Restaurant Service Employees Organizational Commitment: Shared Gratuity versus Independent Gratuity Environments

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RESTAURANT SERVICE EMPLOYEES ORGANIZATIONAL COMMITMENT:
SHARED GRATUITY VERSUS INDEPENDENT GRATUITY ENVIRONMENTS

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ABSTRACT

Restaurant Service Employees Organizational Commitment: Shared Gratuity versus Independent Gratuity Environments

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This study examined the organizational commitment levels between 207 restaurant service employees from 11 restaurants working in different types of gratuity distribution environments, those sharing (or pooling) gratuities and those retaining their own gratuities. Identifying differences in organizational commitment levels between employees can assist managers in selecting which gratuity distribution environment, shared or individual, to utilize in their restaurant operations. No statistically significant differences were found in organizational commitment or organizational justice levels between restaurant employees in the differing gratuity environments. Differences in organizational commitment were found among employee types. Restaurant service staff preference for type of gratuity distribution system is also presented.
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This dissertation is dedicated to Mary Jayne Taylor Roe.
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CHAPTER 1

Introduction

Restaurant service employees often rely on gratuities for the majority of their income. The old adage “will work for tips” might be more than just a casual saying for many restaurant food servers, bartenders, bus persons, and hosts. The division of gratuities can become a concern for those dependent on gratuities as a significant portion of their income.

Independent gratuity systems are those in which food servers and bartenders collect gratuities from guests and then solely decide how to share the earned gratuity with bus persons, hosts, and other service staff. The independent environment can provide a strong incentive for service staff to work “harder” to provide guests an experience which will result in a higher gratuity. In addition, independent environments are designed to allow food servers or bartenders to reward bus persons or hosts with higher “tip-outs” when a co-worker provides exceptional teamwork or support to the individual who directly received the gratuity from the guest. Tip-outs are described as the amount of gratuity an individual who directly receives the gratuity from guests (typically food servers or bartenders) pays to fellow coworkers directly involved with servicing the guest but who do not directly receive gratuities from guests (typically bus persons, food runners, or hosts) (Simon, 2008).

There can be some drawbacks to the independent gratuity environment. For example, an organization with an independent gratuity environment may have restaurant
servers express concerns over how work assignments are distributed. There may be a desire for employees to argue over assigned tables or section location in order to secure the highest possible gratuity customers. Another possibility is restaurant management charging food servers for tables with managers only assigning tables to individuals who agreed to pay him/her a percentage of the overall tip from the table. While these examples are anecdotal, they do suggest there are ways for an independent gratuity environment to be compromised. When these types of inequities or conflicts occur the morale of the restaurant can be significantly impacted.

In addition to these equity issues, organizations are often faced with hiring challenges, particularly in finding restaurant support positions like bus persons, hosts and food runners. In order to attract individuals to these types of positions restaurants are interested in ways to standardize wages for these positions. In some cases, bus persons, food runners, and hosts are paid higher base rate wages than servers in restaurants; however, the turnover rates can still be significant for support staff. In an independent gratuity environment, bus persons are usually uncertain of the amount of gratuities they would receive in tip-outs from servers. Some servers can be generous and fairly compensate support staff for work, and others will determine tip-out amounts ambiguously. This inconsistency can lead support staff to search for other positions which provide more steady income.

Some restaurant organizations have implemented gratuity sharing (or pooling) as an alternative to independent tip environments (Issacs, 2011). In a shared environment, all gratuities would be contributed to a tip pool that is distributed to staff members based on a predetermined formula. Having gratuities distributed via an established system is
designed to prevent servers from personally adjusting tip-out amounts and to stabilize the
gratuity amounts for gratuity earning positions. In addition, restaurant management often
purport having a pooled or shared gratuity distribution system encourages all service staff
to work together resulting in improved guest service levels.

Shared gratuity systems have also caused some issues for restaurant management. Some restaurant service staff may become concerned with the equity associated with the tip breakdown and others can be concerned about staff members remaining “on the
clock” in order to earn a higher portion of gratuities. On the clock refers to the hours an
individual is clocked into a restaurant. In both types of gratuity environments, employees
often have strong reactions to their respective system. The issues associated with gratuity
distribution environment type have been identified by restaurant employees as having an
impact on employees including causing some individuals to quit their organizations
because of what is described as unfair treatment with others remaining in their positions
even though they may prefer a different gratuity distribution system (Roe, 2011).

**Research Questions**

These practical restaurant issues led to the four main research questions for this
study. First, does gratuity distribution structure (shared versus independent) and position
have an impact on employees’ levels of organizational commitment and organizational
justice? Second, does gratuity structure (shared versus independent) impact restaurant
service employees’ combined or individual measures of organizational commitment and
organizational justice? Third, does position have an impact on either organizational
commitment or organizational justice individually or combined? Finally, which type of
gratuity distribution system do employees working in shared and independent gratuity environments prefer and does preference vary based on position type?

**Purpose of the Study**

The purpose of this study was to determine the impact of tip distribution system and employee position type on restaurant service staffs’ levels of organizational commitment and organizational justice. The results of this study are intended to provide restaurant industry executives and management with information and direction regarding decisions related to gratuity policies and structures. In addition, with limited research on shared and independent gratuity environments, this study provides an agenda for future research.

**Definitions**

For purposes of this study, gratuities are defined as any monetary amount of tip or voluntary payments for services received and made after-the-fact (Bodvarsson & Gibson, 1997). Namasivayam and Upneja (2007) define pooled gratuity environments as restaurants where all gratuities are distributed among employees. In this investigation, shared (also known as pooled) gratuity restaurants are defined as those where all earned gratuities are deposited into a pool and then distributed or shared by service staff based on a predetermined formula or calculation. Independent gratuity environments are defined as restaurants where service staff retains all individually earned gratuities (e.g., servers, bartenders) and discretionarily allocate or tip-out funds to support staff (e.g., bus persons, hosts) (Issacs, 2011). Service staff members are defined as individuals who are directly involved in interactions with restaurant guests and include server, food runner, bus person, host, and bartender.
In this examination, organizational commitment is defined as relative strength of an individual’s identification with, and involvement in, a particular organization (Mowday, Steers, & Porter, 1979). Pettijohn, Pettijohn, and Taylor (2004) report positive relationships exist between wait staffs’ customer service orientation and skills, on job satisfaction and organizational commitment. While some individuals enter and leave hospitality jobs easily, others view the profession differently. Wildes (2008) found approximately one third of foodservice employees see their job as a profession and plan to stay in the industry for five or more years. Obtaining a better understanding of the how company policies impact employees’ organizational commitment levels could lead to lower turnover and higher productivity levels. This study attempts to better understand the relationship of gratuity structure within different employee types to organizational commitment and to employees’ perceptions on fairness in organizational systems.

**Organization of the Dissertation**

The remaining sections of this dissertation are structured into four chapters. A review of extant literature is provided in Chapter 2 including restaurant gratuity structures, organizational commitment theory, and organizational justice constructs of perceived and distributive justice. The discussion includes the core theories upon which the study of organizational commitment and organizational justice are based. Chapter 3 explains and justifies the methodology used to answer the proposed research questions. The sample is described and the data collection method presented. The data analysis techniques are discussed along with data requirements required for the proposed analytical procedures. Chapter 4 reports the results of the data analysis. Chapter 5 summarizes the results and their implications to the hospitality industry.
CHAPTER 2

Literature Review

This discussion of the extant literature provides the theoretical and empirical framework for the study. The chapter begins with a discussion of gratuities in the restaurant industry beginning with the use of gratuities as a major component of service staff compensation. A review of the different types of gratuity distribution structures at restaurants is then presented. Next, organizational commitment is defined and a discussion of how it impacts employee behavior in the workplace is included with specific attention paid to affective commitment measures. Finally, the concept of organizational justice is reviewed in the workplace focusing on distributive and procedural justice.

Gratuities in the Restaurant Industry

Gratuities (also known as tips) are a substantial part of restaurant service employees’ compensation and are an important part of the economic environment with the amount of gratuities in the United States restaurant industry estimated at $27 billion annually (Azar, 2009; Lynn, 2003). Several empirical studies have been conducted regarding why gratuities are provided in restaurants. Bodvarsson and Gibson (1997) argue customers provide gratuities as both a social norm and as a means for rewarding good service. They conducted a survey which found diners use rules of thumb as a starting point and then varied gratuity amount based on service received, expected future service, party size, alcohol consumption and location of restaurant. The idea of
customers providing gratuities as a social norm is supported by Liu (2008) who found gratuity sizes were in the vicinity of 15% of the total restaurant bill as reported by waiters and customers.

Lynn, Zinkhan, and Harris (1993) conducted cross-cultural comparisons of restaurant gratuity practices in 30 different countries to provide a macro view of individuals tipping decisions. They examined the number of tipped professions against specific countries value dimensions and report the United States had the highest number of tipped positions as well as the highest measure of individualism which they defined as having a high emphasis on individual initiative and achievement. While the study yielded no standards across nations in terms of whom it is customary to provide gratuities or how much it is expected, gratuities continue to be a prominent part of restaurant service environments, particularly in the United States.

