The effect of centralization on organizational citizenship behavior and deviant workplace behavior in the hospitality industry

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HIGHLIGHTS

- We examine the influence of centralization on organizational citizenship behaviors (OCB) and deviant workplace behaviors (DWB).
- Centralization is positively related to OCB, and negatively related to DWB.
- Procedural justice partially mediates the relationship between centralization and OCB/DWB.

ARTICLE INFO

Article history:
Received 16 March 2012
Accepted 3 October 2012

Keywords:
Centralization
Organizational citizenship behavior
Deviant workplace behavior

ABSTRACT

Worker deviant behavior, and its opposite, organizational citizenship are two key aspects of employee discretionary behavior, and are important in hotel operations. The purpose of this study is to examine the influence of centralization on organizational citizenship behaviors (OCB) and deviant workplace behaviors (DWB). Survey data from 318 employees in Taiwan’s hotel industry indicate that centralization is positively related to OCB, and negatively related to DWB. Moreover, procedural justice partially mediated the relationship between centralization and OCB/DWB. These results have importance for management and the paper concludes by discussing the implications of the results.

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1. Introduction

One of the challenges of hospitality industry management is to achieve a balance between the need for efficiency versus that for customization. Efficiency requires rules, standardization, and often formalized, mechanistic ways of doing work. In contrast, customization requires empowerment, openness, and more organic organizational designs (Øgaard, Marnburg, & Larsen, 2008). Organizational theories generated from Western countries remain a challenge in Oriental countries such as Taiwan, due to the differences in cultures (Shenkar & Von Glinow, 1994). Therefore, it is important to examine the problems of using the same management practices across cultures in the hospitality industry.

In today’s struggling global economy, it is not enough for employees to merely do their jobs. Many businesses expect organizational members to not only complete their required duties, but also proactively assist their colleagues. Therefore, many organizational scholars are focusing on employees’ positive behaviors such as organizational citizenship behavior (OCB). However, research has shown that deviant workplace behavior (DWB) is fairly prevalent (Harper, 1990; McGurn, 1988). When employees participate in DWB, the behavior can have devastating effects on the organization or its members (Robinson & Bennett, 1997). As a result, researchers have been encouraged to develop a deeper understanding of the variables associated with OCBs (Huang, Iun, Liu, & Gong, 2010; Kim, O’Neill, & Cho, 2010) and DWBs (Avey, Luthans, & Youssef, 2010; Bowling, 2010).

Prior research has indicated that hotel companies have the characteristics of high levels of centralization (Øgaard et al., 2008). Several researchers found that employees’ perceptions of a centralized organization are negatively related to OCBs (DeGroot & Brownlee, 2006; Raub, 2008). Moreover, centralization will result in job dissatisfaction and employee DWB may be evoked (Judge, Scott, & Ilies, 2006; Willem, Buelens, & Jonghe, 2007). In addition, a more centralized organization may elicit work disinterest from employees and reduce their work enthusiasm. There may be functional aspects of employee disinterest, however, and they may turn to their coworkers for conversation (Matheson, 2007) and thereby strengthen workplace friendships (Sias & Cahill, 1998). If
they have stronger friendships with coworkers, they might be more inclined to help those coworkers (OCB) and less inclined to harm them (DWB).

The above findings indicate that centralization has significant influence on OCB and DWB. However, whether the impact is positive or negative is obviously inconclusive from the above deductions. Therefore, the purpose of this research is to examine the effect of centralization on OCB and DWB. Moreover, based on the social exchange theory (Blau, 1964), previous literature indicated that procedural justice is an important antecedent of OCB (Colquitt, Conlon, Wesson, Porter, & Ng, 2001) and DWB (Dineen, Lewicki, & Tomlinson, 2006; Skarlicki & Folger, 1997). This study also examines the mediating effect of procedural justice on the relationship between centralization and OCB and DWB.

2. Literature review and research hypotheses

2.1. Organizational structure in the hospitality industry

Several researchers considered that hotel managers are influenced by a traditional idea of leadership and management (Pittaway, Carmouche, & Chell, 1998; Tracey & Hinkin, 1996), and that employees follow particular systems and instructions given by their superiors (Øgaard et al., 2008). Hotel companies are characterized by higher centralization. The relative degree of centralization is signified by the hierarchy of authority and by employees’ lack of participation in decision-making. Past researchers have described the practices and policies in hotel companies as archaic and inflexible (Tracey & Nathan, 2002), and “accepting the way we do things around here” may be the value that is deeply ingrained in the culture of the hospitality industry (Raub, 2008). Thus, in general, hospitality organizations represent relatively centralized organizations, needing routines and formal systems to coordinate tasks and secure efficient accomplishment of organizational objectives (Øgaard et al., 2008).

