



# Factors influencing brand citizenship behavior of hotel employees in Danang, Vietnam

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## Abstract

This study developed a model depicting the mediating role of service climate on the relationships between leadership commitment to service quality, service-oriented human resource practices and brand citizenship behavior, taking into account the competitive intensity in the tourist hotel industry. Data was collected from a sample of 287 hotel employees in Danang. The research findings support the proposed relationships between leadership commitment to service quality and service climate, as well as that between service-oriented human resource practices and service climate. The relationship between service-oriented human resource practices and service climate is negatively moderated by the competitive intensity in the tourist hotel industry. The findings further support that service climate fully mediates the relationships between the organizational antecedents and brand citizenship behavior.

**Keywords:** service climate, brand citizenship behavior, leadership commitment to service quality, service-oriented human resource practices.

## Introduction

The tourist hotel industry in the Asia Pacific has achieved significant growth over the last few decades. Tourist arrivals in the Asia Pacific increased from 22.16 million in 1980 to 216 million in 2010 and 248 million in 2013 (de Paula, 2012; World Tourism Organization, 2014). This has resulted in the establishment of several tourist hotels, leading to increasingly intense competition in the tourist hotel industry (Dhar, 2015; Su & Lin, 2014). In this context, scholars (Chang, Chiang & Han, 2012; Xie, Peng & Huan, 2014) have consistently emphasized the crucial role of brand citizenship behavior (BCB) in the superior performance of tourist hotels. First introduced by Burmann and Zeplin (2005), BCB evolved from the original organizational citizenship behavior (OCB) concept, which refers to employees' intention to exhibit extra-role behaviors. The main differences between these two concepts are that (1) BCB focuses on brand-oriented behaviors that bring "a brand

to life” (Burmamann & Zeplin, 2005: 282), and (2) while OCB is related to intra-organizational behaviors only, BCB goes beyond the scope of OCB as BCB also includes externally targeted behaviors that help to enhance the brand identity (Burmamann & Zeplin, 2005). Examples of intra-organizational behavior include helping co-workers with work-related problems, organizational compliance (Burmamann, Zeplin & Riley, 2009). Externally targeted behaviors that only relate to BCB include considering the impact on the brand before communicating to customers, willingness to engage customers for the brand, willingness to clarify customers’ misunderstanding of the brand, willingness to recommend the brand to others (Baker et al., 2014; Burmamann et al., 2009; Xie et al., 2014).

Another concept that has gained much attention in the services marketing literature is service climate which emphasizes how service employees perceive the importance of service quality in their organization (Bowen & Schneider, 2014; Schneider & Bowen, 1993). Service climate has emerged as a strategic tool for gaining a competitive advantage in tourist hotel industry (Kralj & Solnet, 2010). Prior service climate research suggests that service climate is a precursor to employee outcomes, customer outcomes and organizational financial performance (Barnes & Collier, 2013; Drach-Zahavy & Somech, 2013; Raub & Liao, 2012; Nicolaidis, 2008; 2016; Solnet & Paulsen, 2006). However, to our knowledge, no study to date has examined the potential impact of service climate on BCB of service employees, particularly in the tourist hotel industry. Yet it is evident that employees working in a positive service climate are likely to identify with their organizational values and support their organizational goals including branding (Hong et al., 2013). The lack of research on the influence of service climate on BCB of service employees is surprising, given that service employees are the “living brand” as their behavior, through personal interactions with customers, influences the way customers perceive the corporate brand (Baker et al., 2014; Bendapudi & Bendapudi, 2005; Pappasolomou & Vrontis, 2006).

Another gap in the literature is the limited knowledge about the antecedents of service climate. Some studies (Drach-Zahavy & Somech, 2013; Poujol, 2009; Salanova, Agut & Peiro, 2005; Tang & Tang, 2012) have produced inconsistent results on what shapes a favorable service climate. For instance, while Tang and Tang (2012) find a positive relationship between human resource (HR) practices and service climate, Salanova et al.’s (2005) work fails to support the direct effect of HR practices, such as autonomy and training, on the service climate of hotels and restaurants. Additionally, few studies have explored the boundary conditions under which the effect of the antecedents on service climate may be stronger or weaker, especially the external uncontrollable forces (e.g. market conditions). With the intensified competition in the tourist hotel industry, it is timely to explore how this market condition can influence the development of service climate.