Gratuities in hospitality have been investigated in several different facets including economic (Azar, 2004; Bodvarsson & Gibson, 1997; Wessels, 1997), consumer behavior (Conlin, Lynn, & O’Donoghue, 2003; Lynn & McCall, 2009), manager control (Casey, 2001; Ogbonna & Harris, 2002), and employee preference for gratuity systems (Namasivayam & Upneja, 2007). Little research has been conducted examining employee perceptions of gratuities or gratuity related human resource policies.

In the area of economic investigations, Wessels (1997) looked at how gratuities impact compensation of food servers, purporting tips are often customary and are calculated consistently as a portion of a guest’s meal as a result of social norms. Wessels (1997) used this premise to build an economic model suggesting gratuities should allow restaurants to pay servers a lower minimum wage. Bodvarsson and Gibson (1997) also attempted to understand why consumers leave gratuities by conducting a survey of 700
diners. Their evidence suggested diners leave gratuities as a result of social norms, using rules of thumb as starting points and then vary based on characteristics including: dining experience, expected future service, dining alone or in a group, alcohol consumption, and location of restaurant. Azar (2004) found the typical tip percentage in the United States has grown over the years agreeing with previous researchers that tipping is an economic phenomenon which is driven by a social norm.

Several studies focused specifically on consumer behavior related to providing gratuities outside of the social norm obligations. Lynn and Latane (1984) reported the percent tipped was related to group size, the customer's gender, the method of payment (cash or credit), and in some cases, the size of the bill. Lynn and Grassman (1990) found tipping was associated to bill size, patronage frequency, service ratings and the interaction of bill size with patronage frequency; and was not related to group size, number of courses, or alcohol consumption. Conlin et al. (2003) surveyed patrons at 39 restaurants finding the tip percentage left by diners was dependent on service quality, age, group size, the frequency of the diner’s visits to restaurants, and cross-gender interactions (e.g., female server and male customer). Parrett (2006) reported tip size decreases with table size. This review of consumer behavior research demonstrates the importance of service staff on the amount of gratuity presented by the customer and suggests the value of continuing to examine gratuities in restaurant operations.

Azar (2004) suggests consumers who tip derive certain benefits from leaving gratuities including feeling generous, impressing others, and rewarding workers for good service. Lynn and McCall (2009) found consumers providing gratuities are concerned about equitable economic relationships with servers; however, those equity effects may
be too weak for gratuity size to serve as a valid measure of server performance or for tipping to serve as an effective incentive for delivering good service.

Restaurant service staff employees are interested in gratuity levels. Miller (2010) describes gratuities left by patrons as a method of compensation for many restaurant industry positions. The Fair Labor Standards Act classification of a “tipped” position is any individual earning at least $30 per month in gratuities (U.S. Department of Labor, 2008). Several studies of hospitality employees have indicated money is a primary motivator of restaurant servers. Dermody, Young, and Taylor (2004) conducted an exploratory qualitative study inquiring about the motivation factors of independent and chain restaurant employees for remaining in restaurant positions. Their interviews of 60 restaurant servers indicated the most important motivational to remain in restaurant positions was compensation and monetary awards. They suggest hourly workers are motivated by cash and can most effectively be motivated by programs which have the potential to increase cash wages.

Wildes (2008) found similar results in a study designed to examine motivators which attract and retain foodservice workers. Study participants were asked to rank workplace motivators and money was clearly the main motivation followed by amount of fun in the workplace environment, health benefits, and flexible hours. Curtis, Upchurch, and Severt (2009) report top motivational factors for a sample of 104 employees of a single branded, national restaurant chain located in Florida included management loyalty to employees, good working conditions, job security, and good wages. The study compared tipped and non-tipped employees of this one specific organization with no significant differences found between tipped and non-tipped employees with regard to
wages or monetary rewards. Since restaurant employees are concerned with gratuities as a significant part of compensation and working environment, investigations of human resource policies affecting those areas are relevant.

One additional area of interest is the use of gratuity distribution system as a method of managerial control. Casey (2001) conducted a qualitative study of 64 restaurant managers and service employees in New Zealand restaurants to determine their attitudes toward tipping. While gratuities in New Zealand were described as less common than in the United States, restaurant service staff indicated an economic benefit from gratuities stating gratuities provided motivation and encouragement. Casey (2001) reported gratuities should be an important management issue in relation to personnel policies like clear communication and distribution policies. Ogbanna and Harris (2002) conducted a case study of a successful restaurant group which institutionalized gratuities. Their review of the organization suggested management of tipping is a way of controlling restaurant service employees’ behavior. Their investigation found the restaurant group was able to drive restaurant service staff to exhibit positive customer service behaviors by institutionalizing gratuities through management involvement. In these previous works, there were no comparisons of differing gratuity systems completed. Understanding how human resource policies impact employees could provide insightful views for restaurant management.

**Gratuity Distribution Environments**

The type of gratuity distribution method utilized by restaurants in the United States often depends on restaurant size, type, location, and ownership. Restaurant positions like food servers, food runners, bartenders, bus persons, and hosts are usually
referred to as direct service employees as their work is directly connected to providing assistance to guests. In both shared and independent environments, gratuities are commonly divided among these direct service employees for their respective efforts.

The two universal distribution systems used to allocate gratuities earned by direct service employees are shared (or pooled) gratuity systems or independent gratuity systems. An example of shared gratuity distribution divides earned gratuities into the following allocated amounts: 1% to hosts, 5% to bartenders, 13.4% to bus persons, 16.8% to captains, 26.9% to back waiters, and 29.9% to front waiters (“The Truth Behind Tips”, 2008). Different restaurants may alter the amount of the percentage allocated to each position type depending on factors like restaurant layout, amount of staff in each position classification, and estimated work load per employee. Shared distribution systems are frequently referred to as a “point” system (Saporito, 2011). A fundamental tenant of the shared gratuity environment is consistency in the predetermined allocations per position. The allocated amount is traditionally divided among staff members of the same position type based on the individual employee’s hours worked for the specific shift, day, or week.

In independent gratuity environments, positions receiving gratuities directly from patrons, traditionally servers and front bartenders, are encouraged to provide a portion of earned gratuities to fellow direct service employees (such as bus persons or hosts) at the earners’ discretion. Some restaurants post encouraged tip-out amounts or percentages which should be paid at the conclusion of the work shift. More often, this pay-out process is often ambiguous with no specific structure for a standard amount to be paid. In some instances, primary tip earners can choose not to distribute gratuities to other
service staff who not directly receive a gratuity from a customer even though they provided direct service to the guest. Conversely, independent gratuity environments might allow servers and bartenders directly earning gratuities to compensate or reward fellow service staff based on level of effort and assistance provided as opposed to a set amount. A recent poll conducted online by a restaurant blog site asked restaurant operators if a gratuity-sharing policy was in place at their restaurant with 45.71% of respondents stating yes and 48.57% of respondents stating no (Isaacs, 2011). While the response from this undefined sample is not necessarily a scientific finding, it is interesting to acknowledge restaurants exist with both types of distribution environments.

Estreicher and Nash (2004) postulated about different tipping structures from an economic view discussing the laborer's perspective on gratuities stating it may be in the economic self-interest of waiters and waitresses to engage in gratuity pooling as it might lead to “uniformly better service, which would lead to increased patronage and increased tipping” (p. 19). With this premise, they purport higher pay would result from the collaboration among staff. While their report was not empirically based, it spurs an interesting question on the impact a shared gratuity distribution system might have on employees.

Shared gratuity policies have been discussed in popular media in terms of defining what it is and how it might impact a restaurant operation and its employees. The Florida Restaurant and Lodging Association stated gratuity pooling policies are usually unseen but are a long standing practice at many restaurants. Darden Restaurant’s spokesman, Rich Jeffers explained gratuity sharing was going to be rolled out at Olive
Garden and Red Lobster restaurants stating “It creates a more consistent and fair approach to recognize everyone who delivers a guest experience” (Pounds, 2011, p. 44).

There are possible advantages and disadvantages of gratuity pooling. Some advantages of gratuity pooling could include encouragement of teamwork and reduction of conflicts over potentially lucrative sections or shifts. Conversely, gratuity pooling is speculated to make high performing service staff feel underpaid and to compromise service levels since gratuity employees are guaranteed a portion of the shared pool (Deutsch, 2010). Goldhagen (1998) describes gratuity pooling positively as a way to possibly create community in the restaurant, while also possibly serving as a “disincentive for employees to perform beyond the norm” (p. 104).

Some employers use gratuity pooling policies to offset labor costs for positions in the organization which are typically lower gratuity earners. Simon (2008) suggests restaurants implement gratuity sharing in order to retain a portion of servers’ percentage of their total sales to pay hosts and bartenders. As a result of this reallocation of income, many have questioned the equity of pooling, perhaps leading to differences in employee opinions of gratuity sharing and its impact on organizational commitment based on position. Learning more about employees’ perceptions of fairness could provide valuable information on the implementation needs of gratuity distribution systems.

Significant discussion has resulted on the legality of sharing gratuities among staff at restaurants. In some states, employers do not have the legal right to require pooling of gratuities (Deutsch, 2010) while in other states there is debate over who can be included in gratuity sharing (Kirsch, 2010; Reddy, 2010). While state laws may vary,
federal law states an employer may mandate its gratuity earning employees to contribute to a pool (Robinson, 2011).

