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The Influence of Hospitality Leaders' Relational Transparency on Followers' Trust and Deviance Behaviors: Mediating Role of Behavioral Integrity

Abstract

This paper investigates the effect of leader's relational transparency on follower organizational deviance through followers' perception of leader's behavioral integrity and their trust in leader. Multi-level modeling results from a multisource survey-based field-study with 24 hospitality student project teams ($N = 149$) show that behavioral integrity mediates the relationship between leader's relational transparency and follower's trust in leader. Furthermore, multi-level path analysis suggests that leader's relational transparency, a team-level construct, exerts a cross-level effect on follower's organizational deviance through the mediating roles of behavioral integrity and follower's trust in leader. The study has yielded theoretical and practical implications that are useful for hospitality leaders.

1. Introduction

In order to deliver a high quality customer experience in the hospitality context, it is important to build multi-respectful, trustful, and fair leader-follower relationships (Hon & Lu, 2013; Kim, O' Neill, & Jeong, 2004). Leaders and their followers are expected to develop and maintain positive relationships with each other, while accomplishing the goals of the organizations (e.g., Hon & Lu, 2010). Truthful interpersonal communication with subordinates is crucial to successful hospitality leaders (Lolli, 2013). Thus, it is essential to understand the impact of leader's relational transparency – defined as leader's behaviors focusing on “valuing and achieving openness and truthfulness in one's close relationships” (Kernis, 2003, p. 15). Previous works demonstrated that leader's relational transparency impacts leader-followers relationships as well as followers' attitudes and behaviors, such as perceived leaders' credibility (Walker & Pagano, 2008), behavioral integrity (Vogelgsang, Leroy, & Avolio, 2013), trust in leader (Norman, Avolio, & Luthans, 2010; Palanski, Kahai, Yammarino, 2011), followers' psychological capital (Clapp-Smith, Vogelgsang, & Avey, 2009), commitment (Leroy, Palanski, & Simons, 2012), engagement (Vogelgsang et al., 2013), and job performance (Leroy et al., 2012; Vogelgsang et al., 2013). Despite its importance, investigations on leader's relational transparency have primarily been conducted in the management literature (Leroy, et al., 2012; Simons, Tomlinson, & Leroy, 2011; Vogelgsang et al., 2013), as hospitality research has not paid adequate attention to leader's relational transparency.

However, the role of leader's relational transparency in the hospitality context cannot be underestimated because leader relational transparency can impact followers' ethical behaviors, which have considerable strategic impacts in areas such as revenue and earnings growth as well as micro implications such as theft, forgery, and credit card fraud (cf. Kim & Brymer, 2011;

Kincaid, Baloglu, & Corsun, 2008; Minett, Yaman, & Denizci, 2009; Reynolds, 2000). A lack of leader's relational transparency could result in followers' distrust and "hiding" behavior, such as concealing mistakes or participating in cover-ups, which is difficult to detect in organizations (Bernstein, 2012).

Examining the mechanisms through which leader's relational transparency decreases employee organizational deviance – defined as voluntary behaviors directed to the organization that violates organizational norms and threatens the organizational success (Bennett & Robinson, 2000) – is important because deviant behavior is often the only remaining option for employees who feel betrayed or treated unjustly by untrustworthy leaders (Harvey, Martinko & Borkowski, in press). Including both serious behaviors (e.g., stealing, sabotage) and less serious ones (e.g., tardiness, wasting resources) (Bennett & Robinson, 2000), the cost of stealing in organizations alone has been estimated to be \$50 million annually in the U.S. (Coffin, 2003). The Association of Certified Fraud Examiners (2012) suggested that one component of employee deviance – dishonesty – may cost employers as much as US\$3.5 trillion globally. Theft in the restaurant industry alone has been reported to be US\$3 to \$6 billion annually (Garber & Walkup, 2004). Moreover, deviance behaviors, such as sabotage, also adversely impact customer service (Harris & Ogbonna, 2002). Given its negative impact and widespread usages in the hospitality industry, hospitality organizations have a pressing need to reduce follower organizational deviance – one possibility is to select and train role-models, or leaders with high relational transparency.

In sum, this paper examined the importance of leader's relational transparency in the hospitality context by examining the mechanisms through which leader's relational transparency impacts followers' attitudes and behaviors. Drawing on causal attribution theory and using a multi-level field study, we seek to answer three research questions: First, what role does

relational transparency play in the follower's perception of leader's behavioral integrity – defined as perceptual alignment of deeds and words (Simons, 2002) – in the hospitality industry? Second, what effect does relational transparency have on follower's trust in leader – defined as follower's willingness to be vulnerable to leader's action (Mayer, Davis, & Schoorman, 1995) – and follower's organizational deviance.? Third, to what extent does behavioral integrity and trust mediate the relationship between relational transparency and follower's organizational deviance?

By addressing these questions, the present research contributes to the hospitality literature in several ways. First, although most of the research on transparency in the hospitality literature is primarily related to consumer perceptions and consumer behavior (see Miao & Matilla, 2007), this study makes a significant contribution to the hospitality literature by examining leader transparency. Relational transparency, as a key component in authentic leader, is a “root construct” of other forms of positive leadership (Avolio & Gardner, 2005). Thus, the high amount of leader-follower interactions in hospitality demands a more in-depth understanding of the effects of leader's relational transparency in this industry. This research sheds light on leader's relational transparency by explicating its level of conceptualization and examining how team level relational transparency exerts cross-level impacts on followers' perception of leaders, attitudes towards leaders and actual behaviors at the dyadic level.

Second, drawing on causal attribution theory, this research extends the outcome effects of relational transparency from positive job performance behaviors (e.g., Leroy et al., 2012; Vogelgsang et al., 2013) to negative organizational deviant behaviors. As discussed above, organizational deviance is a common but yet costly response to untrustworthy leaders. By using causal attribution theory, we attempt to understand how leader's relational transparency impacts followers' deviance through the change of followers' perception and attitudes towards leaders

(i.e., behavioral integrity and trust in leader). Our research findings delineate useful implications for hospitality managers and companies who want to minimize followers' organizational deviance behaviors.

