deceptive. Justification refers to informing about the decisions taken clearly and satisfyingly.

Ethical Leadership

Ethics is the principles, values and standarts indicating what is good and right and how people should live. Ethics is related to moral choice and standarts individual or organization oriented (Conaway and Fernandez, 2000: 26). Leadership states guiding a group or organizational members for achieving goals (Haq, 2011: 2793). The concept of ethics needs to be examined in terms of affecting the leaders’ tasks. Researches conducted about ethics emphasize right, wrong, good, bad, virtue, responsibility, obligation, right and justice concepts and they indicate that human relations should be based on ethical principles (Ciulla, 2005: 326). Leaders play a significant role in dispensing justice depending on their statutory authority and power to take decision in the organization. Leaders have the opportunity to create a workplace environment that employees can perceive fairness about decisions in.

Ethical leadership is defined as “exhibiting normative attitude in human relations and organizational activities and supporting the attitude through two-way communication, empowerment and decision making” (Brown et al., 2005: 119-120). How the work should be done is decided in accordance with norms and standards in ethical leadership. It is discussed that whether work is ethical or not without considering the usefulness of it (Bolat and Seymen, 2003: 6). Honesty, loyalty, trustworthiness and considering organizational cooperation are the characteristics of ethical leaders (Peterson, 2002: 313). Ethical leadership differs from the other leadership types in terms of ethical content. For instance, although transformational leadership has an ethical dimension; ethical leadership comprises the concept of ethics completely. Ethical
leadership contributes to individuals to learn with the concepts of punishment and reward unlike other kinds of leadership (Mayer et al., 2009: 1).

Ethical leadership behaviour paves the way for ethical climate and positive organizational behaviours (Peterson, 2002: 313). Employee believing that organizational activities are performed within the scope of ethics; some matters like employment and performance assessment are carried out in accordance with ethical principles becomes highly committed to the organization (Thoms, 2008: 422; Zhu et al., 2004). Interaction between organization members and manager in the leading position especially in service industry affects labour turnover positively or negatively (Kim and Brymer, 2011: 1025). Khuong and Quoc (2016) reveal that ethical leadership behaviour and perception of organizational justice affect employee performance positively.

The Relationship Between Perception Of Organizational Justice And Ethical Leadership Behaviour

Organizational members consider that leaders should take an ethical stance and they should determine organizational activities taking account of social values. Only if leaders treat impartial and fairly, ethical leadership emerges (Zhu et al., 2004: 17). Perception of organizational justice plays a significant role on leadership. For instance, subordinates who put all their cards on the table see their superiors as ethical leaders (Pillai et al., 1999: 765-766). Ethical leaders try to create ethical climate and determine some rules and procedures for employee (Yeşiltaş et al., 2012: 22). Mayer et al. (2012: 157) emphasized that treating employee fairly as an indication of ethical leadership overlaps with interactional justice; so, there is a relationship between ethical leadership and organizational justice.

There are various researches revealing that there is a positive relationship between ethical leadership behaviour and perception of organizational justice in the literature. It was ascertained that manager’s ethical leadership behaviour had positive effect on employee perception of organizational justice on blue-collar workers by (Kurgun et al., 2013). Çıráklı et al. (2014) determined that ethical leadership behaviour affected perception of organizational justice (mostly interactional justice) positively in the research, population was health professionals in state hopitals. The research by Akatay et al. (2016) indicated that ethical leadership behaviour affected organizational justice positively. Bağcı and Akbaş (2018) ascertained that ethical leadership behaviour had positive effect on each dimension of organizational justice. Also, it was found that ethical leadership behaviour explained interactional justice mostly and distributive justice at least.

There are some researches conducted regarding the topic on tourism. According to research by Yeşiltaş et al. (2012); it was seen that there was a strong positive relationship between ethical leadership and perception of organizational justice in four and five-star hotels in Istanbul. Öktem (2013) found that managers’ ethical leadership behaviour affected the perception of organizational justice in travel agencies and hotels. İнак et al. (2018) determined that there was a positive relationship between ethical leadership behaviour and perception of organizational justice in three, four and five-star hotels in Nevşehir.

Depending on the researches in the literature, the following hypotheses were developed:

H0: Managers’ ethical leadership behaviours affect hotel employees’ perceptions of organizational justice positively.

H1: Managers’ ethical leadership behaviours affect hotel employees’ perceptions of distributive justice positively.

H2: Managers’ ethical leadership behaviours affect hotel employees’ perceptions of procedural justice positively.

H3: Managers’ ethical leadership behaviours affect hotel employees’ perceptions of interactional justice positively.