However, Pavia and Pilepić (2010) indicated that traditional organizational units in hotels are changed into process teams, and tasks become more flexible. The purpose of employees is no longer to carry out the assignments given by supervisors, but rather to fulfill customer needs and enhance customer satisfaction. Empowerment has been described as an organizational change strategy for the hospitality industry (Erstad, 1997). Decision-making becomes a part of each process and takes place at the site of each process in hotels, meaning that all employees have the autonomy and responsibility for making decisions (Pavia & Pilepić, 2010). Accordingly, both centralized and decentralized structures are prevalent in the hospitality industry.

2.2. Organizational citizenship behavior

OCB is defined as individual behaviors that are discretionary and not rewarded directly by the organization (Organ, Podsakoff, & Mackenzie, 2006). Williams and Anderson (1991) created a two-dimensional conceptualization of OCB consisting of OCB directed to individuals (OCBI) and OCB directed to the organization (OCBO). OCBI immediately benefits particular individuals within the organization. Such behavior may include helping colleagues who have heavier workloads (Ertürk, 2007). OCBO benefits the organization as a whole, such as punctuality, having a positive attitude, and making suggestions for the organization’s improvement (Gilbert, Laschinger, & Letter, 2010). OCB is important for organizations because it facilitates the accomplishment of organizational goals and enhances organizational performance (Fisher, McPhail, & Menghetti, 2010). Moreover, OCB can enhance customer satisfaction (Podsakoff, Whiting, Podsakoff, & Blume, 2009). Therefore, OCB has become critical in today’s corporate world, where organizations have to be increasingly effective to survive.

2.3. Deviant workplace behavior

Robinson and Bennett (1995) defined employee deviance as voluntary behavior that violates important organizational norms and threatens the well-being of organizations, its members, or both. Bennett and Robinson (2000) identified two facets of DBW consisting of DBW directed at individuals (DWBI) and DBW directed at the organization (DWBO). DWBI takes the form of behaviors directed at specific individuals of the organization and can include abuse, rudeness and physical assault (Mulki, Jaramillo, & Locander, 2006; Robinson & Bennett, 1995). DWBO is directed against the organization and includes such actions as stealing and withholding effort (Colbert, Mount, Harter, Witt, & Barrick, 2004). DBW produces organizational losses estimated to reach up to $200 billion annually in the United States (Harris & Ogbonna, 2006). This justifies the importance of studying DBWs in an organization.

2.4. Cross-cultural differences

Based on Hofstede’s (1980) research, the dominant cultural pattern in Western countries is individualism, whereas that in Asian countries such as Taiwan is collectivism. Taiwan holds distinct cultural values that reflect the Confucian ethics. Confucianism places high value on total loyalty to a hierarchical structure of authority: a code of defined conduct between subordinates and managers, and trust among friends (Lee & Liu, 2007). These relationships are based on mutual and complementary obligations (Hofstede, 1991). Individuals with an adherence to Confucianism believe that social harmony and common interests are more important than individual interests and enjoyment. Also, people are more socio-centric and have an interdependent view of the self (Markus & Kitayama, 1991). In addition, guanxi as connections or relationships plays a critical role in the Taiwanese society. Guanxi refers to developing interpersonal relationship through formal or informal exchange and progressing mutual trust network with consensus of benefit and restraint (Lin & Ho, 2010). In business, guanxi generally involves a hierarchical network of interpersonal relationships embedded with mutual obligations to exchange favors or affection (Wong & Tam, 2000).

Previous literature found that culture differences have impacts on the OCB (Cohen & Avrahami, 2006) and DWB (Jackson, Colquitt, Wesson, & Zapata-Phelan, 2006). Taormina and Gao (2010) identify three components of guanxi behavior: seeking assistance from family, maintaining friendships by providing help to friends, and doing favors for associates. Lin and Ho (2010) found that people with collectivism inclination engage in the OCB more positively since group harmony and unity are mainly focused in collectivism. On the contrary, people with individualism are more likely to consider themselves as independent members of a group. Jackson et al. (2006) also stated that collectivists performed their group tasks better, contributed more discretionary citizenship, and were less likely to engage in deviant behaviors. Therefore, national culture might encourage or inhibit OCB and DWB.

