

# **PAY-FOR-PERFORMANCE AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR IN THAI HOTELS: THE MEDIATING ROLE OF PERCEIVED ORGANIZATIONAL SUPPORT**

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## **Abstract**

This study aimed to 1) examine the relationship between pay-for-performance (PFP) and organizational citizenship behavior (OCB), and 2) to study the role of perceived organizational support (POS) in the relationship between PFP and OCB in Thai hotels. Data were collected from 327 frontline employees of hotels in the most visited provinces in the south of Thailand, and were then analyzed using the Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM). The results revealed both direct and indirect effects in the relationship between PFP and OCB. POS is the partial mediator of the indirect effect. The results suggested that PFP not only is an incentive to make employees more likely to perform extra-role behavior, it also acts as the signal from the organization to employees that the organization values their work, so it employs the performance-based payment. As a result, the employees are fully dedicated to their work, even when the work is outside the responsibilities they are assigned for. These findings contribute to an important understanding of the relationship between payment policy and employee behavior in the service business. Discussion and implications are also provided.

**Keywords:** Pay-for-performance; organizational citizenship behaviour; perceived organizational support; hotel

## Introduction

Currently, the study of the organizational citizenship behavior (OCB) in the hospitality and tourism industry is gaining a great deal of attention from academics (Dagenais-Cooper and Paille, 2012). This type of service business is different from manufacturing business; the hospitality business is intangible. There is no standard service mode; the service depends on the needs of individual customers (Ma and Qu, 2011). Quality service is also expected by customers who come to the hotel (Karatepe, 2013). Therefore, frontline employees who deliver services, face to face or voice to voice, to customers are crucial for the success of the hotel business (Chand, 2010; Chiang and Hsieh, 2012), especially the employees with extra-role behavior who are willing to help the organization in addition to the obligations formally assigned to them. These employees create a positive image of the hotel in the eyes of customers (Ma et al., 2013).

Although there are an increasingly interest and a number of studies in OCB in the service sectors, there still are some technical and practical doubts in how employees can be motivated to show OCB in their work. The review of the literature found that human resource practices (HR practices), e.g. training, staffing, rewards, compensation, empowerment, and career advancement influenced OCB performance of the frontline hotel staff (Arefin et al., 2015; Chiang and Hsieh, 2012; Noor et al., 2014; Sun et al., 2007). However, the hotel still faced problems with the performance of employees who could not meet the expectations of the organization. Additionally, the nature of work in the hotel business is easily expected to be done in the unsociable working hours, especially during the tourist season, leading to the significance of frontline employees who can professionally serve customers. However, it seems to be impossible to expect frontline employees to fully perform all tasks at their full level of potential all time. The possible reason of this problem might come from the fact that most hotels pay the employees for their position or assigned tasks. This payment scheme is considered unfair to the hotel staff and this directly affects their work behavior (Cobb, 2011).

Therefore, the researchers are interested in finding out if the pay-for-performance (PFP), which is a compensation system linked to the performance

appraisal of each employee (Ren et al., 2017), can motivate the performance of frontline employees, i.e. the organizational citizenship behavior toward organization (OCBO) which is the behavior the organizations expect from their employees. OCBO is considered a good and viable practice in service businesses; and it is widely accepted that a good performance measurement for an organization is to impress the customers.

The pay-for-performance (PFP) is an HR practice that organizations, both in the manufacturing and service sectors, use to motivate employees to work better when the payment or reward are based on their performance (Gilbreath and Harris, 2002; Nyberg et al., 2016). In other words, PFP is a motivational tool used by the organization to encourage their employees to work better, even with the jobs beyond the assigned roles for them (Boachie-Mensah and Dogbe, 2011; Ren et al., 2017). However, the empirical studies of the relationships between PFP and OCBO were limited in the current literature.

To date, several researchers are trying to examine the relationship between PFP and OCB of the employees to understand effects of the pay policy which possibly encourage better employee performance; however, there are no conclusive findings. Moreover, there are some contradicting findings in this relationship. Gilbreath and Harris (2002) found that PFP influenced OCB while an earlier study by Deckop et al. (1999) found that PFP reduced the employee's performance for the job outside their work role. The inconclusive findings of the relationship between PFP and OCB inspired the researchers of the present study to reassess the relationship between these two variables in order to further enhance the knowledge of human resource management in the service business context.