In attempting to determine potential restaurant servers’ predilection for gratuity distribution systems, Namasivayam and Upneja (2007) posed different tipping environments, including shared gratuity, independent gratuity, service charge, and service charge with minimum wage guarantee to a sample of college students. Respondents indicated a preference for service charges with a minimum wage guarantee. When looking at response means for preference between shared or individual gratuity environments, participants indicated a desire for an independent gratuity environment over a shared gratuity environment. The researchers suggest these exploratory findings should be followed with future inquiry examining the relationships between gratuity systems and organizationally relevant variables such as job satisfaction, job involvement, and organizational commitment. In addition, it was suggested future research be directed at food servers as opposed to a student sample.

Lin and Namasivayam (2011) advanced the previous study by asking a sample of casual dining service staff in Hawaii to indicate preference of gratuity systems. The results of individuals sampled (primarily food servers) indicated a majority had a preference for independent gratuity environments. The study findings did not indicate if any of the employees sampled were experienced working in the different types of gratuity structures posed (equal sharing of tips without a service charge, equal sharing of tips including a service charge, or independent where servers retain all gratuities). With only one geographic area represented in a casual dining restaurant operation, the authors indicate the study results are limited in reliability. In addition, the study proposed an
“equal” sharing of tips which is not reflective of previously discussed shared gratuity systems where monies are distributed according to a predetermined allocation based on position.

This study proposes to advance the body of knowledge related to employee perceptions of gratuity distribution system by determining the employees’ preferences including those with experience in both shared and independent environments.

Therefore, Hypothesis 1 is proposed:

H1: Employee preference for gratuity distribution system (shared or independent) varies based on position type with servers and bartenders preferring independent gratuity environment and bus persons, food runners, and hosts preferring shared gratuity environments.

Organizational Commitment

Organizational commitment has been examined extensively with several studies suggesting higher levels of employee organizational commitment lead can benefit the organization. Aryee, Luk, and Stone (1998) report higher levels of organizational commitment in employees can reduce employee turnover intentions. Huselid and Day (1991) suggest the interaction of organizational commitment and job involvement impact turnover levels. Kirchmeyer (1992) report organizational commitment and job satisfaction correlated positively with work attitudes.

There also has been significant work completed related to defining organizational commitment and determining the impact organizational commitment has on hospitality employee performance (Curtis et al., 2009; Dermody et al., 2004; Wildes, 2008), yet no empirical research has been located examining the impact of specific gratuity related
policies has on hospitality employees. Additionally, no studies were found which examine the impact of gratuity distribution system on employee organizational commitment and perceived levels of fairness.

Previous research indicates a greater level of organizational commitment relates to higher levels of customer orientation and more willingness of employees to invest in efforts toward customer satisfaction (Pettijohn, Pettijohn, & Taylor, 2004). In their survey of food servers from nine fine dining restaurants, food servers indicated job satisfaction is significantly and positively related to the respondents’ customer orientation scores. The Pettijohn et al. (2004) study suggests continued research examining the food service staff and organizational commitment levels. Identifying any differences in levels of organizational commitment between restaurant service employees working in different gratuity distribution environments could result in restaurant managers’ modification of their gratuity structure. The idea of using gratuities as a source of managerial control was previously investigated by Ogbonna and Harris (2002). Their case study of one restaurant organization involved interviews of 50 employees representing executive management, middle managers, and front-line workers. The study discussed the positive attributes of the organization’s tipping system and provides strong evidence for a management strategy approach where the institutionalization of handling gratuities provides an effective means of behavioral control, wage-cost control, and potentially, a route to enhanced organizational profitability.

Organizational commitment has been defined as an employee’s involvement in and identification with an organization by a shared belief in the goals and values of the organization resulting in the desire to put forth substantial effort to further the
organization (Mowday, Steers, & Porter, 1979). While several other authors have penned alternate definitions of organizational commitment, a consistent theme exists of commitment related behaviors being demonstrated by individuals resulting in desired behaviors in the workplace (Angle & Perry, 1981; Koch & Steers, 1978; Porter, Crampon, & Smith, 1976). Early research in organizational commitment focused on defining the concept and more current investigations have worked to define the antecedents and outcomes (Angle & Perry, 1981; Hall, 1977; Kanter, 1968; Mowday et. al, 1979; Salancik, 1977; Staw, 1977).

Organizational Commitment Examined

The earliest description of organizational commitment as a construct was posed by Etzioni (1961) who proposed three forms of involvement (moral, calculative, and alienative) exist in an organization for lower level participants suggesting moral involvement equated to high commitment. The model explains moral commitment is characterized by the acceptance of and identification with organizational goals (Penley & Gould, 1988). This moral component of commitment has evolved into a more commonly described construct of affective commitment (Wiener, 1982). The calculative commitment often is described as an individual’s commitment to an organization based on compliance systems which reward employees with inducements to match contributions (Etzioni, 1961). Alienative commitment is defined as an attachment to an organization resulting from the lack of control an employee might have to leave. This concept has morphed into the more commonly identified construct of continuance commitment (Kanter, 1968).
Becker (1960, p. 33) explained the concept of organizational commitment as “consistent lines of activity” where individuals remain in the same organization because they view alternate options and chose the current one as the one which best serves his purpose. This description of commitment is often discussed as an economic approach where individuals evaluate the costs of remaining with an organization, sometimes referred to as a side bet (Becker, 1960). An example of this economic decision making might be an employee choosing to remain with an organization because the position allows for creative expression or because the cost associated with leaving the company’s pension plan may be large (Becker, 1960). Several other researchers (Meyer & Allen, 1991; Mowday, Porter, & Steers, 1982) have discussed variations in organizational commitment definitions through their investigations of various workplaces finding similarities in general terms of employees’ alignment with organizational goals, a dedication to work to achieve those goals, and a willingness to be associated with an organization.

Kanter (1968) introduces the idea of commitment as a function of the different behavioral actions expected of employees by the organization. The work describes three different levels of commitment: cognitive continuance, cathetic-continuance, and commitment to norms (also control commitment). These levels refer to social roles, social norms, and congruence of values between the organization and employee, respectively. In an investigation of successful and unsuccessful utopian communities, Kanter (1968) explains cognitive continuance as participants evaluate the cost of leaving the system would be greater than the cost of remaining. This supports the previously discussed side-bet theory (Becker, 1960). Cathetic-continuance is described as
attachment to social relationships and is reflected when individuals identify with a group based on social identification. The commitment to norms refers to the values or inner connection which morally obligates an individual to an organization with similar values and beliefs (Kanter, 1968). The key component Kanter (1968) maintained was knowledge of commitment is central to the understanding of organization systems. These fundamental explanations of individual attachment to an organization have served as a foundation for the current definition of organization commitment components.

Staw (1977) contends there are two distinct components of organizational commitment theory, attitude and behavior. Staw explained attitudinal commitment as the employee’s identification with the values and goals of the organization and their desire to remain associated with the organization. Salancik (1977) describes behavioral commitment as employees exhibiting behaviors which exceed the formal expectations. Mowday et al. (1982) reviewed previous studies of organizational commitment supporting these two components of organizational commitment stating attitudinal commitment exists when employee’s identity is linked to the organization and behavioral commitment as demonstrations or manifestations of commitment. Some of the cited studies include Angle and Perry (1981) examining transit workers finding higher levels of organizational commitment were correlated with lower levels of tardiness and turnover. Similarly, Mowday et al. (1979) found higher levels of organizational commitment of public employees were related with lower levels of absenteeism and turnover.

Through the analysis of these and other related studies utilizing commitment as both the independent and the dependent variable, the two separate components of commitment were distinguished including commitment as an attitude and commitment as
a behavior. These two factors are suggested to be cyclical in nature where commitment attitudes lead to commitment behaviors which, in turn, reinforce commitment attitudes (Mowday et al., 1982). In a later review of the organizational commitment construct, Reichers (1985) finds “the attitudinal commitment component reflects the individual’s identification with organizational goals and his/her willingness to work towards them” (p. 468).

O’Reilly and Chatman (1986) proposed organizational commitment is a result of a psychological bond between an employee and the organization. They describe three different possible forms of this bond: compliance, identification, and internalization. Compliance results when employee attitudes and behaviors are adapted based on the desire for employees to earn specific rewards or incentives. This contrasts with the idea that employees have a personal identification or alignment with the organization’s beliefs. Identification is explained as an employee’s acceptance of an organization’s values but the individual does not adopt them. Internalization is defined as the point where an individual’s attitudes and beliefs are aligned with the organization’s beliefs and values.

Meyer and Allen (1987; 1991) evolve the previous studies to suggest organizational commitment theory consists of three components: affective commitment, continuance, and normative commitment. Affective commitment is discussed as an employee’s emotional attachment to the company. Continuance commitment is described as an employee’s analysis of the costs associated with leaving an organization versus staying. Normative commitment refers to an individual’s moral obligation to remain employed at a particular organization. Marsh and Mannari (1979) provide an example of normative commitment stating “the committed employee considers it morally
right to stay in the company, regardless of how much status enhancement or satisfaction the firm gives him or her over the years” (p.59). This type of feeling might be a result of a particular investment the organization has made in the employee like tuition reimbursement or incentives (Meyer & Allen, 1997).