3. Methodology
Quantitative research method was used and it was benefited from questionnaire technique in data gathering in this study. The purpose of this research is to determine the effect of ethical leadership behaviour on perceptions of organizational justice and subdimensions.
Data Gathering Tool

Literature review was conducted regarding topic and questionnaire form was prepared by using ethical leadership scale consisting of 10 statements and one dimension by Brown et al. (2005); organizational justice scale consisting of 20 statements and three dimensions by Niehoff and Moorman'e (1993). Also, 7 questions for demographic information were included. Questionnaire form consists of 3 sections. First, scales were prepared to 5 point likert scale (1-Strongly disagree, 5-Strongly agree). Questionnaire forms were conducted on 396 hotel employees in five-star hotels in Ankara. The linguistic validity of the scale was proved. Therefore, no changes were made about questionnaire form.

Population and Sample

Population of the research constitutes the hotel employees in five-star hotels in Ankara. Ankara was selected as population because of having several city hotels and the hotels render service throughout 12 months. Ankara is also a favourable destination in terms of congress and meeting tourism and many tourism amenities are in service. Five-star hotels were determined as population of the research because it was thought that five-star hotels were large-scale organizations and they had corporate structure (Akova and Işık, 2008). According to Ministry of Culture and Tourism (2018); there are 26 five-star hotels and 10872 beds in Ankara. Number of the employees couldn’t be reached definitely. Therefore, for determining the population of the research, it was benefited from employee rate (0,59) per bed in five-star hotels in the literature (Erdem, 2004: 48). Population of the research constitutes 6414 employees in the five-star hotels. Convenience sampling method was used as sampling method in the research. For determining sample size, Sekaran (1992) suggests that sample size of 384 for 95% confidence intervals is sufficient in case of population size about one million and above. 398 questionnaire forms (79 %) were returned of 500 ones from 9 hotel businesses accepting to participate in the survey and 2 questionnaire forms weren’t assessed because of missing data.

Research Model

According to research model, ethical leadership behaviour has positive effects on perception of organizational justice and subdimensions; distributive justice, procedural justice and interactional justice in hotel businesses. It was benefited from the researches in literature for developing research model and hypotheses.

4. Findings

Demographic attributes of employees, exploratory factor analysis for ethical leadership and organizational justice scales and regression analysis regarding variables are included in this section.
Exploratory Factor Analysis For Ethical Leadership and Organizational Justice Scales

Explanatory factor analysis was carried out for revealing the dimensions of ethical leadership and organizational justice scales and determining the validity and reliability of them. The reliability analyses were made for ethical leadership and organizational justice scales. The Cronbach Alpha reliabilities, in turn, were 0.93 and 0.94.

Table 2: Exploratory Factor Analysis For Ethical Leadership and Organizational Justice Scales

<table>
<thead>
<tr>
<th>Statements</th>
<th>Factor Loading</th>
<th>Variance %</th>
<th>C.Alph. α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td>My manager behaves ethically in their personal life.</td>
<td>.851</td>
<td>61.84</td>
</tr>
<tr>
<td></td>
<td>My manager tries to make a decision honestly and fairly.</td>
<td>.849</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager wants to protect employees’ benefits ideally.</td>
<td>.833</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager exhibits ethical behaviours and set employees an example.</td>
<td>.826</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager shares business ethics and ethical values with employees.</td>
<td>.810</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager is trusted.</td>
<td>.781</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager listens employees’ ideas.</td>
<td>.759</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager describes “success” not only via results, but also tracks.</td>
<td>.758</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager gets employees’ opinions about things to do.</td>
<td>.720</td>
<td></td>
</tr>
<tr>
<td></td>
<td>My manager applies disciplinary rules about unethical behaviours.</td>
<td>.654</td>
<td></td>
</tr>
</tbody>
</table>

Principal Component Analysis, Components Extracted, Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0.899