The researchers also adopted the concept of perceived organizational support (POS) as a mediating variable to clarify the relationship between PFP and OCB. Findings in organizational citizenship behavior research show that whether or not the HR practice in the organization is successful depends on the good relationship between employees and the organization (Ren et al., 2017). Moreover, POS has been well accepted by academics and business sectors to explain the phenomena occurring between employees and the organization (Rhoades and Eisenberger, 2002). Accordingly, the purpose of this study is to

examine the relationship between PFP and OCB, and to assess the role of POS as a mediator in this relationship. The knowledge gained from the study is expected to help explain how PFP contributes to employee performance both directly and indirectly. Moreover, the results will help managers to plan pay policies in the organization to maximize employee performance, which will in turn make the most of benefits for the organization.

## **Literature Review and Hypotheses Development**

### **Organizational Citizenship Behavior**

Organizational citizenship behavior (OCB) is the desirable behavior of the employees that the organization needs in addition to the official defined work obligations. Employees with OCB will be willing to work for the success of the organization as much as possible (Chiang and Hsieh, 2012; Ma and Qu, 2011). The review of literature found that employees with OCB were essential to the hotel business for these employees could provide professional services to impress the customers (Ma et al., 2013; Noor et al., 2014). Most of the scholars in this area have divided OCB into five categories: altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. In terms of its benefits OCB is divided into two categories. The first category is OCB toward the individual (OCBI), which has a direct influence on employees in the organization. This OCBI includes: altruism and courtesy. Altruism is the employee's behavior in helping others to solve the problem; and courtesy refers to the employee's behavior in helping others to prevent problems. The second category is OCB towards the organization (OCBO), which is the behavior directly benefits the organization. OCBO includes conscientiousness, civic virtue, and sportsmanship. Conscientiousness is the behavior of the employees who accept and conform to the rules and policies of the organization; civic virtue refers to the employees' behavior demonstrating the willingness to cooperate in the organization; and the sportsmanship is the behavior of employees who can handle difficulty in work without complaining or moaning (Ma and Qu, 2011; Organ, 1977; William and Anderson, 1991).

The present study intended to explore OCBO of the employees to investigate the behavior of the hotel staff that are willing to and help their

organizations in addition to the roles that have been defined for their job. In addition, the study by Cropanzano, Rupp, and Byrne (2003) argued that, in order to explain the relationship between individuals and the organization based on the Social Exchange Theory (SET), OCB beneficial to organization (OCBO) should be investigated because it can directly describe the benefits to the organization.

### **Pay-for-Performance**

Pay-for-performance (PFP) refers to the extent to which employees believe that the compensation or reward they receive is related to their performance (Heneman, Greenberger, and Strasser, 1988; Nyberg et al. 2016). This concept corresponds with the definition of Gilbreath and Harris (2002), giving the meaning of PFP as a form of compensation given to employees depending on the level or quality of their performance. In addition, Wee, Ahmad, and Fen (2012) added that PFP is the rewards given if the employees have fulfilled the criteria set by the organization. It motivates employees to work in achieving organizational goals. Ren et al. (2017) explained that the effectiveness of PFP for the organization depends on the employees' perception of PFP. According to the Expectancy Theory, PFP is a compensation or reward based on the performance of an employee. The employees decide to do the job and make an attempt in finishing their work because they expect the reward (O'Donnell and O'Brien, 2000). The literature review found that PFP perception influenced the perceived value of the employees' performance, such as job satisfaction, job turnover and OCB; and the perception of PFP worked better in the profit-making organizations, both service-based and manufacturing organizations than in the government sectors (Gilbreath and Harris, 2002; Lazear, 2000; Nyberg et al., 2016; Ren et al., 2017). Therefore, it is viable for this study to use PFP to explain how the pay policy can motivate the front office staff to perform their work to meet the needs of the hotel, which will directly influence the profitability of the organization.