Caldwell, Chatman, and O’Reilly (1990) condensed the subcomponents to two factors of instrumental commitment and normative commitment. They explained instrumental commitment as an employee’s attachment to specific rewards and normative commitment as an individual’s feeling of obligation to the organization. These findings evolved as a result of testing previous work of O’Reilly and Chatman (1986) where three components of organizational commitment were established.

A meta-analysis of the antecedents, correlates, and consequences of organizational commitment was completed by Mathieu and Zajac (1990) investigating 26 variables classified as antecedents (e.g., employee characteristics, role states, job characteristics), 14 variable classified as correlates (e.g., motivation, job stress, job satisfaction), and 9 consequences (e.g., job performance, attendance, turnover) in relation to two types of organizational commitment, attitudinal and calculative. Calculative was defined upon the work of Becker (1960) who identified organizational commitment as individuals being bound to an organization based on the “side bets” or “sunk costs” invested in an organization.

Table 1 summarizes the four fundamental foundations of organizational commitment theory discussed in this review of literature. It is followed by more specific descriptions of the four areas.
Table 1

*Fundamental Components of Organizational Commitment Theory*

<table>
<thead>
<tr>
<th>Foundation (core)</th>
<th>Originators</th>
<th>Premise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuance commitment</td>
<td>Becker (1960), Kanter (1968), Meyer &amp; Allen (1984), Mowday, Porter, &amp; Steers (1982), O’Reilly &amp; Chatman (1986)</td>
<td>Socioeconomic factors such as side-bets theory and compliance</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>Allen &amp; Meyer (1990), Kanter (1968), O’Reilly &amp; Chatman (1986)</td>
<td>Thoughts of loyalty and obligations</td>
</tr>
<tr>
<td>Behavioral commitment</td>
<td>Salancik (1977), Staw (1977)</td>
<td>Effects of past behaviors and actions</td>
</tr>
</tbody>
</table>

**Attitudinal or affective commitment**

Affective commitment has evolved from the seminal work of Etzioni (1961), Kanter (1968), and others as previously discussed. Generally, the construct of affective commitment can be categorized into three components of organizational characteristics, person characteristics, and work experiences (Meyer & Allen, 1997). Literature suggests organizational structure variables influence affective commitment. Bateman and Strasser (1984) find decentralization of organizations lead to higher affective commitment levels. Employees often react to the structure of the organization resulting in the employee forming attitudes toward the organization. One other factor which has been found to have an impact on employees is the manner in which organizational level policies are developed and implemented. The extent to which organizational policies are considered fair also has been found to have an impact on affective commitment (Meyer & Allen, 1987). Specific policy issues and justice levels have been tested for a variety of areas.
including drug testing (Konovosky & Cropanzano, 1991) and pay (Schaubroeck, May, & Brown, 1994). In each of these instances positive correlations were found between employee opinion of fairness and affective commitment. More discussion of fairness and organizational justice occurs later in this chapter.

Person characteristics are often discussed as a part of affective commitment. Dispositional variables like personality and values have been described as person characteristics. A meta-analysis conducted by Mathieu and Zajac (1990) examined 48 previous studies which studied affective commitment. Their analysis found a link between dispositional variables and levels of affective commitment. Some of the variables found to be correlated with affective commitment include: an individual’s perceived level of competence, motivation, overall job satisfaction, and stress (negatively correlated). Specific components of the work experience were also found to be correlated with affective commitment including job scope and role fit with each being positively correlation with affective commitment (Hackman & Oldham, 1980; Mathieu & Zajac, 1990).

**Continuance commitment**

Recall the previous discussion of continuance commitment as an employee’s analysis of the associated costs of leaving an organization. Continuance commitment is often described as an employee’s evaluation of two items: investments and alternatives (Meyer & Allen, 1991). Investments are often referred to as the efforts an employee has exerted for the organization which then commits the individual to the organization. This investment may also include the costs or benefits and employee might lose when leaving the organization (Becker, 1960). These side bets might include time, effort, or money. In
regards to alternatives, an employee’s perceptions of viable employment alternatives may impact continuance commitment. Employees who think they have several viable options will have weaker continuance commitment than those who think they have few (Meyer & Allen, 1997).

**Normative commitment**

Normative commitment was previously discussed as an employee’s feelings of obligation to remain with the organization. These feelings are often the result of a collection of pressures individuals feel during early socialization with family and culture (Meyer & Allen, 1997). Often through conditioning and modeling some individuals believe it is important to be loyal to an organization regardless of the benefits or rewards of working at the particular establishment. Normative commitment is often internally driven by the individual (Meyer & Allen, 1997).

An example of normative commitment might be an individual working at a manufacturing plant for 30 years because it was the same organization where his/her father worked for 30 years before retiring. Mayer and Schoorman (1998) discuss normative commitment explaining there is a dichotomy between commitment to stay and willingness to participate. Employees with a high level of normative commitment feel they ought to remain with an organization (Meyer & Allen, 1997).

**Behavioral commitment**

Salancik (1977) proposes action as a necessary ingredient in commitment. He differentiates behavioral commitment from affective, continuance, and normative commitment explaining action is more commitment than statements alone of committed attitudes or beliefs. Salancik suggests behavioral commitment relates to the process by
which individuals become locked into a certain organization and it is manifested through employee actions. Locke and Latham (1990) argue effort, willingness, and persistence are behavioral expressions of commitment as described by the three previous constructs and, therefore, behavioral commitment should not be considered a separate subcomponent of organizational commitment.

**Organizational Commitment Operationalized**

In the 2000’s, the construct of organizational commitment has evolved with respect to identifying the differences between the three components of organizational commitment and behaviors (Gellatly, Meyer, & Luchaks, 2006; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Meyer and Herscovitch (2001) extended the Meyer and Allen (1987) three component model proposing a revision where commitment is defined as a mind-set which connects an individual to an entity based on the relevance of a particular target (or foci). The research purports that regardless of the focus of the commitment (e.g., customers, supervisors, occupation) all three forms of commitment including affective, normative and behavior, bind an employee to an organization. Perhaps most interestingly, it found commitment to an organizational policy or change was a stronger indicator of behavioral support for the respective policy.

Additionally, Edwards (2001) proposed two alternate frameworks intended to advance previous work. The new premise suggests a latent framework which conceptualizes organizational commitment as including the three component model of affective, normative, and continuance commitment and a second, aggregate framework which treats organizational commitment as a composite of the dimensions.
While the construct of organizational commitment continues to be examined, there seems to be agreement there are three primary issues to be addressed when attempting to measure commitment: what is the basis for the commitment, how is the commitment manifested in either behavior or attitude, and what is the focus of the commitment. The Organizational Commitment Questionnaire (OCQ) developed by Mowday et al. (1979) is used to measure commitment occurring when an individual identifies with and extends effort towards organizational goals and values. The OCQ attempts to quantify an individual’s behavior and attitude by measuring willingness to work towards and accept organizational goals with a strong desire to maintain organizational membership (Reichers, 1985).

Organizational Commitment in Hospitality

Specific hospitality related organizational commitment studies have investigated employee levels of organizational commitment. Cha, Khan, and Murrmann (2000) found there was a difference of service orientation between managers and employees, with higher levels of service commitment resulting in a stronger level of organizational commitment. The difference between management and employees poses a question relating possible differences which might exist between other position types. A study conducted by Curtis et al. (2009) investigated motivation and organizational commitment levels of tipped and non-tipped employees resulting in significant differences in motivation levels of varied positions including host, bartenders and servers. In their survey of 104 employees from one specific restaurant group, they found limited differences exist for certain motivational factors and organizational commitment factors when categorized by gender. Specifically related to organizational commitment
measures, Curtis et al. (2009) report a significant difference between men and women for two of the nine item organizational commitment measure in the study. While specific organizational commitment differences were not detected between tipped and non-tipped staff members in the study, the researchers suggest additional exploration of gratuity earning employees’ organizational commitment since the majority of compensation for these employees comes from consumer paid gratuities and not wages from the organization. As a result of this review, the second hypothesis was developed:

H2: Differences in organizational commitment exist among restaurant service employees based on position type.

Impact of human resources practices on organizational commitment

Wright and Kehoe (2008) discussed the evolution of research conducted on human resource practices and how they impact organizational commitment. Their review suggests in order to understand how human resource practices impact employees and firm performance, measures must be taken of all human resource practices, not just those typically associated with high commitment or high performance (Wright & Kehoe, 2008). The type of gratuity distribution system is often established as a human resource policy to stabilize the earnings of restaurant service employees. In addition, Meyer and Allen (1995) found employees having a positive relationship with their work group have higher levels of organizational commitment. Some hospitality experts speculate the implementation of shared gratuity environment should lead to a stronger relationship among employees. Empirical investigation as to how different gratuity distribution systems can impact employee commitment is a relevant and necessary examination; therefore, this study poses the following hypothesis:
H3: Restaurant service employees in independent gratuity environments will have higher levels of organizational commitment than those in shared gratuity environments.

