

Leader-member exchange and service quality: evidence from hotel businesses in Thailand

Aphi Khamphroh

Phaprukbaramee Ussahawanitchakit

Maharakham University, Thailand

Keywords

Leader-Member Exchange, Organizational Commitment, Organizational Citizenship Behavior, Organizational Loyalty, Service Innovation; Service Quality

Abstract

The purpose of this study is to investigate the impact of leader-member exchange on service quality through organizational commitment, organizational citizenship behavior, organizational loyalty and service innovation. 282 three to five star hotel businesses in Thailand were chosen as the sample of this study. The results show that leader-member exchange is partially supported by the hypotheses derived from the model. Leader-member exchange has a significant relationship with organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. The organizational commitment, organizational citizenship behavior and organizational loyalty are significant positive influence on service innovation. Potential discussion with the research results are effectively implemented in the study. Theoretical and managerial contributions are explicitly provided. Conclusion and suggestions and directions for the future research are highlighted.

Introduction

Modern organizations collected with the beginning of technological innovation and globalization that have given enlargement to the need for organizations to be efficient and at the same time produce value more outcomes. Through employees, organizations can harvest competitive advantage. Committed employees take pride in organizational membership, believe in the values and goals of the organization, and therefore, demonstrate higher levels of performance and productivity (Steinhaus and Perry, 1996). Because low morale and productivity are costly for organizations, therefore, it is important for organizations to find out what affect organizational commitment, organizational citizenship behavior, and organizational loyalty and how to improve their employees' behavior level.

Over the past 40 years, leader-member exchange (LMX) theory has emerged as one of the most significant approaches to understanding effectiveness of leadership (Erdogan, Liden, and Kraimer, 2006). Based on social exchange theory, leaders or supervisors develop different types of exchange relationships with their followers or subordinates, and the greater the quality of these relationships the more followers feel grateful to reciprocate (Sparrow and Liden, 1997).

The supposition that approach of leaders to all their subordinates in a similar and alike clearly way is a general premise in almost all theories of leadership. In 1975, Dansereau, Graen and Hages suggest that one exception is the Vertical Dyad Linkage theory. This theory is referred that the superior and the member who are linked to each other hierarchically, through a series of role taking experiences, different of exchange currencies over time and the degree of negotiation opinion that is granted to the member by the superior is predictive of subsequent behavior of both parties. This model of leadership has a proposed differentiated leadership approaches of the superior to specific members of the dyadic relationship and it has developed in one time and later became known as Leader-Member Exchange Quality (LMX) and established its place among other leadership theories (Bauer and Green, 1996).

Prior studies have investigated LMX with organizational commitment, organizational citizenship behavior (each Wang and Wong, 2011), organizational loyalty (each Ineson et al, 2013). However, in other studies have antecedence of employee behavior of LMX in service innovation (each, Chen et al, 2015) and service quality (each Yaghobi et al, 2011). On this paper, integration construct of consequence of LMX to service innovation and service quality and investigate a relationship in all construct.

The main purpose of this paper is to explore, address, and assess the relationships among leader-member exchange (while is affect, loyalty, contribution, professional respect), organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. In this study, the key research questions are: (1) how does leader-member exchange has an influence organizational

commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality?, (2) how does organizational commitment, organizational citizenship behavior and organizational loyalty has an influence service innovation and service quality?, (3) how does service innovation have an influence service quality?, (4) how does organizational commitment, organizational citizenship behavior and organizational loyalty have a role of mediating effect in relationship between leader-member exchange and service innovation?, (5) how does service innovation have a role of mediating effect in relationship between leader-member exchange and service quality?, (6) (5) how does service innovation have a role of mediating effect in relationship between organizational commitment, organizational citizenship behavior and organizational loyalty and service quality?

The remainder of this study is organized as follows: the first part represents the literature review of leader-member exchange (while is affect, loyalty, contribution, professional respect), organizational commitment, organizational citizenship behavior, service innovation and service quality. Next, research methodology includes sample selection, data collection procedure, the measurement of variables, the statistics and equations to test the hypotheses. The results of the study are derived from 282 hotel firms in Thailand. Lastly, the study concludes by discussing implications for theories and practices, identifying limitations of the study, and providing suggestions and directions for future research.