### **Pay-for-Performance and Organizational Citizenship Behavior**

The literature review found that HR practices could motivate employees to work outside of their roles and responsibilities. PFP is one of the

HR practices that are used in the organization to encourage the employees for extra-role behaviors (Cobb, 2011). Although, empirical studies in the relationship between PFP and organizational citizenship behavior toward organization (OCBO) in hotel business are limited, previous studies showed that PFP could motivate employees to work harder and lead to improved performance (Gilbreath and Harris, 2002; Lazear, 2000). In addition, Ren et al. (2017) discovered the influences of PFP on extra-role behavior in the beauty industry in China. This finding was in accordance with Lee et al. study's (2011) finding that performance-related-pay encouraged employees to perform OCB. The relationship between PFP and OCB can be explained by the Expectancy Theory stating that employees decide to work because they expect for the results. So PFP is an incentive for employees to work at their full potential and beyond the role assigned for their job (Boachie-Mensah and Dogbe, 2011; O'Donnell and O'Brien, 2000). Based on the review of literature described above, it can be hypothesized as follows:

H1: PFP is positively related to OCBO.

### **Perceived Organizational Support**

Perceived Organizational Support (POS) is the perception of employees that the organization values their work and cares about the well-being of employees (Eisenberger et al., 1986). POS is the perception that comes from feeling of mutual exchanges (Eisenberger et al., 2001). In addition, Rhoades and Eisenberger (2002) explained that POS is valued as assurance supporting from the organization when their employees deal with stressful situation. When employees get enough support from the organization, they have more tendency to improve their work performance (Shantz et al., 2016), since this is the way to reciprocate the organization.

### **Pay-for-Performance and Perceived Organizational Support**

Whether or not the employees are satisfied with their job is depending on the care of the organization. The pay-for-performance (PFP) policy makes employees recognize the organizational support (Gilbreath and Harris, 2002). PFP communicates to the staff that the organization values their work, leading to perception of organizational support among the employees (Rhoades and

Eisenberger, 2002). The study by Mayes et al. (2017) explained that employees see PFP as the reward for their good job done. The employees perceive PFP as an organizational support that values their work and considers employees as a part of the organization. This result is consistent with the studies done by Allen et al. (2003) and Liao et al. (2009). They found that the pay-for-performance policy resulted in better perceptions of organizational support among the employees. This finding can be explained by the Equity Theory that employees will compare their performance with those of other employees and when the organization demonstrates fair pay or rewards, employees have a good attitude toward the organization. Employees perceive that the organization values their work both in their job roles and that beyond their job roles (Gilbreath and Harris, 2002; Ren et al., 2017). Thus, it can be hypothesized as in H2 as follows.

H2: PFP is positively related to POS.

### **Perceived Organizational Support and Organizational Citizenship Behavior**

POS is an important variable that can explain the relationship between the organization and employees. According to the literature review, POS is likely to generate effective employee behavior, especially OCBO (Miao, 2011). This can be explained by the Social Exchange Theory (SET) and Norm of Reciprocity. When employees realize that the organization fully supports their work, they dedicate their time and work efforts to achieve better performance in return for organizational support (Jain et al., 2013). Further, the studies by Chiang and Hsieh (2012) and Mathumbu and Dodd (2013) found that POS is positively correlated with OCB. These findings are consistent with the findings of Jain et al. (2013). From the literature review, it can be concluded that the adequately supported employees are likely to create good organizational behavior; and the third hypothesis can be made as follows.

H3: POS is positively related to OCBO.

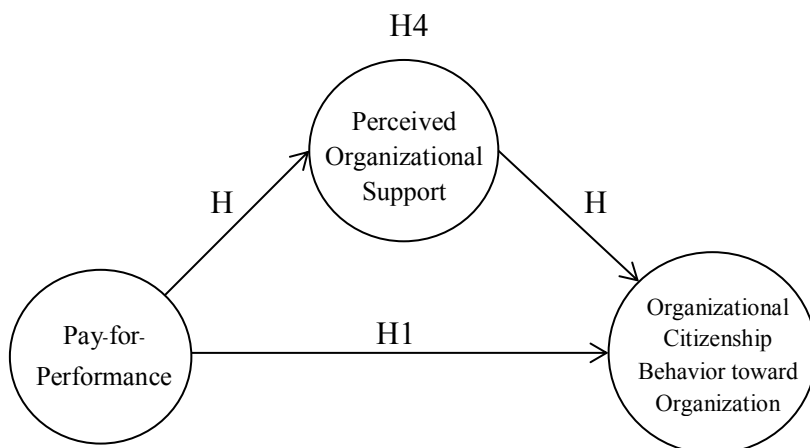
### **The Mediating Role of Perceived Organizational Support**