Organizational Justice

Justice is often explained as a subjective and descriptive concept in that it explains what individuals believe to be right rather than an objective reality (Cropanzano, Bowen, & Gilliland, 2007). While businesses are economic organizations which compensate employees for their efforts, employees also are often looking to the organization for more ethical and moral treatment. Individuals in an organization have a sense of the moral propriety on how they are treated and this justice defines the individual’s relationship with the organization (Cropanzano et al., 2007). James (1993) describes organizational justice as an individuals’ perceived fairness of treatment from an organization and his/her reaction to the perception. Cropanzano and Greenberg (1997) explain justice in an organizational context, suggesting any act is “just” if most individuals perceive it to be.

This concept of organizational justice has been studied and found to improve outcomes to the organization such as job satisfaction, organizational commitment, and performance (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Since gratuities play a large role in the compensation of restaurant service staff (Lynn & Withiam, 2008), a question arises as to the employees’ perceptions of the fairness associated with the gratuity distribution system.
Organizational Justice Examinations in Hospitality

Hospitality specific studies have been conducted attempting to connect justice levels with organizational performance like job satisfaction, organizational commitment, and organizational citizenship behavior. Fulford (2005) conducted a study to determine the relationships among organizational commitment, jobs satisfaction, and organizational justice. In the examination, a survey was completed by 52 resort casino employees and found employees’ with higher perceptions of organizational justice have significantly higher levels of job satisfaction. The researcher found procedural justice was a significant indicator of job satisfaction and suggest fairness should be a major concern of managers when any organizational decision directly impacting employees is made. Further, Fulford (2005) recommended additional organizational justice research should be conducted in hospitality areas other than resort casinos.

Nadiri and Tanova (2010) studied the perceptions of organizational justice components to determine if they had an impact on work-related attitudes. They surveyed 208 employees and managers of four hotels with five star designations. The examination assessed fairness of an organization’s procedures (procedural justice) as well as fairness of personal outcomes employees receive such as compensation. The results indicated significant correlations between employee fairness perceptions and organizational citizenship behavior, turnover intention, and job satisfaction. Nadiri and Tanova (2010) discuss their findings stating the higher levels of procedural justice and job satisfaction employees may be more committed to the organization resulting in lower turnover. The researchers suggest transparency in the fairness of an organization’s procedures and rewards will develop more loyal and committed employees.
Organizational Justice Operationalized

Organizational justice is often described in two main constructs: distributive justice and procedural justice. Colquitt et al. (2001) explain distributive justice is the fairness of outcome distributions or allocations and procedural justice relates to the fairness of procedures used to determine outcome distributions or allocations. Distributive justice is often related to an employee’s comparing the equity of the ratio of their contributions to the outcomes received relative to others in the organization (Fields, 2002). Procedural justice refers to the process for making organization decisions such as compensation (Cropanzano & Folger, 1991). In simpler terms, distributive justice could be explained as what is decided and procedural justice could be explained as how it was decided. The underlying premise of justice theory is that fair treatment is essential to employees and therefore is a major determinant of their behavior (Fields, 2002).

Some researchers purport a third construct related to organizational justice labeled interactional justice (Bies, 1986). This type of justice focuses on employees’ perceptions of the quality of the interpersonal treatment received while at the organization (Skarlicki & Folger, 1997). Examples of interactional justice could include managers treating employees with respect, providing ample explanation for decisions, and demonstrating empathy for employee concerns (Ryan, 1993). For this study, interactional justice is excluded from the inquiry as it refers more to the manner in which people are treated than the impact of a specific policy on employees’ perceptions of justice.

Parker, Baltes, and Christiansen (1997) developed a measure to evaluate distributive and procedural justice in their examination of the gender differences of fairness in affirmative action. Three items on the measure assess fairness related to
allocation of rewards and recognition as an indicator of distributive justice and four items assess employee perceptions of the extent to which employees have input in decision making as an indicator of procedural justice.

**Distributive justice**

Adams (1965) evaluated fairness using the social exchange theory framework to suggest determinations of equity could be calculated using a ratio of an individual’s contributions to the outcomes received and then compare that ratio to others. Adams clearly identified this process was a subjective approach to evaluating the fairness of outcomes as opposed to evaluating the actual level of the outcome itself. Lawler (1977) suggested distribution of rewards such as pay, promotion, and performance evaluations could have significant effects on job satisfaction and organizational effectiveness.

Lee (2000) investigated the impact of interpersonal working relationships on hospitality employees perceptions of justice and how they affect employees’ work related attitudes and behavior. The findings suggest the overall quality of employee working relationships positively impacted employees’ perceptions of justice resulting in increased levels of commitment. As previously discussed in this literature review, the Namasivayam and Upneja (2007) study of college students preferences for differing gratuity scenario also inquired about the perceived fairness of the gratuity systems. The participants were asked to rank the differing gratuity scenarios in terms of distributive justice and fairness. Respondents indicated the scenario where gratuities were shared equally had the lowest perceived levels of fairness.

Lin and Namasivayam (2011) requested 205 restaurant employees to rank individual preference of different gratuity scenarios as well as respondents’ perceptions
of fairness of differing gratuity structures. The researchers report their sample of restaurant employees believed sharing gratuities between front of house (servers) and back of house (all other positions) employees would be less fair (with less distributive justice) than when gratuities would be shared among servers only. They also found independent gratuity scenario (which they defined as a system of keeping gratuities all to oneself) is perceived as most fair and just to participants. However, shared gratuity scenarios where direct service employees (defined as front-of-the-house employees) equally shared gratuities were perceived as fairer than gratuity distributions which included back-of-the-house employees (Lin and Namasivayam, 2011). With the majority of participants being food servers, there were no findings related to other restaurant service employees.

Therefore, the following hypotheses emerge:

H4: Differences in levels of distributive justice exist among restaurant service employees based on position type.

H5: Restaurant service employees in shared gratuity environments will have higher levels of distributive justice than employees in independent gratuity environments.

**Procedural justice**

Thibaut and Walker (1975) discussed the reactions of individuals to legal dispute resolutions in the seminal work explaining procedural justice. Leventhal (1980) describes determinants of procedural justice including consistent procedures based upon a groups shared ethical standards including opinions of those involved. In addition, it is suggested any procedures be free of bias and include a system to rectify errors in
decisions. Tyler (1989) suggests three areas for management to consider in relation to procedural fairness: the amount of neutrality of the decision maker, the level of trust in the decision maker’s intentions, and the amount of respect the decision maker demonstrates for those impacted by the decision. Nadiri and Tanova (2010) found employees not only wanted to see fair procedures in regards to distribution of rewards but also fair rewards to be offered. Therefore, the following hypotheses are proposed:

H6: Differences in levels of procedural justice exist among restaurant service employees’ based on position type.

H7: Restaurant service employees in shared gratuity environments will have higher levels of procedural justice than employees in independent gratuity environments.

In most instances, when employees perceive a fair outcome, they typically assume fair procedures lead to the outcome (Alexander & Ruderman, 1987). Fields (2002) suggests distributive and procedural justice might be correlated but are often measured separately and have been determined to be empirically distinct. Simons and Roberson (2003) examined an aggregation of justice perceptions on the department levels and business unit levels of hotel employees. The analysis resulted in a trickle-down model of organizational justice where employee perceptions of fairness are positively related to the individual level of organizational commitment and thus reducing turnover intentions. At the business unit level of analysis, Simons and Roberson (2003) found increased levels of employee organizational justice led to higher levels of customer satisfaction ratings and lower employee turnover rates. Alexander and Ruderman (1987) suggested investigation of the roles of procedural and distributive justice may change based on the reinforcement
domain being studied. Since no examination of restaurant service employees actually working in shared gratuity environments has been conducted, a gap in the literature emerges. To fill this gap, this study proposes to determine if type of gratuity distribution system and position combined have an impact on combined measures of organizational commitment and organizational justice. Therefore, the final hypothesis is proposed:

H8: Different restaurant service employee positions in independent gratuity environments will have higher combined levels of organizational commitment and organizational justice.

Summary

This review has summarized the evolution of organizational commitment from early management literature to practical application in the hospitality industry. While there continues to be ambiguity as to agreement on the specificity of the construct, there is strong evidence organizational commitment is closely related to outcomes of employees. Organizational justice is discussed focusing specifically on procedural and distributive justice and how it impacts an employees’ commitment. The theoretical background was provided for the eight research hypotheses posed for investigation.
CHAPTER 3

Methodology

In this chapter the methodology for the proposed study is presented. Specific details of sample selection are followed by a discussion of the survey instrument and the data collection process. Analytic techniques for data are presented including a discussion of the necessary assumptions for the data analysis. The chapter concludes with a discussion of reliability and validity of the measures utilized in the study.

Sampling Procedures

A population for any proposed research must be identified. For this dissertation, the population includes restaurant employees earning gratuities as part of their compensation, either partially or completely. After defining a target population, a representation of the elements of the target population (Malhotra, 1999) can be identified as the sampling frame. In this investigation, the sampling frame is comprised of all gratuity earning restaurant service employees working in 11 different restaurants, 8 of which having structured shared gratuity distribution systems and 3 operating in independent gratuity environments.

The organizations included in the study were all independent restaurants and were from six different cities in the following states: Florida, New Jersey, New York, and Wisconsin. Each restaurant was in a major metropolitan city. All employees who receive gratuities at the respective restaurants were eligible for participation in the study. Survey administration dates were randomly selected without management involvement.
Involvement in this study was agreed to by the restaurant organization in exchange for aggregate information regarding respective employee perceptions. In order to help mitigate possible participant perceptions of the restaurant involvement in the study, surveys were presented and collected by the researcher to reduce this response bias. The researcher provided both written and verbal assurance of anonymity to respondents. The researcher also communicated to participants that completed questionnaires would be retained by the university with the organizations receiving only complied responses from all participating restaurants at the conclusion of the study.