2.5. Centralization and organizational citizenship behavior

Centralization refers to the concentration of power or decision-making authority in an organization (Schminke, Cопранцо, & Rupp, 2002). High centralization inhibits interactions among organizational members (Gold, Malhotra, & Segars, 2001). Highly centralized organizations prevent communication (Pertusa-Ortega, Zaragoza-Sáez, & Claver-Cortés, 2010) and reduce intrinsic
motivation and employee satisfaction (Zheng, Yang, & McLean, 2010), which is negatively related to OCBS (Lapierre & Hackett, 2007; Nadiri & Tanova, 2010). Raub (2008) also indicated that centralized structure which restrict employees' margin of control will have a negative impact on their propensity to display OCB. Therefore, employees' perceptions of a centralized organization are negatively related to OCB. Conversely, past research indicated that participation in decision-making can lead to engagement in OCBS, such as helping new members of the work group (Porter, Lawler, & Hackman, 1996). Centralization is negatively associated with empowerment. Empowerment enhances feelings of self-efficacy among organizational members, and organizational members may reciprocate by performing OCBS (Wat & Shaffer, 2005). Van Yperen, van den Berg, and Willering (1999) also found that the more employees feel that they participate in decision-making, the more they feel supported by their supervisor, which is accompanied by the display of more OCBS. Moreover, Gilbert et al. (2010) suggested that empowerment is more strongly related to employee discretionary behaviors directed at the organization than toward the individual. OCBO is more likely to be a direct function of what employees think about their work characteristics. OCBI might indeed reflect a natural expression of employees' affect at work rather than their deliberate attempt to restore the balance with the organization. According to the above research, it could be theorized that centralization may be negatively related to OCBI and OCBO. Accordingly, the following hypotheses are presented:

H1a. Centralization is negatively related to OCBI.

H1b. Centralization is negatively related to OCBO.

Alternatively, centralization may indirectly enhance OCB. Matheson (2007) stated that centralized organizations may elicit employees' work disinterest and lower work enthusiasm. Centralization increases employees' alienation by limiting their autonomy and their selection of goals. Hence, centralization contributes to feelings of powerlessness (Conger & Kanungo, 1988) and employees would transfer their focus to other activities, such as conversation, which will in turn enhance workplace friendship (Sias & Cahill, 1998). Strong friendship ties lead to reciprocity and employees' social exchange toward their friends. When workplace friendship is increased, employees will be more willing to assist colleagues (Bowler & Brass, 2006). In addition, highly cohesive groups are likely to have a strong sense of social identity and belonging that can increase organizational members' desire to help one another (Van Dyne, Graham, & DiNenno, 1994) and to engage in OCBS. Hence, group cohesiveness is positively related to OCBS (Tan & Tan, 2008). In sum, we can theorize that higher centralization of organizational structure may enhance employee OCBI and OCBO.

According to the above literature review and since the effect of centralization on OCB is somewhat ambivalent, this research proposes the following contrasting hypotheses:

H2a. Centralization is positively related to OCBI.

H2b. Centralization is positively related to OCBO.

2.6. Centralization and deviant workplace behavior

Highly centralized organization discourages employees from exerting more efforts in achieving organizational goals (Organ et al., 2006). Past literature found that centralization will result in greater dissatisfaction among employees (Willem et al., 2007). The social exchange theory predicts that individuals who perceive that they are receiving unfavorable treatment are more likely to feel angry, vengeful, and dissatisfied. Employees may retaliate against dissatisfying conditions and unjust workplaces by engaging in behavior that harms the organization or other employees. Research suggested that dissatisfied employees often resort to deviant behaviors as a way of coping with frustration (Judge et al., 2006). Rusbult, Farrell, Rogers, and Mainous (1988) also stated that employees may express their dissatisfaction of work through deviant behaviors. Hence, Mount, Ilies, and Johnson (2006) asserted that those employees who are less satisfied with their jobs are more likely to display both interpersonal and organizational DWB. Accordingly, higher job dissatisfaction could have an impact on increasing the potential for DWB (Bowling, 2010; Dalal, 2005; Judge et al., 2006). Many researchers have emphasized the importance of distinguishing between DWBO and DWBI (Bennett & Robinson, 2000; Robinson & Bennett, 1997). If the organization is the cause of the mistreatment, then deviance will be most likely directed against the organization; if an individual is the cause of the mistreatment, then deviance will most likely be directed against the individual. Therefore, we theorize that centralization may be positively related to DWBI and DWBO.

H3a. Centralization is positively related to DWBI.

H3b. Centralization is positively related to DWBO.

On the other hand, Matheson (2007) discovered that centralized organizations will increase work alienation, which will in turn promote employees' workplace friendship (Sias & Cahill, 1998). Higher workplace friendship implies that employees are more willing to assist other colleagues (Bowler & Brass, 2006), which reinforces affective support among employees (Berman, West, & Richter, 2002). Therefore, employees would be less willing to exhibit DWB (Dalal, 2005). Workplace friendship refers to informal and personal-related interactions in a workplace setting (Berman et al., 2002). Workplace friendship increases support and resources that help individuals do their jobs, which will in turn reduce DWB. According to the above, we theorize that higher organizational centralization may be associated with lower employee DWBI and DWBO.

According to the above literature review and since the effect of centralization on DWB is somewhat ambivalent, this research proposes the following contrasting hypotheses:

H4a. Centralization is negatively related to DWBI.

H4b. Centralization is negatively related to DWBO.