Third, we explain the mediating roles of behavioral integrity based on causal attribution theory. As hospitality sectors continue to feel the pressure of contracting revenue, a great deal of stress is being put on leaders to meet or exceed market expectations. As such, leaders are fraught with many ethical decision points. Although a growing number of studies examining leader's behavioral integrity have provided robust evidence on the relationships between leader's behaviors on behavioral integrity (e.g., Leroy et al., 2012; Vogelgsang et al., 2013) and that between leader's behavioral integrity on followers' trust in leader (see Davis & Rothstein, 2006; Simons, Leroy, Collewaert, & Masschelein, 2015, for recent meta-analytical reviews), very few works focused on explaining the potential mechanisms. Demonstrating the importance of behavioral integrity, Simons and colleagues (2015) found that behavioral integrity has a relatively stronger impact than alternative concepts on perception of leaders, such as psychological contract breach and moral integrity in their recent meta-analysis. They further argued that employees' attitudes are not the only mechanism through which behavioral integrity is related to performance. As such, they called for research to explore potential mediators in the relationship between behavioral integrity and performance. By using causal attribution theory, which suggests that attributed causes of events (or other behaviors) can change people's attitudes and behaviors (Heider, 1958; Weiner, 1986), our current research can contribute to the literature of behavioral integrity by not only exploring relational transparency as an antecedent to behavioral integrity, but also providing a cognitive-based theoretical explanation (i.e., employees' attributions of leader's behaviors) of the relationships among behavioral integrity,

attitudes towards leaders (embodied in trust in leader), and organizational deviance. By understanding what relational transparency is and its effects on follower behavior, hospitality leaders can manage their behaviors to ensure transparency and integrity, yielding greater trust from their followers and improved overall performance.

2. Theoretical background and hypotheses

2.1 Causal Attribution Theory

Causal attribution theory has been frequently used in hospitality and tourism research (Tang, 2014) as a mechanism for rational explanations of consumer behavioral intentions and emotional responses (Kim & Cho, 2014). Just as consumers make attributions about causes related to products and services, followers make attributions about causes related to the behavior of their leaders, which serves as an important mechanism through which leader's behaviors impact followers' attitudes towards leaders (Tomlinson & Mayer, 2009) and followers' behaviors (e.g., Martinko, Gundlach, & Douglas, 2002).

Causal attribution theory is well suited for explaining the relationships tested in this research model because leader's transparency can modify followers' attributions of leaders' behaviors, which in turn change their perception towards leaders, attitudes and actions (cf. Dasborough & Ashkanasy, 2002). Research has demonstrated that individuals' causal attributions in regards to negative workplace events are a major factor leading to deviant behavior (Martinko et al., 2002). Using causal attribution theory, we sought to explain how leader's relational transparency relates to employee organizational deviance through the mediating roles of behavioral integrity and trust in leader.

Weiner (1986) found that individuals determine the cause of an outcome based on three attribution factors. First, individuals determine *locus of causality* – whether the cause was

internal (self as actor causing the outcomes) or external (others as actors causing the outcomes). Leader relational transparency can foster favorable attributions to the leaders such that followers are more likely to attribute success to leader while attribute failure to self and other non-leader factors (cf. Harvey, Martinko, & Gardner, 2006). Consequently, this promoting constructive emotional responses in followers, resulting in the development of trust (Tomlinson & Mayer, 2009). Second, individuals determine *controllability* – the degree to which the attributed actors have control over the outcome. Followers are more likely to trust their leaders if they believe their leaders have control over positive outcomes, resulting in less detrimental actions (Dasborough & Ashkanasy, 2002). Third, individuals determine *stability* – the level of volatility or stability as a predictor of future outcomes. Relational transparent leaders are more likely to use authentic social accounts (e.g., apologies and justifications) over self-serving ones (e.g., denials and excuses). Such use of social account, in turn, increases the stability of positive outcomes while decreasing the stability of negative outcomes (Tomlinson & Mayer, 2009). In sum, leaders' engagement in relational transparent behaviors such as sharing relevant information, communicating feedback, and being forthcoming about motives and decisions rationales (Norman et al., 2010; Vogelgesang & Lester, 2009), can affect followers' attribution of leaders' behaviors, formation of trust and their corresponding deviance behaviors (e.g., Spector & Fox, 2010). Based on causal attribution theory, we turn to the discussion of how relational transparency changes perception and attitudes towards leaders (embodied in behavioral integrity and trust in leader) and follower's organizational deviant behaviors.

2.2 Leader's relational transparency

While relational transparency is an important independent construct (e.g. Norman et al., 2010; Vogelgesang et al., 2013), it is also a key component in authentic leadership (Gardner,

Avolio, Luthans, May, & Walumbwa, 2005). Avolio and Gardner (2005) described the latter as a “root construct” of other forms of positive leadership. Including communication behaviors such as open communication and sharing of relevant information, Avolio, Gardner, Walumbwa, Luthans, and May (2004) suggested that relational transparency is a commitment that the leader makes to enable followers to see the leader’s true self. Moreover, Vogelgesang et al. (2013) revealed that leaders high in transparency display behavioral integrity, which in turn positively stimulates followers’ work engagement and performance. Consistent with Vogelgesang et al. (2013), we examined transparency at the team (i.e., leader) level (also see, Hughes, 2005) because although each follower may communicate and share information with the leader differently, followers share a common perception of the leader by observing how the leader treats each follower (Atwater, Roush, & Fischthal, 1995). This level of conceptualization is in line with the previous research that examined relational transparency as a sub-dimension of authentic leadership (e.g., Avolio et al., 2004).