**Convenience sampling**

This investigation utilized a convenience sample of restaurants which were purposively invited to participate in the study based on their gratuity system. With no known public source or database identifying restaurants by gratuity distribution system selecting a random sample of restaurants based on shared or independent gratuity system was challenging. The restaurants invited to participate in the study were selected based on the researchers personal knowledge of the gratuity distribution systems utilized. In this instance, the goal of examining the different organizational factors of these unrelated restaurants suggested a purposive approach. Zikmund, Babin, Carr, and Griffin (2010) propose convenience samples are often used when attempting to determine cross-cultural differences in organizational behavior. While convenience sampling limits the ability to make theoretical and meaningful inferences to the larger population, it allows for quick implementation of data collection methods of a specific entity of interest.

**Survey Instrument**
The participants in this investigation were presented with a questionnaire consisting of three major areas. A copy of the survey instrument can be found in Appendix A. The first main component of the instrument contained nine organizational commitment questions (Mowday, Porter, & Steers, 1982), the second component included a distributive and procedural justice scale of seven items (Parker, Baltes, & Christiansen, 1997). Participant demographic information questions were placed between the two scales and the conclusion of the instrument. A 7-point scale, with 1 equaling strongly agree and 7 equaling strongly disagree, was used to quantify dependent measures of the organizational commitment and organizational justice constructs.

**Organizational commitment measure**

The Organizational Commitment Questionnaire (OCQ) was originally developed by Mowday, Steers, and Porter (1979). It originally consisted of 15 items to describe organizational commitment and was condensed to a shortened version of nine items, referred to as the shortened OCQ (Mowday et al., 1982). The shortened OCQ has been commonly utilized to assess employees’ beliefs and attitudes with their organization.

The shortened OCQ scale utilized in this study contained nine statements to which individuals responded in order to measure organizational commitment with responses ranging on a 7-point Likert-type scale where 1 = strongly agree, 2 = moderately agree, 3 = slightly agree, 4 = neither disagree nor agree, 5 = slightly disagree, 6 = moderately disagree, and 7 = strongly disagree. The nine questions included are as follows:

OC1 I am willing to put in a great deal of effort beyond that normally expected in order to help the organization be successful.
OC2  I talk up this organization to my friends as a great organization to work for.

OC3  I would accept almost any type of job assignment in order to keep working for this organization.

OC4  I find that my values and the organization’s values are very similar.

OC5  I am proud to tell others that I am part of this organization.

OC6  The organization really inspires the very best in me in the way of job performance.

OC7  I am extremely glad that I chose this organization to work for over others I was considering at the time I joined.

OC8  I really care about the fate of this organization.

OC9  For me, this is the best of all possible organizations for which to work.

**Distributive and procedural justice measure**

The distributive and procedural justice measure was developed by Parker et al. (1997). Three items were posed to assess employee perceptions of fairness of awards and recognition to assess distributive justice. Four items were included to measure employee perceptions of the extent of involvement in decisions as an indicator of procedural justice (Fields, 2002). The seven items were determined to assess employee perceptions about the organization overall rather than a specific policy or practice. The seven items in the distributive justice (indicated by a D) and procedural justice (indicated by a P) measure include:

P1  People involved in implementing decisions have a say in making the decisions.
P2 Members of my work unit are involved in making decisions that directly affect their work.

P3 Decisions are made on the basis of research, data, and technical criteria, as opposed to political concerns.

P4 People with the most knowledge are involved in the resolution of problems.

D1 If a work unit performs well; there is appropriate recognition and rewards for all.

D2 If one performs well, there is appropriate recognition and reward.

D3 If one performs well, there is sufficient recognition and rewards.

Previously established reliability and validity of measures

Several studies have been conducted to establish the validity of the shortened OCQ. As discussed in Chapter 2, empirical research has demonstrated organizational commitment was positively correlated with the success of an employee’s work department, perceived opportunity for advancement, work involvement, and job satisfaction. Conversely, it was negatively correlated with turnover intentions and employee turnover (Aryee, Luk, & Stone, 1998; Huselid & Day, 1991; Kirchmeyer, 1992; Wahn, 1998). Confirmatory factor analysis found the nine item assessment was empirically different than job involvement, profession commitment, and work ethic (Cohen, 1996). Organizational commitment was also found to be a separate and distinct measure from job satisfaction and job involvement in confirmatory factor analysis of two different samples (Mathieu & Farr, 1991). The reliability of the shortened OCQ was assessed in multiple studies with coefficient alpha values ranging from .74 to .92 (Aryee,

The distributive and procedural justice scale has been validated across four samples where distributive and procedural justice were each positively correlated with career development, work satisfaction, and organizational loyalty (Parker et al., 1997). Confirmatory factor analysis was used to demonstrate procedural, justice, distributive justice, career opportunity judgments, work satisfaction, and organizational loyalty were distinct constructs (Parker et al., 1997).

Demographics

The survey also requested demographic information in order to determine group differences in the analysis. The following questions were included:

   How long (in years and months) have you worked for this organization?

   What is your job title?

   What is your gender?

   What is your marital status?

   What is your ethnicity?

   What is your highest level of education completed?

   How long (in years and months) have you worked in the restaurant industry?

   Do you have experience working in a shared gratuity environment?

   Do you have experience working in an independent gratuity environment?

   What is your average weekly tip amount?
How many work hours do you average per week?

Which method of tip distribution (shared or independent) do you prefer?

Data Collection

The restaurant organizations agreeing to participate in the study were provided with requested dates for data collection and were approved by the most senior management individual (the chief operating officer, the executive chef, or the general manager of the respective organizations). These individuals agreed not to inform specific operational management of the survey until the day of administration to avoid management influence on employee responses. On the scheduled administration days the executive administrator notified restaurant management a researcher would visit the restaurant to distribute surveys as part of the pre shift meal. Only the gratuity earning employees scheduled to work on the survey collection days were included in the sample.

During pre shift meetings the researcher provided a brief overview of the study and provided participants with an information letter describing the study. A printed copy of the survey was distributed to restaurant service employees earning gratuities by the researcher (the information sheet and survey instrument appear in Appendix 1). The information letter was designed to gain respondents’ participation in the study by providing the purpose for the investigation. The letter also identified the estimated time it would take to complete the survey and reassured the individuals of response confidentiality (Zikmund et al., 2010). The survey instrument included the university logo of the associated researcher and participants were informed verbally the researcher was not affiliated with the restaurant organization in any way. The employees were also
verbally informed all responses would be aggregated in a manner preventing any one individual’s response from being identifiable.

Respondents were asked to complete surveys in the presence of the researcher and then present completed surveys directly to the researcher. The researcher visited each restaurant for survey distribution and collection to assure respondents of anonymous participation without fear of consequence.

Data Cleaning

The data gathered from survey responses were inputted and screened using univariate descriptive statistics and plots to validate items were within the appropriate range. Means and standard deviations were also examined. Each variable was then analyzed using boxplot and stem-and-leaf graphs to identify any outliers. Mahalanobis distance was examined to identify any extreme values among independent variables. “Mahalanobis distance is the distance of a case from the centroid of the remaining cases where the centroid is the point created by the means of all the variables” (Tabachnick & Fidell, 2007, p. 74).

In this study, three respondents were not included in the data set as a result of the survey being less than one half completed. One bartender was called away from the preshift meeting prior to completing the survey and two individuals submitted surveys without responding to both the organizational commitment and organizational justice measures. Three additional respondents were excluded from analysis as they indicated the same answer for every question, indicating a response set. The total number of participant responses included in the analysis was 207.
Data Analysis

Data were analyzed and hypothesis testing was performed using SPSS version 17. A factorial multivariate analysis of variance (MANOVA) was performed using two independent variables, tip structure (either shared or independent) and position type. Assumptions for MANOVA procedures were carefully examined to determine if they were reasonable analytical procedures for the collected data. Three assumptions must be met for the multivariate test procedures of MANOVA to be valid: observations must be independent, variance-covariance matrices must be equal for all treatment groups, and the set of dependent variables must follow a multivariate normal distribution (Tabachnick & Fidell, 2007). In addition, linearity and multicollinearity of the variate of the dependent variables must be considered.

Reliability

Scale reliability is often evaluated to indicate how consistently the construct is measured. Carmines and Zeller (1983) explain reliability refers to “the tendency toward consistency found in repeated measurements of the same phenomenon” (p. 12). The reliability of a measure is indicated by the extent to which the results obtained are repeatable. The more consistent the results given by repeated measurements the higher the reliability of the measuring procedure (Nunnally, 1978).

One of the most common methods for estimating reliability is Cronbach’s alpha (Carmines & Zeller, 1983). The measures of organizational commitment and organizational justice were examined respectively for reliability using Cronbach’s alpha which ranges between zero and one. A Cronbach’s alph value greater than .70 is considered to be adequate and acceptable (Nunally, 1978).
Validity

Investigations need to possess a certain level of reliability; however, having high reliability does not guarantee scale measures are valid. Valid scales should measure what the research purports to examine (Zikmund et al., 2010). Validity refers to the accuracy of the scale measuring the desired construct. The survey instrument developed for this study utilizes pre-existing scales to measure organizational commitment and organizational justice. These scales were selected due to their previously discussed established levels of reliability and validity. The original measures were presented independently on the survey with exact replication of verbiage and scale to maintain the original format and statistical independence of each.