From the literature review, the study of the mediating variable between PFP and employee outcomes is very limited. However, according to SET, POS is a variable that is studied as a mediating variable for explaining Norm of

Reciprocity between employees and the organization (Rhoades and Eisenberger, 2002; Shantz et al., 2016). POS can create a sense of reward for employees to achieve their goals. Therefore, if POS is used as a mediating variable between PFP and OCB, it can be described by the Theory of Social Exchange as follows. When an organization pays compensation or rewards based on the employee's performance, the employee realizes that the organization sees the value of their work. Employees recognize that they are a part of the organization, which gives them an incentive to return fully and devote their work to the organization, even when the work is beyond their role (Eisenberger et al., 1986; Rhoades and Eisenberger, 2002). In addition, Zin (2017) found that POS acts as a mediator between pay and intention to stay in the IT business, which is consistent with the results of Mayes et al. (2017) finding that POS mediates the relationship between human resources practices and job satisfaction. Although empirical research studies on the relationship between PFP and OCBO with POS as a mediator are limited, results of the above mentioned studies can be hypothesized as follows.

H4: POS mediate the relationship between PFP and OCBO.

On the basis of the above four hypotheses, a conceptual framework for this study is proposed as is shown in Figure 1.



**Figure 1:** The Conceptual Framework of The Study



## **Research Methodology**

### **Sampling and Data Collection**

The population of this study is the frontline staff of interpersonal services staff (face-to-face or voice-to-voice communication) of 348 medium-sized hotels (60-149 rooms) and 185 large-sized hotels (> 150 rooms) in the South of Thailand (National Statistic Office of Thailand, 2015). The reasons for using this research population are that the medium-sized and large hotels often have a systematic human resource management and the southern region of Thailand has the highest number of tourists and can generate more income from the tourism industry than other regions (Ministry of Tourism and Sport of Thailand, 2017). In the data collection procedure, the researchers communicated with the hotel managers of these prospected hotels, 120 hotels agreed to cooperate in this study (66 were medium-sized hotels and 54 were large-sized hotels). A total number of 600 questionnaires, accompanied by blank envelopes and stamps, were sent by post mail to these 120 hotels, five for each hotel. Finally, 327 questionnaires were returned and data obtained were analyzed. Descriptive statistics shows that the number of 327 of frontline employees participating in this study represents a response rate of 54.5%. Of the 327 respondents 65.7 %were female; 46.5 %were at the age between 26 and 35 years; and 70.6 %were receptionists/guest service agents .The largest group of employees (57.3%) had worked in their hotels for between one and three years. In terms of education, 199 employees (60.9%) held a bachelor's degree.

### **Measures**

The tool used to collect data was a questionnaire containing three sections of PFP, POS, and OCBO. All items in the questionnaire were adapted and updated using Brislin's Back-Translation Process (1970). Each section of the questionnaire is described as follows.

#### ***Pay-for-Performance (PFP)***

The PFP measurement for this study contains five items. The questions are based on those of Boshoff and Allen (2000). An example of the PFP questionnaire is "The rewards I receive are based on customer evaluation of service." The questionnaire item is a 5-point rating scale from strongly disagree

(1 point) to strongly agree (5 points). The Cronbach's alpha coefficient of the questionnaire is 0.906.

### ***Perceived Organizational Support (POS)***

This section of POS measurement contains eight items taken from Eisenberger et al. (1997) questionnaire. An example of the POS questionnaire is "My organization really cares about my well-being". The questionnaire item is a 5-point rating scale from strongly disagree (1 point) to strongly agree (5 points). The Cronbach's alpha coefficient of the questionnaire is 0.925.