2.3 Relational transparency and behavioral integrity

While relational transparency is a shared perception of leader’s willingness to be forthcoming, behavioral integrity is the perception of leader’s integrity (Vogelgesang et al., 2013). These concepts are distinct as the perception of behavioral integrity, which involves enacted and espoused values and promise keeping (Dineen, Lewicki, & Tomlinson, 2006; Simons, 2002) can be attributed to leader’s relational transparency. Perceptions of behavioral integrity are derived from both leaders’ behaviors as well as followers’ inferences from the actions of the leader (Kannan-Narasimhan & Lawrence, 2012). Although behavioral integrity has both subjective (e.g., perception) and objective (e.g., leaders’ actual behaviors) elements, Simons (2002) emphasized that behavioral integrity “is subjective”. Similarly, Palanski and Yammarino

(2011) proposed that behavioral integrity is a dyadic construct where each follower forms his/her own perception based on his/her own interactions with the leader.

Despite the subjective nature of behavioral integrity, followers form such perceptions based on leader's actual behaviors (Simons, 2002). Transparent communication with the leader is the basis for perception of word-deed alignment because followers may attribute the clarity and inherent motives of the leader as consistent (Vogelgesang et al., 2013). In particular, a transparent leader engages in open communication, gives and accepts constructive feedback, and shares relevant information with the followers (Vogelgesang et al., 2013). Such behaviors enable the followers to see the authentic self of the leader (Gardner et al., 2005). As a result, followers form a stable favorable attribution to the leaders, such that the leader will consistently share factual information to them. Open communication also allows followers to understand their leaders better, which facilitates the process of understanding whether the leaders' words match their actions. Hence, followers are more likely to perceive their transparent leaders to have high behavioral integrity.

Although hospitality leaders may face conflicting priorities, which may threaten followers' perception of their behavioral integrity, sharing information and rationales behind decision-making and soliciting feedback lessens such concerns and positively influences attributions. As such, leader's relational transparency increases behavioral integrity by facilitating the leader-follower interactions, managing causal attributions, and promoting understanding of each other. In the case of a negative event, such as a situation where a leader cannot keep promises because of conflicting priorities, a transparent leader who engages in open communication can alter followers' attribution by apologizing, openly admitting their fault, and sharing relevant information. Such transparent communication behavior reduces stability

198 attributions and followers can be guaranteed that such negative events are not going to be
199 repeated. Hence, transparent leaders can be seen as having high behavioral integrity even in the
200 case of negative events (Vogelgesang et al., 2013). On the other hand, if leaders are low in
201 relational transparency, they are more likely to make excuses in the face of negative events. As
202 such, followers are more likely to form attributions that the leader intentionally breaks promises
203 and breaking promises is likely to happen again in the future. This external (i.e., leader as the
204 source of problem) and stable attribution results in a perception of low word-deed alignment
205 (i.e., low behavioral integrity).

206 Although there is no existing evidence that demonstrates the relationship between
207 relational transparency and behavioral integrity in the hospitality context, Vogelgesang and
208 colleagues (2013) showed that leader's relational transparency is positively related to follower's
209 perception of leader's behavioral integrity in the military academy. Moreover, Leroy and
210 colleagues (2012) provided evidence that authentic leadership behaviors, which include
211 relational transparency, are positively related to behavioral integrity. Thus:

212 **Hypothesis 1.** Leader's relational transparency is positively related to behavioral
213 integrity.

214 *2.4 Behavioral integrity and follower's trust in leader*

215 Ability, benevolence, and (moral) integrity are dimensions of trustworthiness, which
216 leads to trust (Mayer et al., 1995; Tomlinson & Mayer, 2009). Ability is defined as having the
217 capacity (competency or skill) to positively impact follower well-being. Benevolence is the
218 extent to which a follower believes that the leader desires positive outcomes for the follower.
219 (Moral) Integrity relates to adherence to a set of values that are aligned with the follower's
220 expectations. Behavioral integrity and moral integrity are conceptually different: while

behavioral integrity focuses on the alignment between leaders' words and action, moral integrity focuses on the alignment between leaders' action and global moral standard (Simons et al., 2015). Despite the difference, both behavioral and moral integrity are related to honesty and are considered as key antecedents to trust (cf. Mayer et al., 1995; Simons, 2002).

While empirical examinations on leader's behavioral integrity have examined outcomes such as organizational citizenship behavior (Dineen et al., 2006), and group dynamics (Simons, Friedman, Liu, & McLean Parks, 2007), a preponderance of research has been directed at testing the empirical link between behavioral integrity and follower's trust in leader (Palanski & Yammarino, 2009; Simons, 2002; Simons et al., 2015). In order for a follower to trust their leader, they must believe that the leader's future action will benefit, or at least not hurt them (Robinson, 1996). Behavioral integrity represents a hallmark of a leader's character (Gentry, Cullen, Sosik, Chun, Leupold, & Tonidandek, 2013). Once followers form a stable attribution that the leader has high behavioral integrity, it increases their capability to predict future interactions with the leaders. The increase in stability allows followers to better cope with uncertainty in work-environment (Lind & van den Bos, 2002) and increases satisfaction (Neuliep & Grohskopf, 2000). As such, followers form a favorable attribution that their leader will not hurt them in the future. In sum, behavioral integrity provides a basis for the followers to trust the leader. Empirically, Palanski and Yammarino (2011) provided the confirmation that behavioral integrity is related to follower's trust in the leader and that the relationship is supported in contexts where participants are grouped to performance task-related activities. Simons and colleagues' (2015) meta-analysis also showed a strong relationship between behavioral integrity and followers' trust in leader ($r = .72^{**}$). Therefore, we propose the following hypothesis:

Hypothesis 2. Behavioral integrity is positively related to follower's trust in leader.

In spite of the abundant empirical support on the relationship between behavioral integrity and trust, limited research has examined the relationship between relational transparency and trust as well as its underlying mechanism. This study expands upon prior meta-analysis research conducted by Simons et al. (2015), who found that research has established a strong positive relationship between behavioral integrity and trust by examining the role of relational transparency. To our knowledge, the experiments conducted by Norman et al. (2010) and Hughes (2005) are the only published studies that demonstrate a relationship between leader transparency and trust. However, neither one of the studies explicates the mechanisms through which leader transparency leads to trust.