Literature Review and Hypothesis Development

The research model in figure 1 presents the relationships among leader-member exchange (while is affect, loyalty, contribution, professional respect), organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality.

Leader-Member Exchange

The theoretical foundation for LMX is grounded based on social exchange theory. Social exchange theory is a social relationship sociological and psychological relationship perspective that illuminates social change and stability as a process of transferred exchanges between parties. Theory of social exchange suggests that human relationships are engaged by the use of an independent cost-benefit analysis and the comparison of alternatives. The theory has roots in economics, sociology and psychology. The structures of social exchange theory has many of the main traditions found in rational choice theory and structuralism. It is also used quite frequently in the business world to imply a two-sided, mutually contingent and rewarding process involving transactions or simply exchange (Blau, 1964).

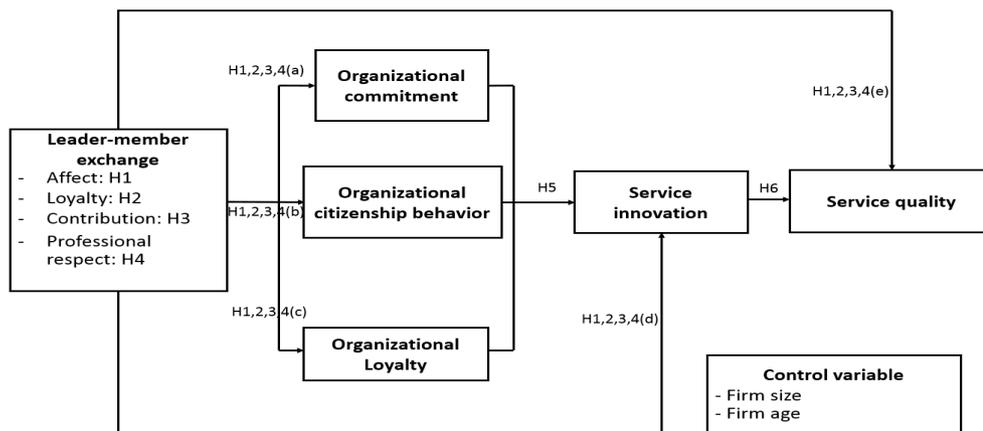


Figure 1: Model of the relationship among leader-member exchange, organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality

LMX refers to the relationship of the interpersonal exchange between an employee (subordinate or leader) and his or her manager (supervisor or member) (Graen and Uhl-Bien, 1995). The relationships quality between leader and members defines the amount of mental attempt, information, and social support that are exchanged between leader and follower (Liden et al., 2000). Thus, subordinates interact frequency number with their leaders and obtain their leaders' trust, support, and encouragement, and they receive added duties and expend extra effort to achieve organizational goals beyond contractual expectations (Sparrowe and Liden, 1997).

Therefore, in social exchange theory, in-group employees receive more attention from their supervisor, gain more information that work-related, have more freedoms in working or decision, and obtain greater benefits of employees, such as contract security and career improvement (Whitely, Dougherty, and Dreher, 1991), and greater more compensation (Scandura, 1992). In opposite, the supervisor will receive greater levels of trust and support from in-group employees. During the building of the social exchange relationship between supervisor and subordinates, perceptions of fairness by the subordinate and their trust in their supervisors are important factors that influence non moral behavior (Treviño and Brown, 2004).

Leader-member exchange theory is based on the concepts of social exchange and role making. Graen and his colleagues (Dansereau, Cashman and Graen, 1973; Dansereau, Graen, and Haga, 1975; Graen, 1976; Graen and Cashman, 1975) used the role period model from Kahn, Wolfe, Quinn, Snoek, and Rosenthal (1964) to describe the LMX process. Overall, the role-making process about an original testing period where the leader evaluates the degree to which sent roles are accepted or rejected by a new member. The degree to which the member's task performance satisfies the leader's role requests effects the type of LMX relationship that develops.