2.7. Mediating effect of procedural justice

Procedural justice refers to the perceived fairness of the means used to determine the outcomes employees receive (Folger & Konovsky, 1989). Since less participation allows less voice, and more authority hierarchy allows less choice, then procedural justice decreases with each (Schminke et al., 2002). Schminke, Ambrose, and Cropanzano (2000) also indicated that participation in decision-making is positively related to procedural justice and authority hierarchy is negatively related to procedural justice. Therefore, higher centralization is associated with lower procedural justice. Ambrose and Schminke (2003) suggested that under different organizational structures, procedural justice will play differentially key roles in determining the quality of supervisory social exchange and organizational social exchange. Organizational justice facilitates the formation of social exchange relationships and
thus fosters OCB (Moorman & Byrne, 2005). When employees perceive the process by which outcome allocation decisions are made to be fair, they are more likely to display OCBs (Niehoff & Moorman, 1993). Employees who perceive that they are treated fairly by the organization may develop a sense of obligation to reciprocate by performing OCB (Lee & Allen, 2002; Zhang & Agarwal, 2009). Hence, a variety of studies have found a positive relationship between perception of procedural justice and OCB (Nadiri & Tanova, 2010; Zhang & Agarwal, 2009).

Previous research also suggested that fairness perceptions play an important role in provoking DWB (Browning, 2008; Robinson & Bennett, 1995). If employees perceive managerial actions and organizational decisions as unfair or unjust, they are apt to experience feelings of resentment, anger, and outrage (Greenberg, 1990; Skarlicki, Folger, & Tesluk, 1999). Moreover, Hollinger and Clark (1983) found that if employees perceive unjust and unfair feelings, they would engage in actions in violation of the organization to restore their unjust perceptions, such as stealing, going slow in work, being late or leaving early, and absence. In addition, when employees perceive their organization as using unfair procedures for resource allocations, they will develop negative attitudes toward the organization (e.g., reduced trust and commitment and increased dissatisfaction) (Zoghbi-Manrique & Verano-Tacoronte, 2007). In turn, these attitudes lead to DWB against the organization (Skarlicki & Folger, 1997). Therefore, we can theorize that the relationship between centralization and OCB/DWB will be mediated by procedural justice.

H5a. Procedural justice will mediate the relationship between centralization and OCBI.

H5b. Procedural justice will mediate the relationship between centralization and OCBO.

H6a. Procedural justice will mediate the relationship between centralization and DWBI.

H6b. Procedural justice will mediate the relationship between centralization and DWBO.

3. Research method

3.1. Sample and data collection

The research hypotheses are examined by collecting data from employees in Taiwan’s international tourist hotels. Prior to data collection, we pre-tested our questionnaire with a sample of thirty employees from an international tourist hotel. Based on the pretests, the active voice of three items (items 1, 5, 6 of procedural justice) was replaced by the passive voice in Chinese. The purpose of rephrasing statements was to make the statements clearer and to explicitly measure the construct. In fact, the statements are consistent with the original statements in English (Niehoff & Moorman, 1993). Reliability of the measurements was estimated using Cronbach’s coefficient alpha, and values were well above the suggested cutoff of 0.70 (Nunnally, 1978).

According to statistics obtained from the Tourism Bureau in Taiwan, that city had 69 international tourist hotels in 2010. To initiate a sample, this research contacted all human resource managers of these hotels. Twenty-four hotels agreed to participate by providing a complete mailing list of employees’ names and addresses. The size of these hotels ranged from 200 rooms to 700 rooms (16 hotels have 200—400 rooms and 8 hotels have 400—700 rooms). In January 2011, the author mailed questionnaires to 600 employees working in these hotels (average of 20—30 employees per hotel). Of all the samples, 24 different hotels responded by returning at least 10 questionnaires. A total of 368 questionnaires were received, representing a response rate of 61.33 percent. Among the returned questionnaires, 26 incomplete surveys were removed due to missing data, and 24 respondents had worked for their current organization for less than 6 months. As a result, usable questionnaires totaled 318.

3.2. Measures

The centralization instrument consisted of five items (Ferrell & Skinner, 1988). Employees indicated their agreement with each item, using a five-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree.”

We measured OCB using a 14-item, five-point Likert scale, ranging from “Strongly Disagree” to “Strongly Agree” (Williams & Anderson, 1991). In this study, two types of employee behaviors were measured, including display of OCBs that immediately benefited specific individuals and indirectly benefited the organization (OCBI), along with those behaviors that benefited the organization as a whole (OCBO). Seven items each measured the OCB dimensions of OCBI and OCBO. Higher scores reflected higher levels of OCB.

We measured DWB using a 19-item (Bennett & Robinson, 2000), five-point scale, ranging from “Never” to “Daily” according to Dunlop and Lee (2004) and Mount et al. (2006). This DWB scale was expected to make a distinction between deviant behavior directed against the organization (DWBO: 12 items) and that against individuals at work (DWBI: 7 items). Higher scores reflected higher levels of DWB.