Based on causal attribution theory, we propose that leader relational transparency indirectly impacts followers' attitudes towards leaders (embodied in trust) via changing followers' perception of leaders (embodied in behavioral integrity). Specifically, when a transparent leader engages in open communication with his/her followers, it promotes mutual understanding of each other's needs and expectations. It stimulates followers to form a stable and favorable attribution and promotes a high level of leader's behavioral integrity. The reduced uncertainty increases satisfaction (Neuliep & Grohskopf, 2000). Stable and favorable attribution facilitates the on-going development of trust in the relationship because followers predict the leaders' future actions to be beneficial to them (Tomlinson & Mayer, 2009). In the case of negative events, transparent leaders who engage in open communication are more likely to use apology and justification, which stimulates followers to form a less stable attribution such that followers perceive this negative event is not predictive of future events and the leader did not intentionally hurt followers. In other words, followers form a more favorable perception of leaders (in terms of higher behavioral integrity) resulting in a development of a trust in leader. In

sum, followers are more likely to trust transparent leaders because sharing of relevant information signals good word-deed alignment. As discussed above, followers are more likely to trust a leader when they believe the leader is not detrimental to them. As followers consider their leaders to have high behavioral integrity, the probability of negative attributions is decreased and trust is increased. Consequently, the third hypothesis is formulated as follows:

Hypothesis 3. The positive relationship between leader's relational transparency and follower's trust in leader is mediated by behavioral integrity.

2.5 Trust and followers' organizational deviance

One important aspect of trust is that it is a relationship between two-parties (Mayer et al., 1995) and it impacts followers' behaviors (Dirks & Ferrin, 2002). The lack of trust in leaders threatens followers' perception of leaders' competency (Fulk, Brief, & Barr, 1985; Martinko & Gardner, 1987). field study As a result, they are more likely to attribute favorable outcomes to external (non-leader) factors. They attribute the leaders' success as external (e.g., luck), unstable, and not under the leader's control (Dasborough & Ashkanasy, 2002). Followers who do not trust their leaders are also more likely to attribute unfavorable outcomes to leaders seeing it as leaders' stable and controllable mistakes (Tomlinson & Mayer, 2009). When followers face unfavorable outcomes, they consider it as the fault of leaders' and may even engage in harmful actions such as organizational deviance (Robinson & Bennett, 1995; Bennett & Robinson, 2000). Broadly including behaviors from minor deviance, such as wasting organizational resources, to major deviance, such as stealing or sabotaging organizational resources, organizational deviance is frequently observed in the hospitality industry (e.g., Yen & Teng, 2013; Zhao, Peng, & Sheard, 2013). Followers are more likely to engage in organizational deviance when they

attribute trust violations to the stable and controllable actions of others (e.g., leaders and organization) (Martinko et al., 2002; Spector & Fox, 2010).

Organizational deviance is an emotional response to dissatisfaction in leader (Spector & Fox, 2005). While organizational deviance behaviors are directed at the organization, they hurt the organizational performance and are detrimental to the leaders (Dunlop & Lee, 2004). Since leaders are the embodiment of the organization, followers attribute the cause of having a distrustful leader to the organization (Eisenberger, Karagonlar, Stinghamber, Neves, Becker, Gonzalez-Morales, & Steiger-Mueller, 2010; Shoss, Eisenberger, Restubog, & Zagenczyk, 2013). As such, when they find the leader to be distrustful, they retaliate against the organization and leaders in the form of organizational deviance.

However, followers who trust their leaders make favorable attributions to the leaders and give them the benefit of doubt. Hence, they are less likely to engage in such deviant acts even in the presence of negative events. Specifically, followers who trust their leaders believe that their leader will take care of them (Mayer et al., 1995). As they believe that the organization has the ultimate control over leaders, they form a favorable internal attribution to the organization with high controllability and stability. As such, they are more likely to appreciate the organization's goodwill and are less likely to retaliate against the organization even if they face mistreatment by guests or the organization. Therefore, the following hypothesis is proposed.

Hypothesis 4. Follower's trust in leader is negatively related to follower's organizational deviance.

2.6 Distal effects on followers' organizational deviance

Relational transparency in leaders is a virtue demonstrated by leaders engaging in open communication with their followers (Leroy et al., 2012; Palanski & Yammarino, 2007). Based

on causal attribution theory, we anticipate its effect on followers' organizational deviance is not direct, but indeed via the mediating roles of perception of leader (embodied in behavioral integrity) and that of their attitudes towards leaders (embodied in trust in leader). This is in line with Fazio's (1990) and Kraus's (1995) works that suggested that attitudes guide behaviors.

By explaining their decisions, giving and accepting feedback, a transparent leader alters followers' attributions to their actions and signals word-deed argument (Vogelgesang et al., 2013). This goodwill, in turn, allows them to build positive and trustful relationships with the followers (Leroy et al., 2012). On the follower side, the trustful relationship increases followers' likelihood to attribute favorable outcomes to the leaders and unfavorable outcomes to non-leaders' factors (Dasborough & Ashkanasy, 2002). Hence, they trust their leaders' intention and ability to protect them and are less likely to engage in organizational deviance as a way of getting balance.

On the other hand, when a leader has low relational transparency, they are more likely to "hide" information and make excuses for mistakes. This results in an unfavorable attribution with a perception of low behavioral integrity – the leaders are stable in breaking promises, and will not "walk their talk." As such, the followers cannot trust their leaders as these leaders may hurt them in the future. They attribute their blame to the organization for not selecting trustworthy leaders. To get even, followers are more likely to engage in outwardly expressed organizational deviance behaviors. Thus, we expect a two-stage mediation effect where leader's relational transparency is related to follower's organizational deviance through the mediating roles of behavioral integrity (proximal mediator) and follower's trust in leader (distal mediator). Hence, the proposed hypothesis is given below:

Hypothesis 5. The negative relationship between leader's relational transparency and follower's organizational deviance is mediated by behavioral integrity and follower's trust in leader.