Most of article of this study used unidimension of leader-member exchange to study. The measurement of unidimension of leader-member exchange is LMX-7, that is a 7 item of questions to use for measuring leader-member exchange and it is popular in most research to use whether the leader-member exchange is an independent or dependent variable. In any research has any article mention to dimension of leader-member-exchange, but that just mention in a literature review and not used in the research.

Dienesch and Liden (1986) suggest 3 dimension of leader-member exchange and in 1998, Liden and Maslyn (1998) propose the fourth dimension in following.

Affect

Affect is a type of connection that develops between the leaders or supervisor and the member or subordinate due to mutual affection for each other based primarily on interpersonal attraction rather than work or professional values. This affection might also be manifested in a rewarding outcome such as friendship.

Loyalty

Loyalty is the communication of public support for goals and personal character of the other member in the dyad of member. It also includes fidelity to the member that is generally consistent from one situation to another.

Contribution

Contribution: is the perception of the dyad to the exchange, of current level of work oriented activity of each member puts forth implicitly or explicitly towards common goals. This perception can be due do to the personal experiences with the other party, opinions of some authorities from within or outside of the organization or achievements and rewards of that party.

Professional respect

In 1998, Liden and Maslyn (1998) propose to add "Professional respect" fulfill to the 3 dimension. Professional respect as perception of the degree to which each member of the dyad has built a reputation, within or outside the organization, of excelling at his or her line of work.

Organizational Commitment

An attitudinal concept carefully linked to quite a few significant employee behaviors, organizational commitment (OC) has popularity grown with a great distribution of interest and concern in organizational commitment (Jaramillo, Mulki and Marshall, 2005; Hartman and Bambacas, 2000; Van, Van and Olie, 2005; Meyer and Allen, 1997). Allen and Meyer (1996) determined organizational commitment as "a psychological connection between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization". Organizational commitment was initially surveyed as a unidimensional construct, whereas more recent research has highlighted its multidimensional nature. On the basis of earlier studies, Meyer and Allen (1991) identified affective, normative and continuance commitment to be the constituents of organizational commitment. This multiple-component of organizational commitment model has been evaluated and validated by numerous scholars within different research contexts (Cheng and Stockdale, 2003; Meyer et al., 1993; Stallworth, 2004). Affective commitment refers to an emotional attachment to an organization, continuance commitment results from the perception of increasing sunk costs in an organization, while normative commitment defines people's perceived obligation to support the organization and its activities (Meyer and Allen, 1991).

In previous empirical research has distinguished that employees with high organizations commitment are more productive, loyal, and responsible, and attempt to affect organizational performance in a positive ways variety (Organ and Ryan, 1995). On the evidence that committed individuals are more supportive to organizational happiness, they are more likely to engage in organizational citizenship behaviors of employee, which are not recognized by the system of formal reward but which could greatly help to increase the organizational productivity and efficiency. Being able to affect individual voluntariness to perform OCB, OC was incorporated into the hypothesized research model of this study. Thus, in this article, the author may suggest a hypothesis in a follow:

Hypothesis 1a: The affect of leader member exchange have positive relationship on organizational commitment.

Hypothesis 2a: The loyalty of leader member exchange have positive relationship on organizational commitment.

Hypothesis 3a: The Contribution of leader member exchange have positive relationship on organizational commitment.

Hypothesis 4a: The Professional respect of leader member exchange have positive relationship on organizational commitment.

Organizational citizenship behavior

Organizational citizenship behavior or OCB was determined by Organ et al. (2006), citizenship behaviors are flexible individual behaviors that are not acknowledged directly by the reward system, but in the aggregate promote the overall effectiveness and working of the organization. Organ (1988) initially supported five components of OCB, including altruism, conscientiousness, sportsmanship, courtesy and civic virtue. Building on such a conceptual work, Podsakoff, Mackenzie and Fetter (1990) further developed a 24-item OCB scale, the reliability and validity of which has been justified in more many empirical studies (Lam, Hui and Law, 1999; Moorman, 1991). Pondering whether citizenship behaviors take different forms in varying cultures, Farh, Earley and Lin (1997) conducted a study in Taiwan several years after the first OCB scale was created. Five dimensions with 20 items of OCB were eventually obtained through a series of factor analyses, which were labeled identification with company, altruism toward colleagues, conscientiousness, interpersonal harmony and protecting company resources, respectively.