Procedural justice was measured with a 6-item subscale developed by Niehoff and Moorman (1993) and a five-point Likert scale, ranging from “Strongly Disagree” to “Strongly Agree.”

Questions relating to demographic data, included gender, age, education, and organizational tenure, were also included in the questionnaire. The questionnaire was originally written in English and then translated into Chinese. Translation was completed by the researchers along with two other native English speakers who worked in the hospitality industry. Before finalizing the questionnaire design, back translation was done to reduce translation bias, as suggested by Van de Vijver and Hambleton (1996).

3.3. Data analysis

Data analyses for this study included descriptive analyses, confirmatory factor analysis (CFA), and multiple regression analysis. The collected data were analyzed using the Statistical Package for Social Science (SPSS). Descriptive statistics included the mean, standard deviation of centralization, OCBs, DWBs and procedural justice. CFA was used to assess the validity of the measures through AMOS 7.0. This study tested the hypothesized relationships utilizing a series of regression analyses. The mediation tests followed the approach of Baron and Kenny (1986) and Sobel (1982).

4. Results

4.1. Characteristics of the sample

Among the 318 respondents, 136 respondents (42.8%) were male and 182 respondents (57.2%) were female. 42.4% of the respondents were aged between 21 and 30 years. Educational levels were fairly high, with over 90% having college experience or above. The majority (51.9%) of the respondents had average tenure of less than 5 years.
Table 1
Results of confirmatory factor analysis.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Factor loadings</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centralization</td>
<td>0.83</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>Any major decision that I make has to have this company’s approval</td>
<td>0.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In my experience with this company, even quite small matters have to be referred to someone higher up for a final answer</td>
<td>0.77</td>
<td></td>
<td></td>
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<tr>
<td>My experiences with this company are subject to a lot of rules and procedures stating how various aspects of my job are to be done</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have to ask senior management before I do almost anything in my business</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I can take very little action on my own until senior management approves it</td>
<td>0.59</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCBI</td>
<td>0.88</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Helps others who have been absent</td>
<td>0.56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helps others who have heavy workloads</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assists supervisor with his/her work (when not asked)</td>
<td>0.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Takes time to listen to coworkers’ problems and worries</td>
<td>0.73</td>
<td></td>
<td></td>
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<tr>
<td>Goes out of way to help new employees</td>
<td>0.58</td>
<td></td>
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<tr>
<td>Takes a personal interest in other employees</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passes along information to co-workers</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCBO</td>
<td>0.87</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>Attendance at work is above the norm</td>
<td>0.74</td>
<td></td>
<td></td>
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<tr>
<td>Gives advance notice when unable to come to work</td>
<td>0.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Takes undeserved work breaks (R)</td>
<td>0.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great deal of time spent with personal phone conversations (R)</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complains about insignificant things at work (R)</td>
<td>0.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conserves and protects organizational property</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adheres to informal rules devised to maintain order</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DWBO</td>
<td>0.90</td>
<td>0.58</td>
<td></td>
</tr>
<tr>
<td>Made fun of someone at work</td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Said something hurtful to someone at work</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Made an ethnic, religious, or racial remark at work</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cursed at someone at work</td>
<td>0.75</td>
<td></td>
<td></td>
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<tr>
<td>Played a mean prank on someone at work</td>
<td>0.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acted rudely toward someone at work</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Publicly embarrassed someone at work</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DWBI</td>
<td>0.92</td>
<td>0.51</td>
<td></td>
</tr>
<tr>
<td>Taken property from work without permission</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spent too much time fantasizing or daydreaming instead of working</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falsified a receipt to get reimbursed for more money than you spent on business expenses</td>
<td>0.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taken an additional or longer break than is acceptable at your workplace</td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Come in late to work without permission</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neglected to follow your boss’s instructions</td>
<td>0.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intentionally worked slower than you could have worked</td>
<td>0.68</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discussed confidential company information with an unauthorized person</td>
<td>0.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Used an illegal drug or consumed alcohol on the job</td>
<td>0.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Put little effort into your work</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dragged out work in order to get overtime</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 (continued)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Factor loadings</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedural justice</td>
<td>0.88</td>
<td>0.55</td>
<td></td>
</tr>
<tr>
<td>Job decisions are made by the general manager in an unbiased matter</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My general manager makes sure that all employee concerns are heard before job decisions are made</td>
<td>0.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>To make job decisions, my general manager collects accurate and complete information</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My general manager clarified decisions and provides additional information when requested by employees</td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All job decisions are applied consistently across all affected employees</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are allowed to challenge or appeal job decisions made by the general manager</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: R refers to reversed question items; AVE refers to average variance extracted.