3. Research methods

3.1 Procedure and participants

We invited 180 undergraduate students enrolled in a leadership and ethics course at a Southwestern public research university in the United States to participate in this three-wave data collection in exchange for a total of 75 extra credit points (7.5%) for the course. At the beginning of the semester, participants were randomly assigned to 24 teams to work on a major semi-structured class project. Random assignment allowed us to procedurally control for known and unsuspected sources of errors (Kirk, 1982). Each team consisted of one leader and six to seven members. Over the course of 16 weeks, the teams were asked to analyze a business case and produce a presentation and a written report based on their analyses. To simulate actual team experience, team leaders were given both reward and coercive power to manage their team – they were responsible for scheduling and conducting team meetings, assessing follower's performance, recommending extra credit and communicating with the class instructor.

To provide a stronger test on the causal relationship and to avoid common source bias, data were collected online using a two-wave time lagged multi-source design. Followers accessed the leaders' transparency at Time 1 (about halfway through the 16-week project). Eight weeks later (Time 2, at the end of project), followers rated their level of trust in the leader and the leader rated followers' organizational deviance. After matching leader and follower data from both waves of data collection, there were 149 usable pairs of data. Followers had an

average age of 19.4 and 38.1% of them were male. Leaders had an average age of 21.5 and 32% of them were male. Table 1 shows the sample characteristics.

Table 1 around here

This field study has four advantages. First, although the participants were undergraduate students, majority of them (87%) were currently working in the hospitality industry, with an average of 26 months of hospitality experience (ranging from 0 months to more than 10 years of hospitality experience). All of the leaders were currently working in the hospitality industry with at least 2 years of hospitality experience. Most of the followers (89.5%) had hospitality industry experience of 3 months or more. As such, this sample should be comparable to other field samples. Second, by having all teams working in the same project in the same setting, this design allows us to control for potential confronting factors (Kirk, 1982) such as job design and organizational culture, which may have an effect on both leader's and follower's behaviors (Avolio et al., 2004). Third, with random assignment and guaranteed confidentiality, the current setting minimizes favorability bias and provides relatively accurate ratings of leader's and follower's behaviors— leaders and followers are less likely to give inaccurate favorable ratings to each other with a motive to impress one another or maintain a good impression for the group. Last, our study allows us to collect multi-source data at two separate time points, which reduce the problem of common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

3.2 Measures

A five-point Likert scale, with 1 representing “strongly disagree” and 5 representing “strongly agree,” was used for all study measures, except relational transparency. Different

questionnaires were prepared for team leaders and their followers. Followers rated their leader's relational transparency and behavioral integrity at Time 1 and their trust in leader at Time 2.

Leaders rated their followers' organizational deviance at Time 2.

3.2.1 Leader's Relational transparency

At Time 1, followers rated the leader's relational transparency using Walumbwa, Avolio, Gardner, Wernsing, and Peterson's (2008) measure on a five-point Likert scale (1 = Not at all ... 5 = Frequently, if not always). Specifically, followers were asked to "rate how frequently each of the following items occur regarding your leader" using five items, including "My leader tells the hard truth," and "My leader displays emotions in line with his/ her feelings." As described in the next section, we aggregated the individual follower's ratings to team level to form a team-level measure of leader's relational transparency.

3.2.2. Leader's behavioral integrity

At Time 1, followers also rated the perception of leader's behavioral integrity using Simons and colleagues (2007) behavioral integrity. Specifically, followers were asked to "rate how much you agree or disagree with the following statements about your leader" using eight-items, including "There is a match between my leader's words and actions" and "My leader delivers on promises." The reliability for this scale was .97.

3.2.3. Follower's trust in leader

At Time 2, followers rated the extent to which they would trust their leader using Simons and colleagues' (2007) three-item trust scale on a five-point Likert scale (1 = "strongly disagree" ... 5 = "strongly agree"). Items included "I would be willing to let my leader have complete control over my future in this course." The reliability for this scale was .92.

3.2.4. Follower's organizational deviance

At Time 2, leaders rated their followers' organizational deviance using Bennett and Robinson's (2000) 5-item scale. To ensure the leaders rated each follower individually, leaders were given the names of the followers before the questions and were told that these questions were about the behaviors of these particular followers. Items stated "This follower spent too much time fantasizing or daydreaming instead of working," "This follower was late to group meetings without prior notice." The Cronbach's alpha for the organizational deviance scale was .88.

3.3 Aggregation and multilevel analysis

As specified above, a leader's relational transparency is best represented in the team (leader) level while behavioral integrity, trust in leader and follower's deviance are best captured at the individual follower level. Hence, individual followers' ratings of leader's relational transparency were aggregated from dyadic level to team (leader) level. The median $r_{wg(j)}$ across the teams was .88. This indicates that team members had a shared perception of their leader's relational transparency and provides evidence supporting the aggregation.

Furthermore, the present data is in hierarchical structure in which followers were nested in teams with one leader managing multiple followers. Hence, to test multilevel mediation, the present data was analyzed with multilevel path analysis using Mplus 7.0. To estimate the proposed model, we specified behavioral integrity, follower's trust in leader, and follower's organizational deviance at the dyadic level (Level 1), and leader's relational transparency at team level (Level 2). Multilevel analysis also provides more accurate estimates for data with nested structure (Hofmann & Stetzer, 1998). Moreover, multilevel path analysis also estimates all path coefficient simultaneously and provides a stronger test of the mediating relationships than hierarchical regression based multilevel analyses (e.g., HLM, Raudenbush & Bryk, 1992).

To test the mediation hypotheses (Hypothesis 3 and Hypothesis 5), we used the procedure recommended by Preacher, Zyphur, and Zhang (2010). The indirect (i.e., mediation) effect size was calculated as the product of the coefficients of related paths (i.e., the relationship between independent variable and mediators, and that between mediators and outcome). We used a parametric bootstrap procedure with 20'000 Monte Carlo replications to estimate the confident interval of the hypothesized mediating effects (Preacher et al., 2010). Specifically, we inputted the coefficients and standard errors from the multilevel path-analysis to R so that the program stimulated a distribution of the indirect effects as well as the confident interval of the indirect effect (MacKinnon, Lockwood, & Williams, 2004). Since this procedure does not assume normal distribution, Preacher et al. (2010) suggests that this method can yield asymmetric confident intervals that are appropriate for skewed sampling distribution, such as the indirect effect in a multi-level model.