Previous several empirical literatures have validated the magnitude of OCB to the hotel industry. It is suggested that such volitional acts influence service quality or customer perceptions of (Lin, Hung and Chiu, 2008; Bienstock, DeMoratille and Smith, 2003; Bell and Menguc, 2002; Hui, Lam and Scaubroek, 2001) and customer loyalty of (Castro, Armario and Ruiz, 2004). Struggling to escape or solve work-related problems, good citizens tend to maintain a strong service orientation in the course of service encounter. Supplementary, good citizens play a positively influential role among other coworkers.

The good citizenship characteristics empower them to demonstrate higher potential credibility as perfection among the employees. In highlight of Bandura's (1977) social learning theory, when individuals operate within group settings, they observe, learn from, and imitate others who gave as models for social or antisocial behavior. In group contexts, this role-modeling process has instrumental value in effecting the way employees behave and perform. In this consider, OCB studies carry greater weight in the hotel industry, in which staff members work in teams at all times. Moreover, from guests' perspective, their loyalty to hotels can be improved when served by good citizens who hold a more supportive, friendly, and conscientious attitude (Castro et al., 2004). Such a service orientation may contribute both directly and indirectly to creating a service quality favorable perception (Morrison, 1996). Thus, in this article, the author may suggest a hypothesis in a follow:

Hypothesis 1b: The affect of leader member exchange have positive relationship on Organizational citizenship behavior.

Hypothesis 2b: The loyalty of leader member exchange have positive relationship on Organizational citizenship behavior.

Hypothesis 3b: The Contribution of leader member exchange have positive relationship on Organizational citizenship behavior.

Hypothesis 4b: The Professional respect of leader member exchange have positive relationship on Organizational citizenship behavior.

Organizational Loyalty

The authors argued about organizational loyalty that few employees are loyal in his or her organization and highlight the recognizing importance and maintaining loyalty situations (Knippen and Green, 1996). Attitudes to employee loyalty are dyadic: both participants, employer and employee involved in this professional and hierarchical relationship, should be conscious of the importance and the benefits of loyalty situations. High turnover of employee is one form of the demonstration of lack of employee loyalty, is attributable to factors including lack of job satisfaction, contemptible working restrictions, no good compensation and inadequate benefits (Carragher, 2011; Milman, 2003; Wasmuth and Davis, 1983). Whilst Johnson (1986) sustain that the costs associated with employee turnover are not importance, others view the cost factor generated by employee turnover to be ample (Lam et al., 2001; Milman, 2003). Hinkin and Tracey (2000) identified the following five cost categories in their study which investigates the financial implications of employee turnover: departure costs; recruitment costs; selection costs; hiring costs; and productivity loss costs, which they computer software beused to develop to help employee turnover cost calculations. Their case study shows unexpectedly high costs associated with employee turnover and highlights the managers responsibility and human resources (HR) personnel in retaining staff with practices beyond financial benefits. Thus, in this article, the author may suggest a hypothesis in a follow:

Hypothesis 1c: The affect of leader member exchange have positive relationship on Organizational Loyalty.

Hypothesis 2c: The loyalty of leader member exchange have positive relationship on Organizational Loyalty.

Hypothesis 3c: The Contribution of leader member exchange have positive relationship on Organizational Loyalty.

Hypothesis 4c: The Professional respect of leader member exchange have positive relationship on Organizational Loyalty.