Summary

This methodological discussion of the study provides information related to data collection and analysis. The research process involved is explained beginning with sample selection. Next, the data collection process was presented along with a review of the analytic techniques used to conducted hypotheses testing. The chapter concluded with a discussion of the reliability and the validity of the measures used in this study. The results of the study will be discussed in Chapter 4.
CHAPTER 4

Results

This chapter discusses the findings of the study, the analysis of the data, and hypothesis testing as outlined in Chapter 3. First, a presentation of the overall sample is included along with an account of the restaurants who participated in the study. The response rate is presented along with a demographic description of the sample. Finally, the chapter presents the results of the hypotheses testing.

Survey Pre-test

The questionnaire was pre-tested with a sample of 10 participants from one independent restaurant in the Las Vegas, Nevada metropolitan area. The individuals were presented with the survey information sheet and the printed survey instrument (copies of each can be found in Appendix I). The participants in the pre-test were informed they were assisting with a review of the instrument and were asked to carefully review all information provided to them. The researchers asked individuals participating in the pre-test to carefully review the questionnaire format, the specific questions, and the available responses. The researcher timed the individuals as they responded to the survey to determine an estimated completion time. After completing the survey instruments, the participants were asked to provide any comments regarding the information sheet or survey verbally to the researcher. Minimal issues were identified by the individuals participating in the pre-test including punctuation and placement of questions on the survey document.
Response Analysis

The data for this investigation were gathered through on-site administration of paper surveys in 11 restaurants located in different areas of the United States. The first organization agreed to survey eight of their restaurants located in New York, Miami, and West Palm Beach. The restaurants operated by this organization all operate in a shared gratuity environment and range from a three Michelin star dinner only restaurant to a three meal period restaurant in a luxury hotel. Each of the venues is geared to a higher end clientele and seats between 100 and 250 guests. This organization has approximately 400 gratuity earning restaurant service staff eligible for participation in the study.

The second organization has one restaurant located in a major casino organization in New Jersey. This fine dining, dinner only restaurant operates with an independent gratuity environment with approximately 40 gratuity earning restaurant service staff eligible for participation in the study. The third organization operates two restaurants in metropolitan cities in Wisconsin. The restaurants are located in mid range hotel properties and provide breakfast, lunch and dinner. The organization has approximately 30 gratuity earning restaurant service staff at each of the properties eligible for participation in the research.

A total of 213 questionnaires were distributed to employees during pre-shift meetings. The dates of the visits were arranged with restaurant executive management and shift managers were not made aware of the researchers visit until the day of the survey administration. The researcher attended standard pre-shift meetings conducted by restaurant shift managers. After daily management information briefings were presented, the researcher was introduced to the scheduled gratuity earning employees and a verbal
overview of the study was presented. The researcher informed the audience that individual participation was voluntary assuring employees the research was being conducted for academic purposes independent of restaurant management. The researcher then distributed paper questionnaires to employees requesting staff to complete the surveys immediately. Completed surveys were collected by the researcher and placed in a sealed envelope. Of the 213 total questionnaires distributed, 207 were included in the analysis yielding a response rate of 97.18%. As discussed in Chapter 3, six respondents were excluded from analysis. Table 2 depicts the response rates by location.

Table 2

**Number of Survey Respondents by Location and Organization**

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization</th>
<th>N</th>
<th>Gratuity Distribution Structure</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A</td>
<td>24</td>
<td>Shared</td>
<td>11.59</td>
</tr>
<tr>
<td>2</td>
<td>A</td>
<td>23</td>
<td>Shared</td>
<td>11.11</td>
</tr>
<tr>
<td>3</td>
<td>A</td>
<td>34</td>
<td>Shared</td>
<td>16.43</td>
</tr>
<tr>
<td>4</td>
<td>A</td>
<td>17</td>
<td>Shared</td>
<td>8.21</td>
</tr>
<tr>
<td>5</td>
<td>A</td>
<td>16</td>
<td>Shared</td>
<td>7.73</td>
</tr>
<tr>
<td>6</td>
<td>A</td>
<td>19</td>
<td>Shared</td>
<td>9.18</td>
</tr>
<tr>
<td>7</td>
<td>A</td>
<td>21</td>
<td>Shared</td>
<td>10.14</td>
</tr>
<tr>
<td>8</td>
<td>A</td>
<td>14</td>
<td>Shared</td>
<td>6.76</td>
</tr>
<tr>
<td>9</td>
<td>B</td>
<td>11</td>
<td>Independent</td>
<td>5.31</td>
</tr>
<tr>
<td>10</td>
<td>C</td>
<td>13</td>
<td>Independent</td>
<td>6.28</td>
</tr>
<tr>
<td>11</td>
<td>C</td>
<td>15</td>
<td>Independent</td>
<td>7.25</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>207</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>
Demographic Profile of Respondents

Table 3 provides a demographic profile of survey respondents according to gender, job title, and level of education. Of those individuals participating in the study 72.5% were male. The majority of respondents were food servers (38.2%), followed by bus persons (29.0%), and food runners (13.5%). Although not originally included in the desired sample, employees in management roles at some locations participate in the gratuity pool and therefore were included in the results. Respondents in management roles represent 7.7% of the total followed by bartenders (6.3%), hosts (3.4%), and finally sommeliers (1.9%). Due to the low number of respondents in the position of sommelier, those responses were recoded as food runners since sommeliers in the specific restaurants surveyed indicated they received gratuities primarily in an indirect manner rather than directly from guests.

Table 3

Demographic Profile of Respondents

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Number of Responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>150</td>
<td>72.5</td>
</tr>
<tr>
<td>Female</td>
<td>57</td>
<td>27.5</td>
</tr>
<tr>
<td>Job Title</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food server</td>
<td>79</td>
<td>38.2</td>
</tr>
<tr>
<td>Bus person</td>
<td>60</td>
<td>29.0</td>
</tr>
<tr>
<td>Food runner</td>
<td>28</td>
<td>13.5</td>
</tr>
<tr>
<td>Management</td>
<td>16</td>
<td>7.7</td>
</tr>
<tr>
<td>Bartender</td>
<td>13</td>
<td>6.3</td>
</tr>
<tr>
<td>Host</td>
<td>7</td>
<td>3.4</td>
</tr>
<tr>
<td>Sommelier</td>
<td>4</td>
<td>1.9</td>
</tr>
<tr>
<td>Characteristic</td>
<td>Number of Responses</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than high school</td>
<td>11</td>
<td>5.3</td>
</tr>
<tr>
<td>High school or GED</td>
<td>49</td>
<td>23.7</td>
</tr>
<tr>
<td>Some college</td>
<td>53</td>
<td>25.6</td>
</tr>
<tr>
<td>2 year college degree</td>
<td>36</td>
<td>17.4</td>
</tr>
<tr>
<td>4 year college degree</td>
<td>48</td>
<td>23.2</td>
</tr>
<tr>
<td>Masters degree</td>
<td>10</td>
<td>4.8</td>
</tr>
</tbody>
</table>

**Principal Component Analysis**

The constructs of organizational commitment and organizational justice were measured with multiple items. In order to examine the constructs in their respective entirety, principal component analysis (PCA) was used. PCA allows for the creation of smaller sets of uncorrelated factors which aids in interpretation of data and eliminates the possibility of multicollinearity (Shoemaker, 1998). Two separate principal component analyses were performed to reduce multiple measure items into a composite. The first analysis included items of the organizational commitment measure and the second analysis included items of the organizational justice scale.

The purpose of PCA is to produce a few uncorrelated linear combinations of original variables which collectively contain approximately the same amount of information as the original variables. Tabachnick and Fidell (2007) suggest several rules of thumb when determining the proper number of components to extract including the Scree Test, eigenvalues greater than one, stability and interpretability. Following Tabachnick and Fidell (2007) variables with loadings of .32 and above should be used
and interpreted, with the greater the loading the more the variable is a pure measure of the component.

**Organizational Commitment PCA**

As discussed in Chapter 3, the organizational commitment construct is measured by the Mowday, Porter, and Steers (1982). The scale is composed of nine items designed to measure affective commitment. Table 4 shows the PCA for organizational commitment. The first component includes all items (OC 1, OC 2, OC 3, OC 4, OC 5, OC 6, OC 7, OC 8, and OC 9) and has an eigenvalue of 9.04, explaining 60.2% of variance. The second component includes two items (OC 3 and OC 9) with an eigenvalue of 1.89 and when included with the first component explains 72.2% of variance.

The first component is descriptive of the entire scale of organizational commitment. The second component could be used to describe continuance commitment as the items are specifically related with remaining at the specific organization (OC3: I would accept almost any type of job assignment in order to keep working for this organization and OC 9: For me, this is the best of all possible organizations to work for). These items could be considered to be investments and alternatives and are reflective of the continuance commitment description established by Meyer and Allen (1991). For the remaining analysis, only the first two PC scores will be used.