4.2. Aggregation of individual level data

Data for all the measures were obtained at the individual level. However, centralization reflects an organizational level variable. In order to make the level of the data consistent with the level of the theory, we aggregated data for this measure to the organizational level. We tested for interrater agreement using the interrater agreement coefficient (IRC) developed by James, Demaree, and Wolf (1984). They recommended an IRC of 0.70 as an indicator of interrater agreement. Across the 24 hotels that constituted our sample, the IRC for centralization ranged from 0.74 to 0.92, suggesting that aggregation was appropriate (George, 1990).

4.3. Measurement properties

To validate the constructs, the research model was estimated with the CFA in which all measurement items were loaded on their expected constructs, and the constructs were correlated in the analysis (Gerbing & Anderson, 1988). Since the chi-square statistic is sensitive to sample size, this study relied on other indices in the testing models (Hair, Black, Babin, Anderson, & Tatham, 2006). In the testing model for CFA, all factor loadings were significant (p < 0.001). The indexes of the model provide a good fit: $\chi^2 = 1960.83$, df = 887, $\chi^2/df = 2.21$, GFI (goodness-of-fit index) = 0.92, AGFI (adjusted goodness-of-fit index) = 0.90, RMSEA (root mean square error of approximation) = 0.05, NFI (normed fit index) = 0.91, and CFI (comparative fit index) = 0.95, which was above the model adaptability standard suggested by Hair et al. (2006) ($\chi^2/df < 3$, GFI $\geq 0.90$, AGFI $\geq 0.90$, RMSEA $\leq 0.05$, NFI $\geq 0.90$, CFI $\geq 0.90$), showing unidimensionality of the scales. Table 1 shows that the composite reliability ranged from 0.83 to 0.92, greater than the standard of 0.6 (Hair et al., 2006). The researchers also employed a set of established procedures to check for convergent validity and discriminant validity of our scales. The average variance extracted (AVE) for each construct was between 0.50 and 0.58, which was either equal to or higher than 0.5 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981), supporting convergent validity. The researchers measured discriminant validity by calculating the AVE for all pairs of constructs and comparing this value to the squared correlation between the two constructs of interest. The research results show that the squared correlation between any pair of constructs in all cases was less than the respective AVE of each of the constructs in the pair (Fornell & Larcker, 1981), supporting discriminant validity.
4.4. Common method bias checking

Common method bias may affect the empirical results because the data of this study were collected through self-report questionnaires. Podsakoff, MacKenzie, Lee, and Podsakoff (2003) have demonstrated that procedural and statistical techniques can be used to test for common method biases. In the procedural technique, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers separated the items of centralization from those of anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to diminish the social desirability bias. In addition, the researchers guaranteed respondents confidentiality and anonymity to dimin...

Table 2 presents the means, standard deviations, and correlations of all variables, which provide an initial examination of the proposed relationships. Centralization was positively related to OCBI ($r = 0.33$, $p < .01$) and OCBO ($r = 0.28$, $p < .01$), and negatively related to DWBI ($r = -0.27$, $p < .01$) and DWBO ($r = -0.34$, $p < .01$). Centralization was negatively related to procedural justice ($r = -0.19$, $p < .01$). Finally, procedural justice was positively related to OCBI ($r = 0.32$, $p < .01$) and OCBO ($r = 0.30$, $p < .01$), and negatively related to DWBI ($r = -0.28$, $p < .01$) and DWBO ($r = -0.25$, $p < .01$).

4.6. Multiple regression analysis

To test the hypotheses more adequately, a series of regression analyses was conducted. All hypothesized independent variables were entered into the equations for each dependent variable. In addition, we followed the three-step procedure described by Baron and Kenny (1986) to test the mediating relationships. The first step was to test the effect of independent variable on the dependent variables. The second step was to test the effect of the independent variable on the mediator variable. The third step was to test the effects of both the mediator and independent variable on the dependent variables. If significant relationships emerge in all three regressions, then a partial mediation exists. If the independent variable in the third step is not significant, then a full mediation exists. The results of each step are shown in Table 3 and Table 4.

The relationships between centralization and OCBI/OCBO and DWBI/DWBO were tested in four regression models that included centralization as the independent variable (see Table 3). Both models with OCBI ($F = 33.52$, $p < .01$) and OCBO ($F = 24.76$, $p < .01$) as the dependent variable were found to be statistically significant. Centralization was positively related to OCBI ($\beta = 0.33$, $p < .01$) and OCBO ($\beta = 0.28$, $p < .01$). Thus, H2a and H2b were supported. Furthermore, both models with DWBI ($F = 39.13$, $p < .01$) and DWBO ($F = 39.13$, $p < .01$) as dependent variable were found to be statistically significant. Centralization was negatively related to DWBI ($\beta = -0.27$, $p < .01$) and DWBO ($\beta = -0.34$, $p < .01$). Thus, H4a and H4b were supported. However, the difference between the coefficients was not statistically significant (Paternoster, Brame, Mazerolle, & Piquero, 1998).