To bridge these aforementioned research gaps, we investigated the antecedents of service climate and its consequence on BCB of hotel employees in Danang, a new emerging market in Asia, experiencing rapid growth in tourism and consequent



demand for tourist hotel services. Our paper offers four key contributions. First, we investigate whether service climate influences BCB of hotel employees. Second, we determine whether leadership commitment to service quality and service-oriented HR practices can influence service climate, taking into account the moderating effect of competitive intensity as a market condition. Third, we investigate whether service climate mediates the relationship between leadership commitment to service quality and BCB, and as well as that between service-oriented HR practices and BCB. Finally, we apply social exchange theory (Blau, 1968) to advance theory and develop hypotheses to theoretically explain the mechanisms by which service climate is created and employee BCB is promoted in the tourist hotel industry. Although social exchange theory has been well supported in service and tourism management literature (Lages & Piercy, 2012; Tang & Tang, 2012), very limited attention has been paid to its validation in Asian emerging markets. We expect that this theory is highly relevant in such markets due to the nature of collectivist cultures (e.g. group norms and interpersonal relationships are more important than advanced Western markets) (Thang et al., 2007).

The rest of this paper is structured as follows. First, we examine the theoretical background and develop a set of research hypotheses. Following this, we describe the research methodology and present our findings. Finally, we discuss theoretical contributions, managerial implications, and conclude with research limitations and future research directions.

## **Literature review**

### **Service climate and brand citizenship behaviour**

BCB is defined as an aggregated construct of individual behaviors that may enhance brand strength. Burmann and Zeplin (2005) propose the construct of BCB and its dimensions: helping behavior, brand consideration, brand enthusiasm, sportsmanship, brand endorsement, self-development, and brand advancement. These dimensions were further consolidated into three dimensions: willingness-to-help, brand enthusiasm, and propensity for further development (Burmann, Zeplin, & Riley, 2009).

Studies in tourism management have extensively document the importance of BCB. For example, hotel employees' BCB has been found to affect employee service performance (Baker et al., 2014), customers' brand trust (Xie et al., 2014) and customer satisfaction (Chang et al., 2012). Scholars have also explained various antecedents of BCB, such as internal brand management (Porricelli et al., 2014), brand communications (Baker et al., 2014) and perceived organizational support (Xie et al., 2014).

To our best knowledge, empirical studies in tourism management have not investigated the potential linkage between BCB and service climate, defined as the perceptions shared among employees regarding "the practices, procedures, and



behaviours that get rewarded, supported, and expected with regard to customer service and customer service quality” (1998:151). The focal point of service climate is the extent to which employee efforts and competency are directed towards delivering high quality services (Schneider et al., 1998). A service climate exists in the mindset of employees if they perceive that several messages provided by their organisational practices and reward systems, primarily under managerial influence, indicate the organisation’s priority commitment to customers and to services (Bowen, Schneider & Kim, 2000; Pugh et al., 2002; Solnet & Paulsen, 2006).

There is a large volume of service climate literature exploring its dimensions. Yet despite the development of service climate studies, there is still no consensus on what constitutes a service climate. Indeed, several authors developed or used various dimensions related to service climate in different contexts. While some scholars (Johnson, 1996; Schneider & Bowen, 1985; Schneider, Parkington & Buxton, 1980) considered service climate multi-dimensional construct, others (de Jong, de Ruyter, & Lemmink, 2004; Gracia, Cifre & Grau, 2010; Liao & Chuang, 2007; Little & Dean, 2006; Mayer, Ehrhart & Schneider, 2009; Salanova et al., 2005) have highlighted its uni-dimensional nature or a global construct. In the global service climate construct, each item describes a separable facet of the organisation’s work setting and the aggregate of the items represents the more global *gestalt* of service climate (Schneider & White, 2004). Because service climate represents an overall sense or atmosphere of a service organisation, service climate scholars may use global service climate to assess directly employees’ perceptions of the favourableness of their organisation’s service climate (Schneider & White, 2004). Additionally, Glisson and James (2002) and Griffin and Neal (2000) argued that the climate construct should be conceptualised as a global construct as it will reflect individual employees’ perceptions about how service is valued within their organisation and will represent a more accurate estimate of the relationship between service climate and other factors.