3.4 Confirmatory factor analysis

We conducted confirmatory factor analysis (CFA) using Mplus 7.0 to evaluate the distinctiveness and the factor-structure of the studied variables (see Table 2). Our baseline model, consisted of four factors (relational transparency, behavioral integrity, trust, and organizational deviance) fit the data well ($\chi^2(183) = 307.62$, RMSEA = .07, CFI = .95, TLI = .94, SRMR = .05). Our baseline model also yielded better fit than alternative three-factor and two-factor models. This provided support to the discriminant validity of the studied variables.

Table 2 around here

5.4 Results

The mean, standard deviations, and inter-correlations coefficients of the studied variables are presented in Table 3. As proposed, there was a positive correlation between leader's relational transparency and behavioral integrity ($r = .42, p < .001$).

Table 3 and Figure 1 around here

Figure 1 presents the results of the multilevel path analyses among leader's relational transparency, behavioral integrity, follower's trust in leader, and follower's organizational deviance. Supporting Hypothesis 1, there was a positive cross-level relationship between leader's relational transparency and behavioral integrity ($\beta = 0.70, p < .001$). Furthermore, supporting Hypothesis 2, there was a significant positive relationship between behavioral integrity and follower's trust in leader at the dyadic level ($r = 0.69, p < .01$).

Hypothesis 3 suggested that the relationship between leader's relational transparency and follower's trust in leader is mediated by behavioral integrity. Results showed that the indirect effect (relational transparency \rightarrow behavioral integrity \rightarrow trust) was .48 with a 95% bias corrected interval of [0.21, 0.83]. Hence, Hypothesis 3 was supported.

Supporting Hypothesis 4, results indicated that there was a negative relationship between follower's trust in leader and follower organization deviance ($r = -0.13, p < .05$). Hypothesis 5 proposed that the relationship between leader's relational transparency and follower's organizational deviance is mediated by behavioral integrity (proximal mediator) and follower's trust in leader (distal mediator). Results showed that the indirect effect (behavioral integrity \rightarrow trust \rightarrow organizational deviance) was -0.09 with a 95% bias corrected interval of [-0.19, -0.01]. Also, the indirect effect (leader's relational transparency \rightarrow behavioral integrity \rightarrow trust \rightarrow

organizational deviance) was -0.60 with a 95% bias corrected interval of [-0.14, -0.01]. Taken together, Hypothesis 5 was supported.

Given the random assignment of participants into groups and the fact that all groups worked on the same project, we did not include control variables in the multi-level path analysis illustrated in Figure 1 (Kirk, 1982). However, followers' characteristics may influence their rating of the leader, their tendency to trust their leader, and deviance. To test the robustness of the results, we conducted supplementary analysis controlling for followers' age and gender. As shown in Table 4, results were consistent with the main results. In summary, results provide support to our theoretical model.

Table 4 around here

6. Discussion

Building on the causal attribution theory, this research integrates these constructs in a multi-level model to provide a comprehensive understanding of the effects of leader's relational transparency on followers. Results of the study demonstrate the importance of leader relational transparency and behavioral integrity on the development of trust in leader-follower relationship and the prohibition of follower's organizational deviance. This research reveals a clear linkage among these constructs, providing both theoretical and practical implications for examining ethical behavior in hospitality organizational behavior research.

6.1 Theoretical Implications

This research extends theory by presenting a significant linkage between leader's relational transparency, behavioral integrity, follower's trust in leader, and organizational

deviance. While existing management literature acknowledges the importance of these constructs, it was previously unclear as to how these relationships play out in the hospitality context. Also, to extend existing works, we investigated how leader's relational transparency can be related to organizational success through its influences on organizational deviance. Given reducing ethical or deviant behavior has long been a topic of interest for hospitality organizations (e.g., Damitio & Schmidgall, 1993; Hon, Lu, & Chan, 2015), this research enhances the understanding of the factors leading to organizational deviance. Consistent with prior research (Vogelgsang et al., 2013), this research found leader's relational transparency to be an antecedent to behavioral integrity, which in turns relates to follower's trust in leader. Understanding the relationship between leaders and followers in the hospitality industry is important as there is constant and direct interaction between the two groups. Because hospitality organizations are highly relational environment, building a high level of trust in the leader-follower relationship can facilitate the organizational functioning.

Moreover, this study adds to the hospitality literature in finding support for behavioral integrity as a proximal mediator and follower's trust in leader as a distal mediator of the relationship between leader's relational transparency and follower's organizational deviance. Specifically, behavioral integrity acts as a precursor to trust. The two form a collective mediation in the negative relationship between leader's relational transparency and follower's organizational deviance. Our findings add to the general relational transparency literature by broadening the scope of underlying mechanism and explicating the process through which leader's communication style can impact follower's perception of leader, attitudes, and behaviors.

6.2 Practical Implications

There are important practical applications that this study can offer to hospitality organizations. First, the success of hospitality business depends on the ability of leaders to forge trustful relationships with followers, whom leaders rely on to be honest, give additional discretionary effort, and be committed to organizational goals (Simons et al., 2007). Our results indicate that employees are more likely to engage in organizational deviance if their leaders do not engage in an open communication with them. Such deviance can adversely affect customer service. For example, in leader-employee relationships that lack transparency and integrity, employees might be compelled to sweep service errors “under the rug,” which could lead to unexplained decline in customer satisfaction and revenue. Knowing the attributions that followers and leaders make about each other is important to organizations seeking to understand how deviance behavior can be so challenging to address. Subtle deviance behavior, although often difficult to detect, can have a damaging effect on the success of a hospitality business. To guard against damaging effects of a lack of behavioral integrity, hospitality organizations may consider relational transparency as factors in management selection, reward, recognition, and punishment systems.