Service Innovation

It has several definitions for the concept of service innovation (SI) and all of them relate to performance improvement and capacity empowerment of the firm to compete with other firms. In many cases, service preparation can be added valuable to the organization than the selling products since products tend to become commodities at a faster pace (Gronroos, 2000; Kandampully, 2002). Service innovation define something new and beneficial for targeted groups (Grant, 1991; Flint et al, 2005) that create values for current and future customer (Moller, 2008). The concept can include a variety of areas and different interactivity levels in the development of the complete service process (Alam, 2002). Therefore, to be considered successfully in service innovation, all engaged stakeholder must be efficient, since barriers or bottlenecks in certain areas of the process can undermine the effectiveness of the service innovation. Studies related to service innovation were undertaken by Refs. (Dreoge, 2009), embedding various ways of looking at service innovation, such as procedures to manage service innovation (Sindho, 1997), processes for implementing service innovation (Thomke, 2003) and involvement user in innovating services (Magnusson et al, 2003). Thus, in this article, the author may suggest a hypothesis in a follow:

Hypothesis 1d: The affect of leader member exchange have positive relationship on Service Innovation.

Hypothesis 2d: The loyalty of leader member exchange have positive relationship on Service Innovation.

Hypothesis 3d: The Contribution of leader member exchange have positive relationship on Service Innovation.

Hypothesis 4d: The Professional respect of leader member exchange have positive relationship on Service Innovation.

Hypothesis 5: Organizational commitment, Organizational Citizenship Behavior and Organizational Loyalty has positive relationship on Service Innovation.

Service Quality

Distinctly, from the best value perspective, the measurement of quality of service in the service sector should take into account customer prospect of service as well as perceptions of service. However, as Robinson (1999) concludes: "It is apparent that there is little consensus of opinion and much disagreement about how to measure service quality". One measurement of service quality model that has been extensively applied is the SERVQUAL model developed by Parasuraman and Zeithaml (1985, 1986, 1988, 1991, 1993, and 1994), Zeithaml and Berry (1991, 1993). SERVQUAL as the most often used approach for measuring service quality has been to

compare customers' expectations before a service encounter and their perceptions of the actual service delivered (Gronroos, 1982, Lewis and Booms, 1983, Parasuraman and Zeithaml 1985). The SERVQUAL instrument has been the supreme method used to measure consumers' perceptions of service quality. It has five general dimensions or factors and they are stated as bottom line (Van Iwaarden et al., 2003): 1) Tangibles: Physical facilities, equipment and appearance of personnel. 2) Reliability: Ability to perform the promised service dependably and accurately. 3) Responsiveness: Willingness to help customers and provide prompt service. 4) Assurance: (including competence, courtesy, credibility and security). Knowledge and courtesy of employees and their ability to inspire trust and confidence. 5) Empathy: (Including access, communication, understanding the customer). Caring and individualized attention that the firm provides to its customers. Thus, in this article, the author may suggest a hypothesis in a follow:

Hypothesis 1e: The "affect" of leader member exchange have positive relationship on Service Quality.

Hypothesis 2e: The "loyalty" of leader member exchange have positive relationship on Service Quality.

Hypothesis 3e: The "Contribution" of leader member exchange have positive relationship on Service Quality.

Hypothesis 4e: The "Professional respect" of leader member exchange have positive relationship on Service Quality.

Hypothesis 6: Service Innovation have positive relationship on Service Quality.

3. Research Methods

3.1 Sample Selection and Data Collection Procedure

This study selects 3 to 5 star hotel firms in Thailand as the sample. The population was obtained from list on database at www.agoda.com as of August, 2015. The Questionnaire was considered and developed by specialist of Ph.D supervisor of Mahasarakham University. 2,000 questionnaires were mailed by systematic random sampling from the list. To the participant i.e. managing director or managing partner of each firm is chosen. With regard to the questionnaire mailing, 34 surveys were undeliverable because some firms were no longer in business or had moved to unknown locations. Deducting the undeliverable from the original 2000 mailed, the valid mailing was 1966 surveys, from which 431 responses were received. Of the surveys completed and returned, only 423 were usable. The effective response rate was approximately 21.2%. But, when the author was writing this paper, the questionnaires were increased too.

3.2 Measurements

In the conceptual model, all variables were measured on a five point Likert scale, ranging from 1 = strong disagree to 5 = strong agree, except the control variable. The variable measurements of dependent, independent and control variables are described as follows:

Independent Variables

Leader-member exchange (LMX) is the main variable that used a scale from the related literatures and its definitions. It consists of four dimensions. They are: 1) affect 2) loyalty 3) contribution 4) professional respect, all of dimension used 3-item of question to measure the construct as all a 12-item.