According to the premise of reciprocity in social exchange theory (Blau, 1968; Colwell et al., 2009; Gould-Williams, 2007; Lages & Piercy, 2012; Snape & Redman, 2010), we argue that the exchange of resources such as service climate not only sends a message to service employees that service quality is the priority in their organization but also prompts a sense of obligation in service employees. This is because all parties involved in the exchanges would receive mutual benefits from the relationships (Gould-Williams, 2007). In other words, the quality of social exchange (e.g. leader- member exchange, organizational support) results in employee feeling of support by their organizations, which lead to form of reciprocity (Snape & Redman, 2010).

Prior research suggests that service climate plays an important role in influencing employee service attitudes and behavior. For example, in a study of call center employees, Little and Dean (2006) found that service climate determines both their level of commitment to service quality and their perceived service quality capability. Another study of front-line employees by Pimpakorn and Patterson (2010) further



posits that service climate contributes to enhanced customer-oriented behavior. Along the same vein, we posit that service employees reciprocate by engaging in behaviors that support organizational values represented by the brand, communicated through service encounters or personal interactions between service employees and customers (Baker et al., 2014; King & Grace, 2012). That is, service employees, who perceive service quality as a top priority in their organization, are likely to willingly put extra efforts beyond their formal job descriptions to help strengthening the identity of their organizational brand. Thus, we hypothesize that:

*H1. Service climate positively influences brand citizenship behavior.*

### **Leadership commitment to service quality, service-oriented human resource practices and service climate**

Prior studies (Hong et al., 2013; Nicolaidis, 2008; Liao & Chuang, 2007; Salvaggio et al., 2007) investigating the role of leadership in shaping service climate have predominantly focused on the influences of leader personalities and/or leadership styles on service climate. For example, Salvaggio et al. (2007) argue that leaders with positive traits (e.g. core self-evaluations) have a positive service quality orientation, which in turn leads to a favorable service climate. However, no study has examined the influence of leadership commitment to service quality on service climate. Leadership commitment to service quality refers to the affective desire of leaders to enhance service quality in their organization (Hartline & Ferrell, 1996). In this paper, we argue that the attitudes and actions of the leaders directed towards employees in tourist hotels contribute to the creation of a service climate.

Leaders who are committed to service quality will transcend self-interest, care and concern for employees and customers (Settoon, Bennett, & Liden, 1996; Walumbwa, Harnell & Oke, 2010). These service leaders communicate to subordinates the importance of high-quality service delivery (Liao & Chuang, 2007). Further, they are likely to take initiatives to help their organizations and service employees delivering superior service quality (Hartline & Ferrell, 1996). Based on social exchange theory (Blau, 1968; Snape & Redman, 2010), positive attitudes and behavior from leaders (e.g. leaders show concerns for employees and customers) contribute to creating a social context in which employees perceive and interpret their organizational climate in a positive manner. Leaders “walking the walk” also convey the importance of service and directly foster the cultural adaptation of a service climate. Thus, we hypothesize that:

*H2. Leadership commitment to service quality positively influences service climate.*

Similarly, service-oriented HR practices implemented in an organization signal to its service employees the extent to which the organization expects, rewards and values good service provision, thus affecting employee perceptions of service climate (Chuang & Liao, 2010). This is because employment relationships in a firm can be seen as a social exchange, the quality which leads to unspoken obligations between



the parties (Blau, 1968). The process of social exchange is initiated when the firm signals to employees that it cares about their well-being and individual interests, and values their contributions. In turn, employees will be motivated and reciprocate with positive work outcomes (Gould-Williams, 2007).

Organizations that recruit and select service employees with service-oriented personalities and capabilities can send the message about how organizations emphasize the importance of service quality, thus can facilitate the development of a strong service climate (Schneider & White, 2004). Further, the provision of adequate training, appropriate decision making authority, and rewarding service-related performance can result in positive employee perceptions of service climate and reduce obstacles for service performance (Lux, Jex & Hansen, 1996). Hence, we hypothesize that:

*H3. Service-oriented human resource practices positively influence service climate.*