Second, this study provides insights into how leader’s relational transparency operates at the team level. Hospitality is a team-oriented context where the success of the team can be influenced by the quality of relationships between the leader and individual team members and that within a team as a whole. Such teamwork provides stability and predictability and thus enhances consistency and predictability in the customer experience (Hinkin & Tracey, 1994). We encourage hospitality organizations to improve trust within teams by using 360-degree feedback to assess leader’s relational transparency as well as followers’ perception of leader’s behavioral integrity. Such assessment provides a basis to understand future training needs.

Third, this research found that leader's relational transparency reduces follower's organizational deviance through demonstrating behavioral integrity and promoting follower's trust in leader. In today's competitive environment, a great deal of pressure is being put on hospitality leaders to meet or exceed market expectations by increasing both revenue and earnings while decreasing costs. Pressure to perform well can have a negative impact on behavioral integrity and a positive effect on organizational deviance and unethical behavior (Guzel & Ayazlar, 2012). For the long-term benefit, hospitality organizations should focus on developing leader's relational transparency to improve behavioral integrity and gain follower's trust in leader. By doing so, hospitality organizations can inspire their employees to contribute to the organizational mission and goals via minimizing the employees' deviance.

6.3 Limitations and Future Research

There are limitations in this research that warrant future research to replicate and extend the findings of the current study. While the current study provides a controlled setting to test the theoretical model without the influence of potential confronting variables, participants in this study were undergraduate students, which may threaten the external validity of our finding. Relatedly, while organizational deviance, such as tardiness and daydreaming, can be commonly found in students as well as hospitality employees, the exact form of deviance may vary in the two settings. For example, due to the lower values of property, property deviance (e.g., stealing and sabotage of organization resources) may be more common in hospitality sample than student sample (cf. Garber & Walkup, 2004). This suggests that the effect of leader transparency could be stronger in the hospitality industry than reported in this study. However, it is important to note that the majority of the student subjects had previous hospitality work experience. Furthermore, the majority of the student subjects were currently working in the hospitality industry during the

time of this study. Moreover, Palanski and Yammarino (2011) used a similar design in one of their three studies and found that the results of the student sample are similar to that of the field study. Therefore, while we expect that the results of current study sample closely resemble to those of real hospitality firms, we encourage future research to replicate our study in hospitality firms by measuring hospitality leader's relational transparency and their followers' reactions.

It is also important to note the effect of culture on the generalizability of the findings. Existing research suggests that cultural values may moderate the relationship between leadership and employees' deviance. For example, employees with low traditionality or high power distance orientation are more likely to enact deviance when perceive compensation gap as unreasonable (Hon et al., 2015). Prior research also found that followers are less likely to be adversely impacted by supervisor hostility and enact deviance when they have high power distance or high traditionality (Hon & Lu, in press; Lian, Ferris, & Brown, 2012; Liu, Kwan, Wu, & Wu, 2010). Since some followers have wider acceptance towards different types of leadership behaviors (i.e., being indifference towards leaders with high or low relational transparency), cultural values, such as power distance orientation, can mitigate the proposed cross-level relationship among leader transparency, behavioral integrity, trust, and organizational deviance. Despite the current study was conducted in United States, 15% of the followers were Asian. Moreover, Reisinger and Crotts (2010) showed that between-nation cultural value differences are relatively small when compared to the within-nation variability. Although the current sample is culturally diverse, we encourage future research to extend our study by testing the moderating effects of traditionality and power distance orientation. Given the increase of hospitality businesses across the world, there is an increase of cross-culture leader-follower relationships. Understanding the

effects of culture would provide further insights on the effect of leadership behaviors on followers in cross cultural context (e.g., Hon & Lu, 2013).

Second, while the current study involved a time-lag multi-source design, our study design does not provide strong evidence on the causal relationship among behavioral integrity, trust, and organizational deviance. Moving forward, future research should replicate our findings with field quasi- experiment (e.g., Mayer & Davis, 1999) conducted in hospitality settings. Such designs can also balance the needs of both external validity and the test of causal relationships (Shadish, Cook, & Campbell, 2002). This would also useful to the manager selection and appraisal process in hospitality organizations as experimental intervention (e.g., training) to increase leaders' relational transparency along with followers' assessments of their leaders (e.g., 360 performance appraisal) could provide insights on practices that can be used to improve leader qualities.

Third, we encourage future research to extend our current model and examine potential boundary conditions in the proposed model. In particular, leader-follower relationship exists within the broader social context, which can change follower's reactions to leader's relational transparency. Since hospitality organizations are often under pressure to perform, future studies could examine the effects of goal-orientation on leader transparency. This would be particularly interesting if examined in a publicly traded hospitality organization. More exploration is needed to understand the moderating roles of behaviors from other organizational acts, including abusive supervisors (Hon & Lu, in press), customers' incivility (e.g., Bavik & Bavik, 2015) and coworker deviance (Jung & Yoon, 2012). Since behavioral integrity is subjectively evaluated, it is reasonable to expect that the negative emotion triggers by customers' and coworkers' incivility may mitigate the positive effects of leader's relational transparency.

Finally, it would be interesting to examine the nature of transparency. While engaging in open communication, including sharing of relevant information and feedback, develops the trust

608 in a leader-follower relationship, over-communication or communication about ones' personal
609 life (i.e., gossiping) may hurt (cf. Burt & Knez, 1996; Kramer, 1999). Such research can provide
610 insight on the communication that leader should engage in and further enrich our understanding
611 of the effects of leader's relational transparency on followers. From a practical standpoint, such
612 future studies can also provide explicit guidance on the leaders' communication behaviors,
613 which can be used for training and promotion purposes.