It was hypothesized that procedural justice would mediate the relationship between centralization and OCBI/OCBO and DWBI/DWBO. This assumption was tested with mediation analysis (Baron & Kenny, 1986). The first step of mediation analysis is to show that the independent variable (centralization) affects the dependent variables (OCBI/OCBO and DWBI/DWBO), as shown in Table 3. The
second step is to show that the independent variable (centralization) affects the mediator (procedural justice). In the second step, the relationship between centralization and procedural justice was tested in a regression model that included centralization as the independent variable. This model with procedural justice as the dependent variable was found to be statistically significant ($F = 10.49, p < .01$). Centralization was negatively related to procedural justice ($\beta = -0.19, p < .01$).

The final step is to show that the mediator (procedural justice) affects the dependent variables (OCBI/OCBO and DWBI/DWBO) when the independent variable (centralization) is included in the equation. If procedural justice has a mediator effect, a significant relationship between centralization and OCBI/OCBO and DWBI/DWBO should disappear or be reduced when procedural justice is added to the model. This analysis is shown in Table 4.

Four models that included procedural justice as the independent variable as well as centralization were found to be statistically significant. In both models with OCBI and OCBO as the dependent variables, the effects of centralization were reduced to $\beta = 0.18$ and $\beta = 0.15$ respectively, whereas procedural justice was positively related to OCBI ($\beta = 0.27, p < .01$) and OCBO ($\beta = 0.26, p < .01$). In both models with DWBI and DWBO as the dependent variables, the effects of centralization were reduced to $\beta = -0.16$ and $\beta = -0.19$ respectively, whereas procedural justice was negatively related to DWBI ($\beta = -0.25, p < .01$) and DWBO ($\beta = -0.22, p < .01$).

In the Sobel test and a bootstrapping method were used to examine the significance of the mediating roles of procedural justice (Preacher, Rucker, & Hayes, 2007). The Sobel test shows whether the indirect effect of centralization on OCBI/DWB through procedural justice is different from zero. If a z score is larger than 1.96, then the hypotheses regarding the indirect effect is substantiated. The SPSS-macro provides an estimate of the true indirect effect and its bias-corrected 95% confidence interval (CI). In Table 5, both the Sobel test and the bootstrapping method demonstrated that the mediating roles of procedural justice on the relationship between centralization and OCBI/DWBs were significant (OCBI: 95% CI = -0.0733, -0.0294, $p < .01$; OCBO: 95% CI = -0.0719, -0.0269, $p < .01$; DWBI: 95% CI = 0.0289, 0.0661, $p < .01$; DWBO: 95% CI = 0.0212, 0.0624, $p < .01$). Therefore, H5a, H5b, H6a and H6b were supported.

### Table 5

<table>
<thead>
<tr>
<th>Indirect effect</th>
<th>Value</th>
<th>SE</th>
<th>LL 95% CI</th>
<th>UL 95% CI</th>
<th>Z</th>
<th>Sg(two)</th>
</tr>
</thead>
<tbody>
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<td>Centralization → procedural justice → OCBI</td>
<td>-0.0513</td>
<td>0.0112</td>
<td>-0.0733</td>
<td>-0.0294</td>
<td>4.55</td>
<td>0.0000</td>
</tr>
<tr>
<td>Centralization → procedural justice → OCBO</td>
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<td>0.0115</td>
<td>-0.0719</td>
<td>-0.0269</td>
<td>4.41</td>
<td>0.0001</td>
</tr>
<tr>
<td>Centralization → procedural justice → DWBI</td>
<td>0.0475</td>
<td>0.0095</td>
<td>0.0289</td>
<td>0.0661</td>
<td>4.85</td>
<td>0.0000</td>
</tr>
<tr>
<td>Centralization → procedural justice → DWBO</td>
<td>0.0418</td>
<td>0.0105</td>
<td>0.0212</td>
<td>0.0624</td>
<td>4.00</td>
<td>0.0005</td>
</tr>
</tbody>
</table>

The results of this study indicated that centralization is associated with higher OCBI and OCBO. Centralization elicits employees’ work disinterest and lowers work enthusiasm (Matheson, 2007). Employees would transfer their focus to other activities, such as conversation (Matheson, 2007), which will in turn enhance workplace friendship (Sias & Cahill, 1998) and OCBI/OCBO. In addition, the results of this study suggested that centralization is strongly related to OCBI. Raub (2008) suggested that centralization represents a personal form of control which is expressed through the way in which managers or supervisors interact with their subordinates. Consequently, it could be that personalized control mechanisms have a stronger influence on employees.

The results of this study indicated that centralization is associated with lower DWBI and DWBO. Consistent with the above discussion, higher workplace friendship will result in lower DWB. Workplace friendship increases support and resources from others that help individuals get their jobs done, which will in turn reduce DWBO. Organizations benefit from supportive climates, which will in turn be linked to decreased DWBO.