### **The moderating role of competitive intensity**

Service climate researchers have not examined the conditional effect of external uncontrollable factors external to the organization on the relationships between organizational factors and service climate. We argue that an external factor that may impinge on service climate is competitive intensity in the tourist hotel industry. Competitive intensity refers to the degree to which a company faces competition in a certain market (Grewal & Tansuhaj, 2001). Under highly competitive conditions, tourist hotels need to utilize and integrate their firm resources more extensively to gain a positive service climate. As market competition becomes increasingly intense, tourist hotels will execute various tactics to attract key service employees. Under conditions of high competitive intensity, employees will compare the service practices in their firm with other companies. As such it is argued that the higher the competitive intensity, the efforts required to draw service practices such as service-oriented HR practices to enhance service climate become more difficult. On the basis of the above arguments, we propose that:

*H4. Competitive intensity in tourist hotel industry negatively moderates the influence of service-oriented HR practices on service climate.*

### **Service climate as a mediator**

Prior studies on service climate (Hong et al., 2013; Salanova et al., 2005; Salvaggio et al., 2007) have indicated that when service tasks are facilitated by supportive leadership and adequate resources, service employees will shape perceptions of what behaviors are expected, and they will do their best to satisfy customer needs. For example, Salanova et al. (2005) find that organizational resources (i.e. training, autonomy) are positively related to service climate in hotels and restaurants, which in turn predicts employee performance. Similarly, Liao and Chuang (2007) suggest that leadership influences employee service attitude and behavior by transforming



a positive service climate to support service excellence goals. When employees working in organizations perceive that their organizations provide sufficient support and remove obstacles for promoting excellent services, they would recognize and share perception that delivering superior services is crucial for the competitive

## **Methodology**

### **Data collection and sample**

The sample for our study was derived from seven tourist hotels in three major cities of Danang, including Ho Chi Minh city (Southern region), Hanoi (Northern region), and Hue city (Central region). These tourist hotels, ranging from three to five star hotels, are among the best well-known tourist hotels in Danang. Since the aim of our study was to examine the extent to which BCB is promoted through the mediating role of service climate, the participant tourist hotels were selected on the expectation that they had already established a strong service climate and that their employees were aware of their critical role in developing their corporate brand. We contacted the HR department of these hotels directly and sent them a mailing packet containing (a) a cover letter explaining the purpose of the study and stating that their participation in the survey was voluntary, and (b) a copy of the survey to seek their support and approval to conduct a survey with their employees. After gaining their approval, we relied on the quota sampling approach to ensure that various functional departments, roles and position levels were well represented (Zikmund et al., 2011). This sampling approach provided accurate results similar to those for the more conventional probability sampling method (Malhotra et al., 2002).

Hard copies of questionnaires were distributed by the respective HR departments to their employees. We used the Danangese version of the questionnaire in the survey to obtain a better understanding of employee perceptions. To ensure semantic equivalence, two researchers who were native speakers, translated the English questionnaire into Danangese and crosschecked the translated versions. The Danangese version was then back translated into English by an independent translator, and checked against the original English version to confirm its consistency. We assured the confidentiality and anonymity of responses by asking employees to return the completed surveys in a sealed envelope to a confidential return box. Employees were also clearly informed that their participation was voluntary and the anonymity of respondents was ensured.

A reminder notice was sent to employees 2 weeks after they received the questionnaire. Out of 480 questionnaires that had been sent out, a total of 305 questionnaires were returned, 18 of which were unusable due to missing data, and a total of 287 questionnaires were used for analysis. Therefore, a response rate of 63.5% was obtained. As shown in Table 1, of our usable respondents, 64% were female; 62% were between 20-30 years of age. The respondents had worked in their firms for an average of 4.1 years. The demographic statistics of respondents



in our sample is similar to other tourist hotel studies (e.g. Dhar, 2015; Tsaur and Lin, 2004).

**Table 1.** Sample characteristics

	Frequency	Percentage
	<b>287</b>	<b>100</b>
<b>Gender</b>		
<i>Male</i>	103	35.9
<i>Female</i>	184	64.1
<b>Age</b>		
<i>20-30</i>	178	62.0
<i>31-40</i>	86	30.0
<i>Over 40</i>	23	8.0
<b>Working tenure</b>		
<i>Less than 1 years</i>	44	15.3
<i>1-3 years</i>	103	35.9
<i>3-5 years</i>	60	20.9
<i>More than 5 years</i>	80	27.9
<b>Department</b>		
<i>Marketing/sales</i>	24	8.4
<i>Customer service (front office, housekeeping)</i>	251	87.5
<i>Administration</i>	12	4.1
<b>Highest qualification</b>		
<i>High school</i>	26	9.1
<i>Diploma or Certificate</i>	107	37.3
<i>Undergraduate</i>	146	50.9
<i>Postgraduate</i>	8	2.8

## Measurement instrument

This study adopted measures from the existing literature. All measures were on a 7-point Likert-type scale from either (1) “strongly disagree” to (7) “strongly agree” or (1) “very-poor” to (7) “excellent”.