### ***Organizational Citizenship Behavior toward Organization (OCBO)***

The OCBO measurement for this study is based on three components of OCB: Conscientiousness, Civic Virtue, and Sportsmanship, all of which are also known as OCBO. This OCBO measurement contains 14 questionnaire items adapted from the measurement of Podsakoff et al. (1990). An example of the OCBO questionnaire is "I keep abreast of changes in the organization" The questionnaire item is a 5-point rating scale from strongly disagree (1 point) to strongly agree (5 points). The Cronbach's alpha coefficient of the questionnaire is 0.892.

## **Results**

### **Descriptive Statistics**

The proposed model consisted of three latent variables including PFP, POS and OCBO. The items PFP1 to PFP5 are the observed variables of PFP; each observed variable has a mean of 3.92-3.97 and a standard deviation of 0.64-0.73. POS1 to POS8 are the observed variables of POS; each observed variable has a mean value of 3.87-4.05 and a standard deviation of 0.67-0.76. Conscientiousness, civic virtue, and sportsmanship are the observed variables of the OCBO; each of these observed variables has a mean value of 3.92-4.10, and a standard deviation range of 0.56-0.59. All three variables PFP, POS, and OCBO were found positively correlated (at  $p < .05$ ) at correlation coefficients between 0.141 and 0.495, indicating that all variables were statistically significant. Moreover, it was found that all of them did not cause multicollinearity for the Structural Equation Modeling because all the correlation coefficients were not over 0.90 (Hair et al., 2010).

### Common Method Bias Testing

Since this study collected data only from frontline employees of the hotels and data collection was done at only one period of time so this might cause a problem of a Common Method of Bias (CMB). Therefore, the CMB was tested using the Harman's single factor test. All of the items in the questionnaire were tested for one factor analysis through the un-rotated exploratory factor analysis. Results revealed that one single factor explained 29% of the variance, indicating that CMB had no influence on data analysis because total variance for single factor was less than 50% (Podsakoff et al., 2003).

### Confirmatory Factor Analysis

After the Common Method of Bias (CMB) test, the Confirmatory Factor Analysis (CFA) was performed to test reliability and validity of the relationship structure between variables. Results of the CFA in Table 1 showed that all questions had a factor loading higher than 0.50 and were statistically significant ( $p < .001$ ) (Hair et al., 2010) and  $\chi^2 / df = 2.31$ , and the comparative fit index (CFI) = 0.96, Tucker - Lewis index (TLI) = 0.95, root mean square error of approximation (RMSEA) = 0.063 and the standardized root mean square residual (SRMR) = 0.056. As is suggested by Hair et al. (2010) that the reliable measurement models require  $\chi^2 / df$  between 2.0 and 5.0, CFI / TLI  $\geq 0.90$  and RMSEA / SRMR  $< 0.08$ . Further the construct reliability (CR) of the present study is ranging from 0.78 to 0.92, which is higher than 0.70 and the average variance extracted (AVE) is between 0.55 and 0.66, which is higher than or equal to 0.50. Moreover, the results in Table 2 demonstrated that all variables had discriminant validity because each AVE variable was higher than the squared correlation between the component and others (Fornell and Larcker, 1981). Thus, the testing of CFA revealed the good construct reliability and validity.

**Table 1:** Confirmatory Factor Analysis

Variables	Factor Loading	CR	AVE
<b>1. Pay-for-Performance</b>		0.91	0.66
1.1 PFP1	0.697***		
1.2 PFP2	0.772***		

**Table 1:** Continued

Variables	Factor Loading	CR	AVE
<b>1. Pay-for-Performance</b>		0.91	0.66
1.3 PFP3	0.809***		
1.4 PFP4	0.896***		
1.5 PFP5	0.882***		
<b>2. Perceived Organizational Support</b>		0.92	0.60
2.1 POS1	0.834***		
2.2 POS2	0.853***		
2.3 POS3	0.859***		
2.4 POS4	0.814***		
2.5 POS5	0.748***		
2.6 POS6	0.641***		
2.7 POS7	0.677***		
2.8 POS8	0.729***		
<b>3. Organizational Citizenship Behavior toward Organization</b>		0.78	0.55
3.1 Conscientiousness	0.598***		
3.2 Civic Virtue	0.828***		
3.3 Sportsmanship	0.780***		

