

# **The Moderating Effect of a Manager's Transformational Leadership on the Relationship between Restaurant Employees' Perceived Organizational Injustice and Workplace Deviant Behavior**

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## **ABSTRACT**

*The findings of prior studies suggest that employees are likely to engage in deviant behavior in the workplace when they perceive organizational injustice. Given that employees' perceived organizational injustice leads to workplace deviant behavior (WDB), a manager's leadership has significant implications for reducing WDB because leadership has been considered the process of influencing people to change their attitudes, behaviors, and beliefs towards organizational goals. Therefore, it is hypothesized that a manager's leadership may change the strength of the linear relationship between employees' perceived organizational injustice and WDB. The purpose of this study is to examine the moderating effects of transformational leader behaviors on the organizational injustice and employee WDB relationship in the foodservice industry.*

**Keywords:** *transformational leadership, organizational justice, workplace deviant behavior, casual dining restaurant*

## **INTRODUCTION**

Workplace deviance is defined as "voluntary behavior that violates significant organizational norms and in so doing threatens the well-being of an organization, its members, or both" (Robinson & Bennett, 1995, p. 556). Recently, the topic of workplace deviant behavior (WDB) has gained interest among practitioners and researchers. The growing interest in WDB is due in large to its increasing prevalence in the workplace and the tremendous costs associated with such behavior (Peterson, 2002). According to surveys of public-sector employees in Canada and the U.S., 69% of employees responded that they had experienced some form of verbal workplace aggression (Pizzino, 2002). A study of public-sector employees in the United States indicated that 71% of them had been victims of workplace incivility within the past five years (Cortina, Magley, Williams, & Langhout, 2001).

The prevalence of WDB can pose a significant threat to a company's bottom line. The annual costs of WDB have been estimated to reach \$4.2 billion for workplace violence alone (Bensimon, 1994), \$40 to \$120 billion for theft (Camara & Schneider, 1994), and \$6 to \$200

billion for a wide range of delinquent WDB (Murphy, 1993). In the U.K., estimates of lost productivity due to web surfing at work are \$600 million per year (Taylor, 2007).

Many prior studies suggest that reactions to perceived organizational injustice are a reason for employee engagement in deviant behavior. According to these studies, employees who experienced or felt unfairness may engage in some forms of deviant behavior in an attempt to restore some sense of equity or fairness. Also, employees who viewed task outcomes as unjust may attempt to alter the outcome itself or the amount of effort invested in the task. Further, employees who perceived that they were mistreated by other employees or supervisors are more likely to be motivated to engage in retaliatory behaviors such as inflicting discomfort on the person who they perceive responsible for causing harm (Andersson & Pearson, 1999).

Given that employees' perceived organizational injustice leads to WDB among workers, a manager's leadership has significant implications for reducing WDB. Because leadership is the process of influencing people to change their attitudes, behaviors, and beliefs towards organizational goals (Hersey & Blanchard, 1993), leadership has been recognized through the ages as a primary means of influencing the behaviors of others (Deluga, 1995).

In spite of contributive influence of leadership on WDB, however, there are limited studies considering how a manager's leadership may influence the relationship between employees' perceived organizational injustice and WDB. Therefore, the purpose of this study is to analyze if a manager's leadership behaviors have moderating effects on the relationship between employees' perceived organizational injustice and their WDB. More specifically, in this study, it is predicted that a manager's leader behaviors can directly reduce employees' perceived organizational injustice and therefore push employees to reduce WDB.

## **LITERATURE REVIEW**

### **Workplace Deviant Behavior**

Among a number of ways to conceptualize WDB, a more integrative view of WDB was proposed by Robinson and Benett (1995) as voluntary, purposeful behavior that violates significant organizational norms and is intended to harm the well-being of the organization and/or its members. WDB is categorized into two types based on the target of the behavior: organizational deviance and interpersonal deviance (Robinson & Bennett, 1995). Organizational deviance refers to deviant behaviors targeted to the organization. Examples of organizational deviant behaviors include tardiness, vandalism, wasting organizational resources, withdrawal effort from work, purposefully extending overtime, and stealing from the organization. Interpersonal deviance refers to deviant behaviors that are targeted at co-workers, supervisors, and subordinates in the organization. Examples include gossiping, making fun of others, acting rudely, arguing, verbal abuse, physical aggression, sexual harassment, and stealing from coworkers (Griffin et al., 1998).

## **Organizational Justice and WDB**

Among the numerous investigations about reasons why employees engage in WDB, one possible explanation is organizational justice theory. Organizational justice theory describes the association between employees' perceived organizational injustice and WDB as employees who perceive injustice or unfairness in their organization may engage in some forms of deviant behavior in an attempt to restore some sense of equity or fairness.