Dependent Variables

Organizational commitment (OC), *Organizational citizenship behavior (OCB)*, *Organizational loyalty (OL)*, *Service innovation (SI)*, *Service quality (Seroqual)* are the variable that used a scale from the related literatures by 19-item to measure the constructs.

Control Variables

Firm age is defined as the number of years since the organization has been in operation, and is measured by the amount of years that the firm has operated their business (Kotabe, Jiang, and Murray, 2011).

Firm size may affect the capacity to adjust, and redefine a firm's strategy (Zahra et al., 2007). It was measured by the number of full-time current staff that was registered in firms.

3.3 Method

In this study, several constructs in the conceptual model are developed from new scales and multiple scale items, and derived from previous studies to test validity and reliability. For testing validity, this study uses factor analysis to examine the construct validity of the instrument, by investigating the relationships of a

large number of items that can be reduced to a smaller set of factors. Table 1 shows factor loadings of each construct that shows a value more than 0.40 (ranging from 0.740 to 0.926). This analysis has a high potential to inflate the component loadings. Therefore, a rule-of-thumb, a cut-off value of 0.40, is accepted (Nunnally and Bernstein,1994) but except in one item of organizational loyalty construct that has factor loading = 0.321, therefore the author cuts-off this item out from analysis. All factor loadings are greater than a 0.40 cut-off point and are statistically significant. The reliability of the measurements were evaluated by Cronbach’s alpha coefficients. In the scale reliability, Cronbach alpha coefficients are greater than 0.70 (Nunnally and Bernstein,1994). The results of testing reliability and validity are presented in Table 1 as below.

Table 1
Results of measured validation

Variables	Factor Loading	Cronbach’s Alpha
LMX-Affect (LMX_A)	0.791 - 0.909	0.827
LMX-Loyalty (LMX_L)	0.830 - 0.852	0.794
LMX-Contribution (LMX_C)	0.824 - 0.893	0.806
LMX-Professional Respect (LMX_PR)	0.820 - 0.907	0.837
Organizational Commitment (OC)	0.819 - 0.855	0.767
Organizational Citizenship Behavior (OCB)	0.767 - 0.869	0.881
Organizational Loyalty (OL)	0.926 - 0.926	0.832
Service Innovation (SI)	0.864 - 0.920	0.878
Service Quality (ServQual)	0.740 - 0.892	0.890

The ordinary least squares (OLS) regression analysis are used to test the hypothesis relationships and estimate factors affecting a firm’s service quality, in which the relationships exist between dependent and independent variables of industries in Thailand. Then, the aforementioned variables play significant roles in explaining the research relationships. Because all dependent variable, independent variables, antecedents and the control variables in this study were neither nominal data nor categorical data, OLS is an appropriate method for examining the hypothesized relationships (Aulakh, Kotabe and Teegen, 2000). With the interest of understanding the relationships in this study, the model of the aforementioned relationships is as follows.

Equation 1: $OC = \beta_{01} + \beta_1 LMX_A + \beta_2 LMX_L + \beta_3 LMX_C + \beta_4 LMX_PR + \beta_5 FS + \beta_6 FA + \epsilon_1$
 Equation 2: $OCB = \beta_{02} + \beta_7 LMX_A + \beta_8 LMX_L + \beta_9 LMX_C + \beta_{10} LMX_PR + \beta_{11} FS + \beta_{12} FA + \epsilon_2$
 Equation 3: $OL = \beta_{03} + \beta_{13} LMX_A + \beta_{14} LMX_L + \beta_{15} LMX_C + \beta_{16} LMX_PR + \beta_{17} FS + \beta_{18} FA + \epsilon_3$
 Equation 4: $SI = \beta_{04} + \beta_{19} LMX_A + \beta_{20} LMX_L + \beta_{21} LMX_C + \beta_{22} LMX_PR + \beta_{23} FS + \beta_{24} FA + \epsilon_4$
 Equation 5: $ServQual = \beta_{05} + \beta_{25} LMX_A + \beta_{26} LMX_L + \beta_{27} LMX_C + \beta_{28} LMX_PR + \beta_{29} FS + \beta_{30} FA + \epsilon_5$
 Equation 6: $SI = \beta_{06} + \beta_{31} OC + \beta_{32} OCB + \beta_{33} OL + \beta_{34} FS + \beta_{35} FA + \epsilon_6$
 Equation 7: $ServQual = \beta_{07} + \beta_{36} SI + \beta_{37} FS + \beta_{38} FA + \epsilon_7$