Notes: \*\*\*  $p < .001$

**Table 2:** Discriminant Validity Analysis

Variable	HRD Practices	POS	OCBO
PFP	<b>0.66</b>		
POS	<i>0.20</i>	<b>0.60</b>	
OCBO	<i>0.07</i>	<i>0.06</i>	<b>0.55</b>

Notes: *The bold numbers in the diagonal represents the AVE; the italic numbers in the diagonal represent the squared correlations of the latent variables.*

*PFP = Pay-for-Performance; POS = perceived organizational support; OCBO = organizational citizenship behaviour toward organization.*

### Structural Equation Modeling and Hypotheses Testing

Structural Equation Modeling (SEM) was adopted to explore the hypothetical relationship. Results of an analysis of the structural equation model were  $\chi^2 /df = 1.98$ , CFI = 0.97, TLI = 0.96, RMSEA = 0.055 and SRMR = 0.055. Thus, all the fit indices showed the good fit of this model. These results are illustrated in Table 3 and Figure 2. As hypothesized, there was a relationship between PFP and OCBO ( $\beta = 0.171$ ,  $t = 2.43$ ,  $p = 0.015$ ) so the Hypothesis 1 was supported. In supporting Hypothesis 2, PFP was found significantly and positively related to POS ( $\beta = 0.450$ ,  $t = 9.23$ ,  $p < 0.001$ ). Hypothesis 3 predicted that POS was positively related to OCBO ( $\beta = 0.190$ ,  $t = 2.71$ ,  $p < 0.010$ ), and the findings supported Hypothesis 3. Finally, the test of indirect effects provided support for Hypothesis 4. There was a significant indirect relationship between PFP and OCBO through POS ( $\beta = 0.086$ ,  $t = 2.59$ ,  $p < 0.01$ ).

**Table 3:** Summary of the Hypotheses testing

Hypotheses	Path	Std. coefficient	t-value	p-value	Result
H1	PFP→ OCBO	0.171	2.43	0.015	Supported
H2	PFP→ POS	0.450	9.23	< 0.001	Supported
H3	POS →OCBO	0.190	2.71	0.007	Supported
H4	PFP→ POS→ OCBO	0.086	2.59	0.010	Supported

Notes: *PFP = Pay-for-Performance; POS = perceived organizational support; OCBO = organizational citizenship behavior toward organization.*

### Discussion and Implications

The purpose of this study is to test the relationship between PFP and OCB and to examine the role of POS as a mediator in this relationship. The results of this study show that PFP is directly and indirectly related to OCB through POS, which acts as a partial mediator. The direct relationship between PFP and OCB can be explained as follows. PFP is used in the organization to motivate employees to fully engage in their job even if the job is outside of their

formal role and responsibilities; this is directly beneficial to the organization. This relationship can be explained by the Expectancy Theory, that is, the employee will devote his or her efforts to work, expecting a response in reward. PFP is an incentive for employees to get their work done. This implied that employees work at their full capacity even if the job is beyond their assigned roles because they expect the reward from their organization (Boachie-Mensah and Dogbe, 2011; O'Donnell and O'Brien, 2000). These findings support several earlier studies that PFP influences employees to better behave (Ren et al., 2017; Zin, 2017). However, what is different from previous studies is that the present study focuses on how PFP can make employees in the service sectors, which is especially useful in academic circles and in practice of the service businesses.

The study also found indirect relationships between PFP and OCB through POS. This is shown when employees recognize the support of the organization through the PFP they are more likely to produce OCB (Mayes et al., 2017; Zin, 2017). This phenomenon can be explained by SET. Employees perceive PFP as a signal from an organization, i.e. they are rewarded with what they expect to get when they finish work. It creates good relationships between employees and the organization. Employees are eager to return to the organization with their full capacity, even when the work is beyond the tasks for which they are assigned. The more employees perceive how the organization values their work, the more they sacrifice to their organization through OCB (Knies and Leisink, 2014; Wee et al., 2012). These findings show that POS acts as a mediating variable in the interrelation between the organization and its employees. POS leads to a reciprocity relationship in making the compensation or rewards through performance-based awards that influence employees' extra-role behavior as the organization needs.