Bartlett’s Test of Sphericity x²: 2972.009 Sig: 0.000
Organizational Justice | Factor Loading | Variance % | C.Alph. α  
---|---|---|---  
**Interactional Justice** | | |  
My manager gives sufficient justifications for the decisions regarding my job. | .856 | |  
My manager makes conceivable statements during the process of making decisions about my job. | .828 | |  
My manager is sensitive to my personnel needs during the process of making decisions about my job. | .803 | |  
My manager announces every decision about my job. | .794 | 33.99 | .946  
My manager protects my rights during the process of making decisions about my job. | .793 | |  
My manager is honest and sincere during the process of making decisions about my job. | .791 | |  
My manager discusses with me the decisions about my job. | .785 | |  
My manager considers me and acts respectfully during the process of making decisions about my job. | .773 | |  
My manager makes me proud during the process of making decisions about my job. | .749 | |  
**Distributive Justice** | | |  
My work load is fair. | .900 | 24.32 | .942  
My acquirements are fair. | .872 | |  
My work responsibilities are fair. | .840 | |  
My salary is fair. | .835 | |  
My work schedule is fair. | .834 | |  
**Procedural Justice** | | |  
My manager gathers complete and accurate information before making occupational decisions. | .747 | 12.83 | .710  
All of the occupational decisions are applied without discriminating. | .663 | |  
My manager takes employees’ opinions before making occupational decisions. | .634 | |  
My manager explains the decisions taken to the employees and gives additional info on demand. | .633 | |  
KMO: .935  
Total Variance: 71.14  
Deductive Method: Principal Component Analysis, Spinning Method: Kaiser Normalization and Varimax, Number of iterations: 5  
KMO Conformity Criterion: 0.919  
Bartlett’s test of sphericity x²: 6196.669 p: 0.000

According to exploratory factor analysis for ethical leadership in Table 2; Kaiser Normalization in exploratory factor analysis, factors with eigenvalue greater than 1.0 were considered. It was stated that the scale consisted of one dimension. It was seen that the total variance percentage was 61.84. Because of the percentage more than 50%, the result was accepted as valid (Scherer et al., 1988).

As a result of exploratory factor analysis for organizational justice, 2 statements of procedural justice were eliminated from the analysis. Because, one’s factor loading was less than 40% and the other was overlap. When considered the factors with eigenvalue greater than 1.0 to Kaiser Normalization; it was stated that the scale consisted of 3 dimensions. It was seen that the total variance percentage was 71.14. According to the reliability analysis, the reliability values of the dimensions; 95% for interactional justice, 94% for distributive justice and 71% for procedural.

**Table 3: Means of Ethical Leadership and Organizational Justice Scales**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Mean</th>
<th>S. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethical Leadership</td>
<td>3.46</td>
<td>.86696</td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>3.48</td>
<td>.77096</td>
</tr>
<tr>
<td>Distributive Justice</td>
<td>3.38</td>
<td>1.05113</td>
</tr>
<tr>
<td>Procedural Justice</td>
<td>3.38</td>
<td>.88336</td>
</tr>
<tr>
<td>Interactional Justice</td>
<td>3.58</td>
<td>.88336</td>
</tr>
</tbody>
</table>

The means of ethical leadership, organizational justice and subdimensions are included in Table 3. When examining the means; the means of ethical leadership and organizational justice, in turn, are 3.46 and 3.48.
Interactional justice is seen as ‘procedural justice’ and ‘distributive justice’ have same mean values. Thus, it is stated that the hotel managers have ethical leadership behaviours and accordingly, employees develop perception of organizational justice. Also, it is clearly seen that there is a fair reward and punishment system in the organization; the relationships between managers and employees are within the frame of value, respect and honesty and the decisions taken in the organization are shared with employees.

The Effect of Ethical Leadership Behaviour on Perception of Organizational Justice and Subdimensions

Table 4: The Effect of Ethical Leadership Behaviour on Perception of Organizational Justice and Subdimensions

<table>
<thead>
<tr>
<th>Models</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Beta</th>
<th>t</th>
<th>P</th>
<th>R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Ethical Leadership</td>
<td>Organizational Justice</td>
<td>.636</td>
<td>16.375</td>
<td>.000</td>
<td>.405</td>
<td>268.15</td>
</tr>
<tr>
<td>Model 2</td>
<td>Ethical Leadership</td>
<td>Distributive Justice</td>
<td>.579</td>
<td>14.079</td>
<td>.000</td>
<td>.335</td>
<td>198.23</td>
</tr>
<tr>
<td>Model 3</td>
<td>Ethical Leadership</td>
<td>Procedural Justice</td>
<td>.505</td>
<td>11.625</td>
<td>.000</td>
<td>.255</td>
<td>135.14</td>
</tr>
<tr>
<td>Model 4</td>
<td>Ethical Leadership</td>
<td>Interactional Justice</td>
<td>.508</td>
<td>11.706</td>
<td>.000</td>
<td>.258</td>
<td>137.02</td>
</tr>
</tbody>
</table>

Simple linear regression for determining the effects of ethical leadership behaviour on perception of organizational justice and subdimensions is included in Table 4. According to model 1; simple linear regression made for determining the effect of ethical leadership behaviour on perception of organizational justice was found statistically significant (F=268.15; p=.000). Ethical leadership behaviour explains 40.5 percent of perception of organizational justice. When examining t-tests regarding standardized regression coefficients and significance of regression coefficients, It was ascertained that ethical leadership behaviour had a significant positive effect on perception of organizational justice (H₁, β=.636; p=.000) and H₁ was accepted.