Result and Discussion

The descriptive statistics and correlation matrix for all variables are shown in Table 2, exhibits with respect to the possible problems relating to multicollinearity, all the correlation coefficients of independent variables are smaller than 0.8. The problem of multicollinearity of independent variables in this model is therefore not significant (Hair et al., 2006). Variance inflation factors (VIFs) range from 1.013 to 3.515 and are below the cut-off value of 10 as recommended by Neter, William and Michael (1985), meaning the independent variables are not correlated with each other. Therefore, there are no substantial multicollinearity problems encountered in this study. As expected, control variables, firm size, firm age, and firm capital are not significantly correlated to each equation model.

Table 2
Descriptive statistics and correlation matrix

Variable	LMX_A	LMX_L	LMX_C	LMX_PR	OC	OCB	OL	SI	ServQual	FS	A
Mean	40.910	4.0981	4.2175	4.1737	3.7045	3.6957	3.8522	3.6206	4.0241	0.3262	0.6028

S.D.	0.6456	0.6296	0.6038	0.6547	0.6774	0.6327	0.8294	0.8027	0.6469	0.4697	0.4902
LMX_A	1										
LMX_L	0.779**	1									
LMX_C	0.745**	0.768**	1								
LMX_PR	0.744**	0.726**	0.781**	1							
OC	0.395**	0.353**	0.385**	0.401**	1						
OCB	0.388**	0.420**	0.443**	0.410**	0.676**	1					
OL	0.389**	0.436**	0.441**	0.434**	0.628**	0.769**	1				
SI	0.359**	0.347**	0.347**	0.375**	0.593**	0.653**	0.630**	1			
Servqual	0.480**	0.460**	0.520**	0.493**	0.560**	0.639**	0.640**	0.642**	1		
FS	-0.014	-0.011	-0.050	-0.022	-0.005	-0.092	-0.060	0.034	-0.037	1	
FA	-0.050	-0.109	-0.071	-0.037	-0.014	-0.076	-0.141	-0.056	-0.097	0.208**	1

Table 3
Result of OLS regression analysis

Independent Variable	Dependent Variable						
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
	OC	OCB	OL	SI	ServQual	SI	ServQual
LMXA	0.179** (0.079)	0.026 (0.077)	-0.010 (0.077)	0.121 (0.080)	0.142* (0.073)		
LMXL	0.006 (0.081)	0.149* (0.079)	0.174** (0.078)	0.067 (0.082)	0.017 (0.075)		
LMXC	0.114 (0.082)	0.220*** (0.080)	0.163** (0.079)	0.052 (0.083)	0.270*** (0.076)		
LMCPR	0.184** (0.078)	0.108 (0.076)	0.184** (0.075)	0.196** (0.079)	0.162** (0.072)		
OC						0.221*** (0.049)	
OCB						0.319*** (0.059)	
OL						0.249*** (0.056)	
SI							0.641*** (0.037)
Firm Size	0.011 (0.098)	-0.115 (0.096)	-0.054 (0.094)	0.113 (0.099)	-0.012 (0.090)	0.176** (0.077)	-0.105 (0.082)
Firm Age	0.017* (0.094)	-0.049 (0.091)	-0.204 (0.091)	-0.087 (0.095)	-0.126 (0.087)	-0.021 (0.074)	-0.104 (0.078)
Adj R ²	0.174	0.212	0.228	0.150	0.293	0.494	0.415