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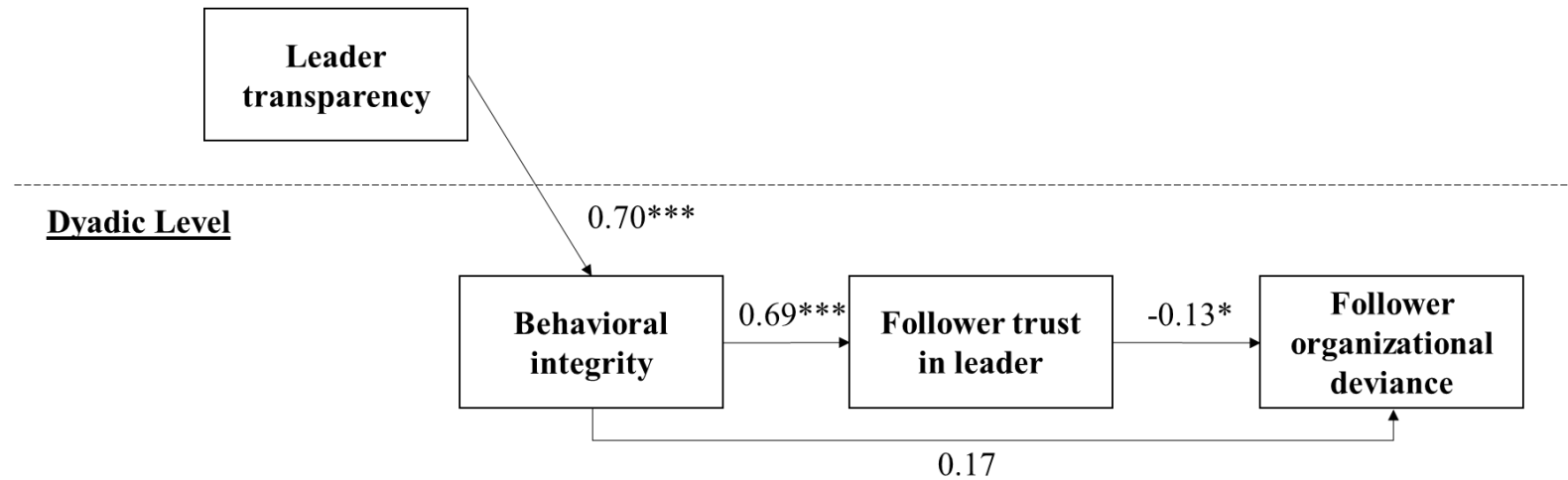
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Figure 1

Results of multilevel path analysis

Team Level



Note: $n = 149$ (followers); $N = 24$ (teams); Coefficient are unstandardized coefficients. * $p < .05$; ** $p < .01$; *** $p < .001$

Note: Indirect effect (relational transparency \rightarrow behavioral integrity \rightarrow trust) was .48 (95% CI: [0.21, 0.83]); indirect effect (behavioral integrity \rightarrow trust \rightarrow organizational deviance) was -0.09 (95% CI: [-0.19, -0.01]).

Note. Given the random assignment of participants into teams, results without control variables is presented here.

Table 1.

Sample characteristics

Characteristic	Percentage	
Gender	Male	38.10%
	Female	61.90%
Age Group	18-24	91.10%
	25-31	5.90%
	32-40	2.10%
	41-50	
	51-60	
	Over 60	
Race	White	36.60%
	Hispanic/ Black	5.20%
	Native American	3.00%
	Asian	36.60%
	Other	12.70%
Education	High School	
	Associate's Degree	
	Bachelor's Degree	100%
	Master's or above	
Length in industry	Less than 3 months	10.20%
	3 months - 1 year	26.00%
	1-5 years	58.40%
	Over 5 years	5.10%

Table 2

Results of confirmatory factor analysis for the studied variables

Model	χ^2	df	RMSEA	CFI	TLI	SRMR
Baseline 4-factor model	307.62	183	.07	.95	.94	.05
Alternative 3-factor model: Combine all Time 1 variable (BI and RT) into one factor	364.22	186	.08	.93	.92	.06
Alternative 3-factor model: Combine dyadic-level follower rating variables (BI and trust) into one factor	541.75	186	.11	.85	.83	.08
Alternative 3-factor model: Combine all Time 2 variables (trust and organizational deviance) into one factor	.698.82	186	.14	.79	.76	.15
Alternative 2-factor model: Combine all followers rating variables (BI, RT, trust) into one factor						

Note: n = 149; RT represents relational transparency and BI represents behavioral integrity

Table 3

Mean, standard deviation, and inter-variables correlations

	M	SD	1	2	3	4
1. Leader's relational transparency	3.88	0.32				
2. Behavioral integrity	3.98	0.84	0.42 ***	(0.97)		
3. Follower's trust in leader	2.83	1.14	0.30 **	0.51 ***	(0.92)	
4. Follower's organizational deviance	1.46	0.69	0.17	0.09	-0.15	(0.88)

Note: $n = 126$ (listwise deletion); Coefficient are unstandardized coefficients. * $p < .05$; **

$p < .01$; *** $p < .001$

Table 4

Multi-level path analyses controlling for followers' age and gender

	Behavioral integrity			Trust in leader			Organizational deviance		
	Coefficient	SE		Coefficient	SE		Coefficient	SE	
<i>Level 2: Leader (Team) level</i>									
Intercept	1.49	0.61	*						
Relational transparency	0.71	0.17	***						
Level 2: Residual variance	0.00	0.10							
<i>Level 1: Individual follower level</i>									
Follower gender	0.05	0.10		0.08	0.16		0.09	0.10	
Follower age	-0.02	0.02		-0.05	0.02	*	0.01	0.01	
Follower behavioral integrity				0.62	0.16	**	0.18	0.09	
Follower trust in leader							-0.14	0.07	*
Level 1: Residual variance	0.56	0.09	***	0.97	0.07	***	0.48	0.09	***

Note: N = 143 (followers); N = 24 (teams); Coefficient are unstandardized coefficients. * p < .05; ** p<.01; *** p<.001

Note: Indirect effect (relational transparency → behavioral integrity → trust) was .44 (95% CI: [0.17, 0.78]); indirect effect (behavioral integrity → trust → organizational deviance) was -0.06 (95% CI: [-0.17, -0.02]).