According to model 2; simple linear regression made for determining the effect of ethical leadership behaviour on distributive justice was found statistically significant (F=198.23; p=.000). Ethical leadership behaviour explains 33.5 percent of distributive justice. When examining t-tests regarding standardized regression coefficients and significance of regression coefficients, It was ascertained that ethical leadership behaviour had a significant positive effect on distributive justice (H₂, β=.579; p=.000) and H₂ was accepted.

According to model 3; simple linear regression made for determining the effect of ethical leadership behaviour on procedural justice was found statistically significant (F=135.14; p=.000). Ethical leadership behaviour explains 25.5 percent of procedural justice. When examining t-tests regarding standardized regression coefficients and significance of regression coefficients, It was ascertained that ethical leadership behaviour had a significant positive effect on procedural justice (H₃, β=.505; p=.000). Hence, H₃ was accepted.

According to model 4; simple linear regression made for determining the effect of ethical leadership behaviour on interactional justice was found statistically significant (F=137.02; p=.000). Ethical leadership behaviour explains 25.8 percent of interactional justice. When examining t-tests regarding standardized regression coefficients and significance of regression coefficients, It was ascertained that ethical leadership behaviour had a significant positive effect on interactional justice (H₄, β=.508; p=.000). Hence, H₄ was accepted.

In parallel with these findings, it is appear that managers’ ethical leadership behaviours affect employees’ perceptions of organizational justice positively. Managers behaving in an ethical manner in hotel businesses create a fair work environment; perception of organizational justice affects the attitude and behaviours in the organization positively.

5. Discussion and Conclusion

The purpose of the research was to reveal the role of managers’ ethical leadership behaviours on the employees’ perceptions of organizational justice in five-star hotels in Ankara. It was determined that managers exhibited behaviours within the framework of ethical principles and this situation affected the employees’ perception of justice positively in the organization. Also, it was suggested that ethical leadership behaviour affected distributive justice mostly. So, employees think that the organization has a fair punishment and reward system; the acquirements and sanctions are equal to their colleagues. The other
organizational justice dimensions explained by ethical leadership behaviour are interactional justice and procedural justice. Thus, the relationship between employees and superiors keeps within the framework of respect, love and honesty. Employees believe that their opinion and suggestions are taken in the process of decision making and the decisions are shared with themselves clearly and satisfyingly. Some researches in the literature (Bağcı and Akbaş, 2018; İnak et al., 2018; Kurgun et al., 2013; Öktem, 2013) support the result.

Perception of organizational justice affects employee attitude and behaviours positively or negatively. Customer satisfaction in tourism industry aiming to serve human considerably depends on employee satisfaction. Individuals who believe that working conditions are fair stay as a member of the organization and show high performance. Simons and Roberson (2003) reveal that perceptions of procedural and interactional justice affect organizational commitment and volunteer behaviours positively, but they have negative effect on intention to leave the job in the research conducted on hotel employees working in different departments. Tang et al. (2015) ascertained that there was a positive relationship between ethical leadership behaviour and leader-member value congruence; there was a negative relationship between intention to leave and leader-member value congruence in the research conducted on restaurant employees in China. Also, it was stated that value congruence had a mediating role on the relationship between ethical leadership behaviour and intention to leave the job. It is inferred from the research on restaurant employees that there is a positive relationship between procedural justice and ethical climate and perception of procedural justice enhance performance and employee-customer interaction by Luria and Yagil (2008).

In accordance with the research results in the literature; it is possible to make some practical suggestions for managers. First, managers should take care of the congruence between the knowledge, skill and abilities of the candidates and the position requirements during recruitment. Specific and measurable performance criteria should be determined in organizations and a fair performance evaluation system should be used. Punishments and rewards should be given in accordance with employee performance. Employees should be counted in the decision-making process. New thoughts and ideas that will provide a competitive advantage should be promoted by increasing employee authority and responsibilities.

It is thought that perceived justice affects service quality positively in tourism organizations in which human resources become more functional day by day. When considering structural features of tourism industry; psychological counselling services unit should be founded for solving the problems of the employees in the organizations; control mechanism should be constituted for protecting employee rights and professional laws explaining professional qualifications and standards should be enacted (Yumuk, 2018: 176).

The important limitation of the research constituted that it was only conducted on the hotel employees in five-star hotels in Ankara. For future researches, it will be beneficial that determining different destinations and tourism establishments as application field will provide opportunity for evaluate the topic thoroughly. The research was conducted in city hotels. It is thought that repeating the research in resort hotels will suggest different results.

References