Service climate was measured by six items adapted from de Jong et al. (2004). The construct includes the basic components of climate constructs in the organizational climate literature, including practices, procedure and behavior (de Jong, de Ruyter & Lemmink, 2005; Schneider et al., 1998).

Example items include: “Our company is continually working to improve the quality of service we provide to our customers”, and “Within our company, employees often



go out of their way to help customers”. The Cronbach’s alpha of this scale in the current study is 0.80 Leadership commitment to service quality was measured by five items adopted from Yavas, Babakus and Ashill (2010). Example items include “Leadership in my company constantly communicates the importance of service quality”, “Leadership shows they care about service by giving of themselves”.

The Cronbach’s alpha of this scale is 0.81. The scale for service-oriented HR practices was adopted from Chuang and Liao (2010), Chan and Lam (2011), and Yavas et al. (2010). Service oriented HR practices were measured as a higher order construct consisting of four dimensions, including service-oriented recruitment and selection, training, rewards and recognition, and autonomy.

In this study, the Cronbach’s alpha value is 0.81. Competitive intensity was adapted from Jaworski and Kohli (1993). Example items include: “Competition in our industry is cutthroat”, and “Competition to attract good staff in our industry is fierce”. The Cronbach’s alpha of this scale is 0.84.

Finally, BCB, a seven-item scale, was adapted from King and Grace (2010). Example items include: “I demonstrate behaviors that are consistent with the brand promise of the company I work for”, and “If given the opportunity, I pass on my knowledge about my company brand to new employees”. The Cronbach’s alpha of this scale is 0.82.

## **Data analysis and results**

### **Confirmatory factor analysis**

The descriptive statistics and correlations among the research variables are presented in Table 2. Confirmatory factor analysis (CFA) was used to evaluate the fit of measurement model, and assess convergent and discriminant validity of the constructs. The CFA of the full measurement model (five-factor model) yielded a reasonable fit with the data ( $\chi^2/df = 2.18$ , CFI = 0.90, IFI = 0.90, RMSEA = 0.06, SRMR = 0.07). Further, when we compared the five-factor model with the alternative models (Model 2 to Model 5), the results indicated that the five-factor model was superior to the four alternative models (see Table 3).

The CFA also provided support for convergent and discriminant validity of all constructs. The standardized factor loadings for all constructs in this study range from 0.57 to 0.87 and were significant ( $p < 0.001$ ) (see Appendix A). Composite reliability (CR) values for all constructs range from 0.83 to 0.94, exceeding the prescribed minimum requirement (0.6). The Cronbach alpha values exceeded 0.7, and the AVE values all exceeded 0.5 (see Table 2).

**Table 2.** Descriptive statistics and correlation matrix

	Mea n	SD	Cronbach alpha	C R	AVE	1	2	3	4
1. Service climate	5.31	0.89	0.80	0.86	0.50				
2. Leadership commitment to SQ	5.53	0.98	0.81	0.84	0.60	0.62			
3. Service-oriented HR practices	5.01	0.89	0.81	0.94	0.61	0.66	0.61		
4. Competitive intensity	5.49	0.99	0.84	0.83	0.55	0.48	0.40	0.48	
5. BCB	5.66	0.88	0.82	0.87	0.54	0.53	0.51	0.41	0.52

Note: All correlations are significant at 0.01 level

**Table 3.** Comparison of measurement models

Model	Factors	$\chi^2$	df	$\chi^2/df$	$\Delta \chi^2$	CFI	IFI	RMSEA	SRMR
Model 1	Five-factor model	1364.16	624	2.18		0.90	0.91	0.06	0.07
Model 2	Four-factor model: service climate and BCB were combined into a single factor	1568.10	628	2.50	203.94***	0.86	0.87	0.07	0.10
Model 3	Three-factor model: leadership commitment to SQ, service climate and BCB were combined into a single factor	1801.47	631	2.90	437.31***	0.82	0.83	0.08	0.10
Model 4	Two-factor model: leadership commitment, service-oriented HR practices, service climate and BCB were combined into a single factor	2632.32	637	4.13	1268.16***	0.71	0.71	0.11	0.10
Model 5	One-factor model: all items were combined into one factor	2889.14	638	4.53	1524.98***	0.68	0.69	0.11	0.11

Note: \*\*\*  $p < 0.001$

All constructs achieve discriminant validity as all AVE values were greater than the squared correlation estimate (Fornell & Larcker, 1981).