Organizational justice theory identifies three types of perceived injustice: distributive injustice, procedural injustice, and interactional injustice (Aquino et al., 1999; Bies & Moag, 1986). Distributive injustice reflects the perceived unfairness of outcomes (Adams, 1965). When people perceive their work outcomes to be unfair in comparison to others, they attempt to restore justice or a sense of equity (Adams, 1965). One method of restoring justice is to lower work inputs or act in a counterproductive manner to rebalance the input–output ratio (Schermerhorn, Hunt, & Osborn, 2004). Procedural injustice involves the perceived unfairness of the procedures used to make outcome decisions. Procedural injustice prompts employees to retaliate by exhibiting deviant behaviors against the organization because processes and procedures are determined and implemented at the organizational level (Aquino et al., 1999). Interactional injustice refers to injustice perceptions toward the quality of interpersonal treatment or the amount of respect, dignity, and sensitivity an individual is afforded by a person responsible for a decision or authority (Bies & Moag, 1986). People may perceive interactional injustice when their supervisors or co-workers mistreat them or demonstrate abusive attitudes or behaviors. Then this interactional injustice may lead them to reciprocate with uncivil interpersonal treatment if they believe deviant behavior is one way of coping with stress.

## **Managers' Leadership and Organizational Justice**

Organizational justice refers to the just and fair treatment of individuals within an organization (Cropanzano & Greenberg, 1997). Prior studies have suggested that it is reasonable to assume that leadership is related to issues of organizational injustice. According to Tatum et al. (2003), leaders are expected to create organizational systems that members perceive as fair, caring, and transparent. They argued that leaders tend to focus on clear communication, solving immediate problems, and rewarding subordinates because employees are mainly concerned with how the organization distributes rewards and involves them in decision making. Niehoff and Moorman (1996) also found that leaders who articulate and model of their vision contribute to the organization by establishing a culture of justice among employees as this communicates the policies of the organization. Taken together, leaders' behaviors exemplify organizational justice and increase the levels of perceived fairness and equity of employees.

## **Transformational Leadership and Employee Behavior**

Previous studies commonly imply that a manager's transformational leadership is significantly related to employees' productive, constructive, and just behaviors. According to Organ, Podsakoff, and MacKenzie (2006), managers with transformational leadership promote cooperation among subordinates and encourage them to work together toward a common goal even at the expense of their personal goals and aspirations. They challenge their employees to

go beyond their own needs and encourage self-sacrifice for the sake of the organization. Given that WDB is detrimental to the organization, such transformational leadership keeps employees from committing deviant behavior by emphasizing productive behaviors for the collective good (Hepworth & Towler, 2004).

Transformational leader behavior that articulates a vision also influences employee behavior. According to Organ et al., (2006), when managers exhibit this behavior, they are likely to help employees gain a clearer understanding of their role and provide a sense of hope for a better future. Consequently, managers tend to be perceived by their employees as more competent and predictable. Their employees then increase the level of trust and liking for the manager and then are motivated to engage in productive behavior to achieve the goals articulated. In addition, managers' supportive leader behaviors may be viewed as helpful by employees because it indicates that the leader is concerned and looks out for the employees' welfare. The employees are then likely to be motivated to reciprocate with productive behaviors. Another research by Kottraba (2003) suggested that employees' levels of role stress decrease when managers show regard for their circumstances and give clear explanations about why specific procedures are necessary. Both of these studies suggest that transformational leaders are effective at controlling stress in the workplace.

## METHODOLOGY

The sample for this study will be 500 employees of casual dining restaurants in the U.S. Three online questionnaires will be sent by email. WDB will be obtained from a 19-item scale developed by Bennett and Robinson (2000). The 12-item Multifactor Leadership Questionnaire (MLQ) will be used to assess Managers' transformational leadership behaviors. Three dimensions of organizational justice (distributive, procedural, and interactional justice) will be obtained from a modified 17-item scale developed by Niehoff and Moorman (1993).

The data analysis procedure will be conducted in three major phases. Initial data analysis will use a principal components factor analysis where interdependent correlations among the variables and the accuracy of each classification are analyzed. Next, the direct association between each set of organizational injustice and WDB will be examined to determine the direct relationship between independent variables and the dependent variable. Finally, moderating effects of the transformational leader behaviors on the relationship between organizational justices and WDB will be examined through the moderated hierarchical regression analysis. The moderating effects of the transformational leadership will be tested by examining the change in the squared multiple correlation ( $R^2$ ) attributable to the transformational leader behavior  $x$  the organizational justice interaction terms added in the hierarchical regression model.

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