***p<0.01, **p<0.05, *p<0.10 Beta coefficients with standard errors in parenthesis

Table 3 presents the results of OLS regression of the relationships among leader-member (affect, loyalty, contribution and professional respect) and its consequences: (a) organizational commitment, (b) organizational citizenship behavior, (c) organizational loyalty, (d) service innovation, and (e) service quality. The result of hypothesis H_{1a-e}- H_{4a-e} are show in Model 1 - Model 5. These indicate that four dimension of leader-member exchange show that some dimension have an effect on its consequences, namely, organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. From table 3, LMX_Affect has significant positive influence on organizational commitment (p<0.1, β₁ = 0.179) and service quality (p<0.1, β₂₅ = 0.142), thus, **hypothesis 1a and 1e are supported**. LMX_Loyalty has significant positive influence on organizational citizenship behavior (p<0.1, β₈ = 0.149) and organizational loyalty (p<0.05, β₁₄ = 0.174), thus, **hypothesis 2b and 2c are supported**. LMX_Contribution has significant positive influence on organizational citizenship behavior (p<0.01, β₉ = 0.220), organizational loyalty (p<0.05, β₁₅ = 0.163) and service quality (p<0.01, β₂₇ = 0.270), thus, **hypothesis 3b, 3c and 3e are supported**. LMX_Professional respect has significant positive influence on organizational commitment (p<0.05, β₄ = 0.184), organizational loyalty (p<0.05, β₁₆ = 0.184), service innovation (p<0.05, β₂₂ = 0.196) and service quality (p<0.05, β₂₈ = 0.162), thus, **hypothesis 4a, 4c, 4d and 4e are supported**.

Organizational commitment, organizational citizenship behavior and organizational loyalty has significant positive influence on service innovation (p<0.01, β₃₁ = 0.221, β₃₂ = 0.319, β₃₃ = 0.249), thus, **hypothesis 5 are supported**. Service innovation have significant positive influence on service quality (p<0.01,

$\beta_{36} = 0.641$), thus, **hypothesis 6 are supported**. And other **hypothesis 1b, 1c, 1e, 2a, 2d, 2e, 3a, 3c, 3d, 4b and 4d are not supported**.

Contributions and Directions for Future Research

Theoretical Contribution and Future Directions for Research

This study is intended to provide a clearer understanding of the relationships among leader-member exchange, organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. It provides unique theoretical contributions expanding on leader-member exchange theory and social exchange theory found to be an important motivator for service innovation and service quality. Thus, further research is needed to confirm this model and reconceptualize the relationships dimensions of service innovation and service quality. Likewise, future research is suggested to confirm this model by collecting data from other industries and should use both cross sectional and longitudinal study to collect data.

Managerial Contribution

This study helps executive and managers identify for decision and practitioners will glean ways of implementing their service quality of the firm. Organization concerns with surviving of service quality that the service quality depends on the ability of organization to adjust to fit with their complex environment and competitive intensity. They should thoroughly understand, manage, and utilize leader-member exchange to provide organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. Also, leader-member exchange can increase activities by enhancing employee benefits which many businesses in the current should realize the importance of organization and its potentials to help them achieve and sustain competitive advantages.

Conclusion

This study investigates the relationships among leader-member exchange, organizational commitment, organizational citizenship behavior, organizational loyalty, service innovation and service quality. Hence, 2,000 hotel businesses in Thailand were chosen as the population of the study. The results show that leader-member exchange has a significant partial positive effect on organizational commitment, organizational citizenship behavior and organizational loyalty, service innovation and service quality. Surprisingly, the role of organizational commitment, organizational citizenship behavior and organizational loyalty to service innovation are very positive relationship. However, leader-member exchanges just some significant positive influence on organizational commitment, organizational citizenship behavior and organizational loyalty, so, it is different from recent literature review. The further research needs to explain leader-member exchange relationship on organizational commitment, organizational citizenship behavior and organizational loyalty or studies more factor are influence on organizational commitment, organizational citizenship behavior and organizational loyalty to study on behavior of employee to service quality. Finally, further research needs to reconceptualize the dimensions of leader-member exchange relationships on business success.

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