### **Common method bias**

As the variables were collected from a single key respondent from service employees, it is important to assess the measures for potential common method bias (Delcourt et al., 2013; Melton & Hartline, 2013). The potential common method bias was first reduced through the design of the study as suggested from MacKenzie, Lee and Podsakoff (2003). We used lengthy scales with clear, concise and unambiguous scale items. In addition, in the survey questionnaire, we assured respondents that their answers are anonymous and that there were no right or wrong answers, encouraging them to answer the questions as honestly as possible. Further, we used the Harman single factor test (Podsakoff et al., 2003) to assess the potential impact of a common method factor and found that the goodness-of-fit of the single factor model was highly unsatisfactory ( $\chi^2/df = 4.53$ , CFI = 0.68, IFI = 0.69, RMSEA = 0.11, SRMR = 0.11). This indicates that common method bias is not problematic in the study.

### **Structural model estimation and results**

To test the hypothesized relationships developed in this study, full structural equation modeling (SEM) in AMOS 20.0 was used. Some critical advantages of using this technique are its ability to test an entire model simultaneously, and its ability to estimate the direct and indirect effects of independent variables on dependent variables (Kline, 2011). This technique therefore provides an integrated view of relationships, rather than of individualized pairs (Conduit & Mavondo, 2001). The structural hypothesized model provides a reasonable fit to the sample data. All goodness-of-fit indices were within acceptable range ( $\chi^2/df = 2.32$ , CFI = 0.91, IFI = 0.92, TLI = 0.9, SRMR = 0.058, RMSEA = 0.068).

The standardized factor loadings shown in Table 4 indicate that service climate has a statistically positive influence on BCB ( $r = 0.64$ ,  $p < 0.001$ ), thereby supporting H1. Further, on the antecedents of service climate, both leadership commitment to service quality and service-oriented HRM were found to have a positive significant effect ( $r = 0.29$ ,  $p < 0.001$  and  $r = 0.62$ ,  $p < 0.001$ , respectively).

Thus, H2, and H3 were supported. Leadership commitment to service quality and service-oriented HR practices were both found to be crucial antecedents of a service climate. Both antecedents account for 72% of the variance of service climate. In turn, service climate explains 40% of the variance in BCB

**Table 4.** Standardized structural paths

Structural path	Standardized estimate	t value	Result
Service climate → Brand CB	0.64	8.27***	H1 supported
Leadership commitment to SQ → Service climate	0.29	3.34***	H2 supported
Service-oriented HR practices → Service climate	0.62	6.31***	H3 supported

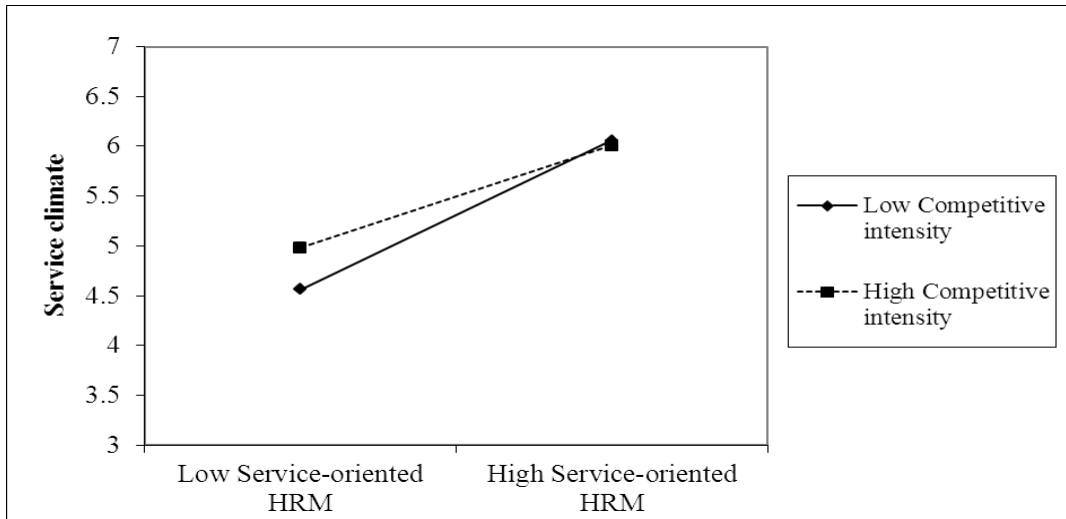
\*\*\*  $p < 0.001$  (two-tailed)