From the standpoint of national culture, Oriental societies emphasize collectivism (Hofstede, 1980). Although a higher degree of centralization causes work inflexibility, organizational norms and policies facilitate the smooth completion of objectives under the influence of collectivism. In other words, employees of Oriental societies still view overall performance objectives as the first priority. Also, collectivism is characterized as being tight, in which group benefits and in-group harmony are highly emphasized (Triandis, 1995). There is a consensus among members on what appropriate behavior is in a particular situation (Pelto, 1968). Relatively speaking, employees of Western societies focus on individualism. As a result, a higher degree of centralization would inhibit and negatively affect employees’ OCBS.

In addition, this research found that procedural justice is a key factor affecting employee behavior. A higher degree of procedural justice reinforces employee OCBI and lowers DWB intentions. These findings show that procedural justice partially mediated the relationship between centralization and employee discretionary behavior. The above explains the possible reasons for the inconsistent results of past studies and this research.

The results of this study mirror the relevant research reported in the literature, such as Matheson (2007). A more centralized organization enhances workplace friendship and reinforces affective ties. It also raises employees’ OCBI and lowers DWB intention. However, empirical findings of this study contradict those of Stamper and Van Dyne (2003) and Raub (2008), which found that centralization negatively relates to OCBI. The result of this research is also inconsistent with the social exchange theory (Wat & Shaffer, 2005). However, this finding is consistent with previous empirical researches (e.g., Jogaratnam & Tse, 2006). Within the Asian context, it would seem that decentralized structures tend to have a negative effect on performance, while centralized structures have a positive effect on performance. The result indicates that cultural values would likely override values in organizational culture (Laurent, 1986), and this may help partially explain the positive association between centralization and OCBI, and the negative association between centralization and DWB.

### 5. Conclusion and discussion

The purpose of this research is to examine the effect of centralization on OCBI and DWB in the hospitality industry. Past literature offered inconsistent views on the relationships between centralization, OCBI and DWB. According to literature, this study established contrasting hypotheses. Empirical results demonstrated that centralization significantly and positively affects OCBI/OCBO and significantly and negatively relates to DWBI/DWBO. Findings indicated that from the standpoint of hospitality employees, higher degree of organizational centralization is associated with higher employee OCBI and lower employee DWB. Moreover, procedural justice partially mediated the relationship between centralization, OCBI/OCBO and DWBI/DWBO.
Results of this study possess several managerial implications. First, although previous researchers found that a centralized organization is negatively related to OCBs (Raub, 2008), and positively related to DWB, the findings of this research suggest that Western theories cannot be easily generalized to Oriental countries. This study strongly indicates the importance of centralized organizations for individuals in the Oriental context. Second, we recommend that hospitality managers strengthen the vertical communication channels. Through direct contact, hospitality organizations can reduce the time required to execute missions and lessen the unnecessary misunderstanding and mission delays caused by disarray of opinions. Also, organizations are recommended to strengthen employees’ identification and cohesion in the organization, as well as elevate employee OCB and reduce DWB. Third, past studies showed that organizational support and supervisory support can enhance employees’ OCB intention (Chen & Chiu, 2008) and lower organizational deviance (Ferris, Brown, & Heller, 2009), and thus suggested offering employees more positive encouragement and assistance, raise employees’ affective dependence on the organization and the supervisor so that employees are willing to provide the organization with more assistance and lessen the likelihood of DWB.

This research has several limitations. First, the cross-sectional design limits the extent to which cause–effect relations can be inferred from our research findings. Second, DWB was measured via self-report. Respondents may fake good under the effect of social desirability bias. Third, we did not consider the effect of management style (e.g., abusive or authoritarian management style) on OCB and DWB. This factor might be considered as a limitation of this study and recommendations for future research. Fourth, this study measured OCB/DWB with 14/19-items and DWBO/DWBI with 12/7 items. The imbalance of data may cause a bias in the outcome of our analyses. Finally, samples for the main survey were drawn from the hospitality industry, which might limit the generalizability of the results to other industries.

From an academic viewpoint, several areas for further research arise from this study. First, we suggest future studies to make a comparison between industries and conduct more in-depth discussions on the effect of centralization on OCB and DWB. Second, future research that adopts a longitudinal design would be better suited to addressing the causal status of the variables examined in this research. Finally, empirical findings of this study differ with those of Stamper and Van Dyne (2003) and Raub (2008). This is perhaps due to Orientals’ different work notions than Western employees. We thus suggest future studies to compare employees of Oriental and Western countries and further examine the impact of centralization on employee discretionary behavior.

**Appendix A. Supplementary data**

Supplementary data related to this article can be found at http://dx.doi.org/10.1016/j.tourman.2012.10.003.

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