### **Practical Implication**

It is well accepted that employees in hospitality and tourism industry are working hard and they cannot predict the amount of work on a given day. Sometimes the employees have to work overtime so they cannot set their actual working hours each day, particularly during the tourist season (Chand, 2010; Chiang and Hsieh, 2012). In addition, employees need to be able to work fully and willingly in their services in order to impress their customers. As a result, employees with OCB are indispensable to this type of industry (Ma et al., 2013).

OCB can be achieved by communicating PFP policies to employees so they are aware that their work efforts are recognized and rewarded (Gilbreath and Harris, 2011). The organization must pay frontline employees who can deliver great services, emphasizing the significance of customized and more responsive services (Boxall and Purcell, 2016). Thus, PFP policies in a service organization must be linked directly from the ultimate goals – services to encourage frontline employees to go extra miles in order to provide excellent services, not limited themselves in rigid tasks in their job descriptions only.

The PFP policy also communicates to the employees that the organization sees the importance of their work. The more does the organization pay its fair share in compensation or rewards to their work, employees are more aware of supports of the organization. Employees will feel more eager to respond to the value of the recognition of their work by performing at their full potential, even if the work is beyond their roles (Rhoades and Eisenberger, 2002). For frontline service workers in the hotel business who need to welcome a large number of clients each day, payments based on position may not be incentivized when compared to the PFP policy. Through PFP, if an employee receives the good performance appraisal from the customers, then the compensation or reward increases. This will be more motivated for the employees to fully service and welcome the customers with a more service mind. Customers are then, impressed to come back to the hotel again. In this way, the organization benefits fully from the work of its employees.

### **Theoretical Implication**

The previous studies into the relationship between PFP and OCB were not conclusive. A study by Gilbreath and Harris (2002) found that PFP influenced the occurrence of OCB. This finding is; however, in conflict with that of the previous study by Deckop et al. (1999) reported that the PFP policy reduced the employee's off-role performance. Although the results of the current study have confirmed the influence of PFP toward OCB, it is important to note that the additional works examining this situation are still required to respond to the necessary of the knowledge development in the field, and practical benefits toward a service organization. Furthermore, the discovery of the relationship between PFP and OCB in this study illustrates the direction and trend of the relationship in the service business. The results show that PFP is not only limited

to in-role but it also enhances the extra-role performances. Particularly, PFP practice can enhance OCB among service employees who are very crucial for service organizations. In addition, the use of POS as a mediator to explain the relationship between PFP and OCB shows that using variables from SET to observe relationships between employees and organizations can describe the complex relationship in the organization clearly.

## **Conclusion**

This study sought to investigate the influence of PFP on OCB through employee attitudes (POS). The Structural Equation Model was used to test the mediating variance. Data were collected from 327 frontline hotel staff in the southern region of Thailand. Results of the study show that the relationship between PFP and OCB is both direct and indirect. Directly, the use of PFP influences the employees' organizational citizenship behavior. The compensation or reward that an employee receives on the basis of performance appraisal influences the employee's full performance, even if the job is beyond the intended employment. Employees expect more compensation or reward as the incentive they get when they work harder. When considering the indirect influence, it is found that perceived organizational support (POS) is a partial mediator. Employees also recognize that compensation or fair reward from work is a sign of caring from the organization and that the organization sees the value of its employees. Such a perception makes a return to the organization with their full performance. In conclusion, PFP is not only a tool to encourage employees to work for the organization; it also creates long-term relationships between employees and the organization.

## **Limitations and Suggestions for Future Research**

Although this study empirically contributed to the literature about the influence of PFP toward desirable employee behaviors in hotels, some limitations exist. First, previous studies revealed the effect of cultural factors toward employee performance (Bogicevic-Milikic and Janicijevic, 2009; Hempel, 2001); however, this current study did not examine the effect of cultural factors, especially the national culture in the model. Thus, in future studies, culture should be the one of the variables of interest. Second, this study



implemented the developed questionnaires even though all necessary steps, including the translation processes, were used to ensure the appropriateness of the instruments. It might be possible that different cultures between Thailand and Western countries where the original questionnaires were developed made it difficult to capture all meanings in the questionnaires. This fact also highlights the importance of cultural factors as explained above.

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