To test the moderating effect of competitive intensity, we centered all predictor and moderator variables by standardizing each variable at a mean of zero and standard deviation of 1 (Aiken & West, 1991). Table 5 shows a significant moderating effect of competitive intensity on the service-oriented HR practices – service climate relationship ( $\beta = -0.11$ ,  $p < 0.05$ ). Thus the result supports Hypothesis 4. That is, the positive influence of service-oriented HR practices on service climate weakens as competitive intensity in tourist hotel industry increases. Figure 2 shows the graphical presentations of the moderating effect of competitive intensity on the relationship between service-oriented HR practices and service climate.

**Table 5.** Moderating effects of competitive intensity

	Path estimate	t-value	Result
Service-oriented HR practices x Competitive intensity	-0.11**	-2.29	H4 supported

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$



**Figure 2.** Interactive effect of service-oriented HR practices and competitive intensity on service climate

Finally, Hypothesis 5 suggests that service climate mediates the relationship between leadership commitment to service quality, service-oriented HR practices and BCB. Although a causal step approach (Baron & Kenny, 1986) was popular to test mediation, recent literature has recommended to use SEM with bias-corrected bootstrapping as a superior method to test this mediating effect (Goodwin, Groth, & Frenkel, 2011; Iacobucci, Saldanha, & Deng, 2007; Lau & Cheung, 2012). Following this approach, we used bias-corrected bootstrapping with 2000 re-samples to test the significance of direct, indirect and mediating effects.

Table 6 shows that the direct path from independent variables (leadership commitment to service quality and service-oriented HR practices) to dependent variable (BCB) was not statistically significant ( $p > 0.05$ ). If both paths from independent to mediator and from mediator to dependent are significant, mediation may exist (Goodwin et al., 2011). In our study, the bootstrapped bias-corrected confidence intervals indicated that both paths were statistically significant (see Table 6). The standardized indirect effects were 0.13,  $p < 0.01$  for leadership commitment to service quality and 0.4,  $p < 0.01$  for service-oriented HR practices. This suggests that service climate fully mediates both the relationship between leadership commitment to service quality and BCB, and the relationship between service-oriented HR practices and BCB. In summary, H5a and H5b were supported by the data.

**Table 6.** Results of bootstrapping analysis: Effects on BCB

Variable	Standardized direct effect	Standardized indirect effect	95% confidence interval
Leadership commitment to SQ	ns	0.13*	0.004 to 0.45
Service-oriented HR practices	ns	0.32**	0.06 to 0.85
Service climate	0.51*	n/a	0.06 to 0.91

Note: \*\*  $p < 0.01$ , \*  $p < 0.05$ , ns: non-significant, n/a: not applicable

## Discussion and conclusions

### Theoretical implications

We draw on the reciprocity element of social exchange theory to develop hypotheses concerning how service climate is created and employee BCB is promoted in tourist hotels. Our findings make several contributions to the services marketing and tourism literature as well as providing implications for managers.

First, our study is the first to link service climate with BCB. Although prior studies (Baker et al., 2014; Chang et al., 2012; King & Grace, 2010) have indicated that internal branding practices have a positive influence on BCB, the roles of leadership commitment to service quality and service practices (e.g. service-oriented HR practices) and the mediating role of service climate in promoting BCB in service firms have not been explored in prior literature. Drawing upon social exchange theory, our findings provide clear evidence that both leadership commitment to service quality and service-oriented HR practices positively influence service climate, which in turn drives BCB in tourist hotels. When hotel employees are supported with organizational resources and practices, they feel a sense of obligation to reciprocate and support their organizational brand success (Blau, 1968; Sierra & McQuitty, 2005).

Further, our findings indicate that service climate fully mediates the relationship between leadership commitment to service quality and BCB, and service-oriented HR practices and BCB in the tourist hotel industry. This suggests that tourist hotels should not expect the direct effect of leadership commitment to service quality and service-oriented HR practices on BCB. Instead, in order to enhance hotel employees' BCB, tourist hotels should focus on shaping a positive service climate through leadership commitment to service quality and service-oriented HR

practices. Our mediating model of service climate on the relationships between leadership commitment to service quality, service-oriented HR practices and BCB explains 40 percent of BCB's variance, providing evidence that it is a most effective means to promote BCB in tourist hotels. Although alternative theoretical frameworks such as internal branding practices (Baker et al., 2014; Chang et al., 2012; King & Grace, 2010) may provide additional explanation on the variance of BCB, our findings indicate that social exchange is crucial to explain and predict this variance.

Additionally, we extend the social exchange theory in the tourism context and from an Asian emerging market setting. While limited attention has been paid on the validation of social exchange theory in Asian emerging markets, we validate the applicability of social exchange theory in such markets. Evidence from our study shows that the exchange of relationships such as leadership commitment to service quality, service-oriented HR practices, service climate and BCB is quite strong with high positive relationships between the proposed variables. Indeed, the importance of interpersonal relationships and group norms is more manifest in collectivistic cultures such as those typically found in Asian emerging markets than in more advanced Western markets (Gamble & Tian, 2012; Thang et al., 2007). As such, based on this relational predisposition, we posit that employees from Asian emerging markets, given their collectivist background, are more willing to reciprocate and support their organizational brand by putting extra effort into service delivery.

Finally, while previous studies (Auh et al., 2011; Hong et al., 2013; Salanova et al., 2005; Schneider et al., 1998) only focus on firm-based antecedents of service climate, our study examined the impact of competitive intensity as a moderator of the service-oriented HR practices and service climate relationship. Our findings indicate that in a more intensely competitive environment, especially when attracting key service employees, the efforts of service firms to use service-oriented HR practices to enhance service climate are more difficult or less effective than in less competitive environments. Our findings, thus, extend the view that certain constraints can hinder the quality of social exchange (Mitchell, Cropanzano & Quisenberry, 2012) by confirming competitive intensity in the tourist hotel industry as a constraint on the influence of service-oriented HR practices on service climate.

### **Managerial implications**

Our findings have several implications for managers of tourist hotels. First, our finding that leadership commitment to service quality and service-oriented HR practices enhance service climate means that managers of tourist hotels can take actions to improve their organizational service climate and BCB for their service brand success. Specifically, leaders of tourist hotels need to show commitment to service quality to deliver a strong message about excellent service delivery (Hong et al., 2013). When a positive service climate is created, tourist hotel employees are more likely to exhibit BCB. In addition, the mediation of service climate suggests that management may foster a positive service climate to enhance the influence of



leadership commitment to service quality and service-oriented HR practices on employee BCB. Management efforts such as training tourist hotel employees to obtain knowledge and skills for service delivery, rewarding tourist hotel employees based on service performance, and providing more autonomy for employees are crucial in generating a positive service climate (Auh et al., 2011; Hong et al., 2013) and thereby promote BCB in tourist hotel employees.

### **Limitations and future research**

Nevertheless, we drew our conclusion from a small sample of tourist hotel employees in Danang using self-reported data. Our research findings can also be strengthened with data from multiple sources, by surveying not only tourist hotel employees but also supervisors, co-workers and customers in order to triangulate the research findings. For example, service-oriented HR practices, leadership commitment to service quality, and BCB can be surveyed from the additional perspectives of supervisors/managers (Auh, Menguc, & Jung, 2014; Hartline & Ferrell, 1996; Tang & Tang, 2012). BCB can also be reported by co-workers (Scott, Restubog, & Zagenczyk, 2013). Another possible future research avenue is to validate our findings in another market, advancing our understanding of the identified relationships in a cross-national setting.

In addition, future research could also incorporate or test the relationships involving service climate, its drivers and outcomes by using other variables such as employee characteristics (i.e. employee experience, employee personalities), customer brand, and customer relationship management. The inclusion of these variables in the framework would help researchers draw a broader picture of the service profit chain that links the antecedents and the outcomes of service climate.

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