Table 4

**Component Matrix – Organizational Commitment**

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
</table>

50
<table>
<thead>
<tr>
<th>Component</th>
<th>OC 4</th>
<th>OC 2</th>
<th>OC 6</th>
<th>OC 8</th>
<th>OC 5</th>
<th>OC 7</th>
<th>OC 1</th>
<th>OC 3</th>
<th>OC 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC 4</td>
<td>I find that my values and the organizations values are very similar</td>
<td>.379</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 2</td>
<td>I talk up this organization to my friends as a great organization to work for</td>
<td>.330</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 6</td>
<td>The organization really inspires the very best in me in the way of job performance</td>
<td>.326</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 8</td>
<td>I really care about the fate of this organization</td>
<td>.323</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 5</td>
<td>I am proud to tell others that I am part of this organization</td>
<td>.319</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 7</td>
<td>I am extremely glad that I chose this organization to work for over others I was considering at the time I joined</td>
<td>.287</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 1</td>
<td>I am willing to put in a great deal of effort beyond that normally expected in order to help the organization be successful</td>
<td>.157</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 3</td>
<td>I would accept almost any type of job assignment in order to keep working for this organization</td>
<td>.402</td>
<td>-.855</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC 9</td>
<td>For me, this is the best of all possible organizations to work for</td>
<td>.408</td>
<td>-.110</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cumulative % of variance explained</td>
<td>60.2%</td>
<td>72.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Organizational Justice PCA**

The organizational justice measure created by Parker, Baltes, and Christiansen (1997) was used to assess respondents’ perceptions of procedural and distributive fairness. The scale is composed of four items designed to measure procedural justice and three items to measure distributive justice. Table 5 shows the PCA for organizational justice. The first component includes all items and has an eigenvalue of 7.91 and explains 57.9% of variance. The second component includes two items (P 4 and P 2).
with an eigenvalue of 1.55 and when included with the first component explains 69.3% of variance.

Table 5

*Component Matrix – Organizational Justice*

<table>
<thead>
<tr>
<th>Component</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>D 3</td>
<td>If one performs well, there is significant recognition and reward</td>
<td>.463</td>
</tr>
<tr>
<td>D 2</td>
<td>If one performs well, there is appropriate recognition and reward</td>
<td>.436</td>
</tr>
<tr>
<td>D 1</td>
<td>If a work unit performs well, there is appropriate recognition and rewards for all</td>
<td>.390</td>
</tr>
<tr>
<td>P 3</td>
<td>Decisions are made on the basis of research, data, and technical criteria as opposed to political concerns</td>
<td>.331</td>
</tr>
<tr>
<td>P1</td>
<td>Persons involved in implementing decisions have a say in making the decisions</td>
<td>.210</td>
</tr>
<tr>
<td>P 4</td>
<td>People with the most knowledge are involved in the resolution of the problems</td>
<td>.412 .574</td>
</tr>
<tr>
<td>P 2</td>
<td>Members of my work unit are involved in making decisions that directly affect their work</td>
<td>.347 .555</td>
</tr>
</tbody>
</table>

Cumulative % of variance explained 57.9% 69.3%

**Reliability**

Each scale was tested for reliability. The organizational commitment measure with all nine items had a Cronbach’s alpha value of .91. Evaluation of the seven item organizational justice scale revealed a Cronbach’s alpha of .88. As discussed in Chapter 3, the lower limit for an acceptable Cronbach’s alpha value has been identified as .70
(Nunnally, 1978). Since each of these values exceed the commonly accepted limit, it can be argued each of these scales are reliable in predicting their respective constructs. Table 6 includes descriptive statistics and scale reliabilities.

Table 6

Descriptive Statistics and Scale Reliability

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Alpha</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>19.67</td>
<td>8.83</td>
<td>.908</td>
<td>9</td>
</tr>
<tr>
<td>Organizational Justice</td>
<td>18.83</td>
<td>7.32</td>
<td>.875</td>
<td>7</td>
</tr>
</tbody>
</table>

Validity

Validity describes how well a scale is able to measure a desired construct. As described in Chapter 3, valid measurement tool should assess what the research purports to measure (Kerlinger & Pehazur, 1973). Content validity refers to the degree an instrument assesses the relevant aspects of the conceptual domain it is intended to measure (Grimm & Yarnold, 2000). The measures selected for inclusion in this study were previously established as described in Chapter 3 and have been tested for validity. Therefore it may be established the conditions for content validity have been met as the measures have been repeatedly used and previously validated to measure their respective constructs.

Hypotheses Testing

Hypothesis 1 states employee preference for gratuity distribution system (shared or independent) varies based on position type with servers or bartenders preferring independent gratuity environments and bus persons and host persons preferring shared gratuity environments. For this analysis, respondents were categorized into two different
groups. The first included positions who traditionally received gratuities directly from guests (including servers and bartenders) and the second group included positions traditionally receiving gratuities indirectly from guests (bus persons, food runners, and host persons). A chi-square test was conducted to examine Hypothesis 1. Chi-square is a statistical test commonly used to compare observed data with expected data according to a specific hypothesis. Responses from restaurant service staff with experience in both types of gratuity distribution systems were included in the analysis. Individuals who do not receive gratuities directly from the guest (bus persons, food runners, and hosts) prefer shared gratuity environments and those who directly receive gratuities from the guest (bartender and food servers) are split in preferred gratuity environment with a slight preference for shared gratuity environments $\chi^2= 7.278, p = .007$.

Next, MANOVA was used to examine Hypothesis 8: Different restaurant service employee positions in independent environments will have higher combined levels of organizational commitment and organizational justice. This hypothesis is examined next since hypotheses 2-7 are main effects of this combined analysis. Assumptions for MANOVA procedures were carefully examined to determine if they were reasonable analytical procedures for the current data. As discussed in Chapter 3, three assumptions must be met for the multivariate test procedures of MANOVA to be valid: observations must be independent, variance-covariance matrices must be equal for all treatment groups, and the set of dependent variables must follow a multivariate normal distribution (Tabachnick & Fidell, 2007). In addition, linearity and multicollinearity of the variate of the dependent variables must be considered.
The measured variables were evaluated for univariate and multivariate outliers (Mahalanobis’ distance). Outliers were included in the main study analysis as the distance from the sample mean for each was within reasonable distance (Tabachnick & Fidell, 2007). Skewness and kurtosis were evaluated and no measures demonstrated significant departures from normality. Because the sample was sufficiently large, the assumption of normality was considered to be robust to violation based on the central limit theorem (Rice, 1995). The results of overall evaluations of assumptions were considered appropriate to continue with the statistical analysis.

In this study, the independence of respondents was ensured as much as possible. Box’s M test of equality of covariance matrices indicated the assumption of homogeneity of variance – covariance matrices was not met $F(272, 16229.837) = 1.578, p = .000$ and the sample sizes are unequal. Based on Box’s M being significant, Pillai’s Trace was evaluated for the overall model since it is more robust than the other tests (Tabachnick & Fidell, 2007).

The Pillai’s Trace statistic indicated no significant interaction existed between position type and gratuity distribution system on participant perceptions of organizational commitment and organizational justice, $F(16, 164) = .904, p = .565$. Therefore, this examination fails to reject the null for Hypothesis 8.

Hypothesis 2 states differences in organizational commitment exist among restaurant service employees based on position type. Position types were classified as those directly receiving gratuities from guests (food servers and bartenders) and those receiving gratuities indirectly from guests (bus persons, food runners, and hosts). The one way analysis of variance revealed significant differences between the two different
position types for both organizational commitment components identified through the principal component analysis. Component 1 (including all items) $F(2, 204) = 5.89, p = .003$. Table 7 lists means and standard deviations for the groups of employees.

Component 2 (including two items describing continuance commitment) $F(2, 204) = 8.63, p < .0005$. Table 8 lists means and standard deviations for each group of employees. Therefore, the null hypothesis is rejected. A post hoc Tukey was completed to identify which groups had significant differences. Analysis indicated there is a significant difference in organizational commitment among restaurant service employees with food servers and bartenders having lower levels of organizational commitment than bus persons, hosts, and food runners. Management has the highest levels of organizational commitment in both components examined in this study (the scales were coded as 1 being strongly agree to 7 being strongly disagree).

Table 7

*Analysis of Variance: Organizational Commitment (Component 1) Levels by Position*

<table>
<thead>
<tr>
<th>Positions</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Persons, Hosts, Food Runners</td>
<td>96</td>
<td>6.160</td>
<td>2.585</td>
</tr>
<tr>
<td>Food Servers, Bartenders</td>
<td>93</td>
<td>7.283</td>
<td>3.384</td>
</tr>
<tr>
<td>Management</td>
<td>16</td>
<td>5.037</td>
<td>1.689</td>
</tr>
</tbody>
</table>

Table 8

*Analysis of Variance: Organizational Commitment (Component 2) Levels by Position*

<table>
<thead>
<tr>
<th>Positions</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Persons, Hosts, Food Runners</td>
<td>96</td>
<td>0.119</td>
<td>1.216</td>
</tr>
</tbody>
</table>
Hypothesis 3 states restaurant service employees in independent gratuity environments will have higher levels organizational commitment than those in shared gratuity environments. The analysis of variance examination revealed there was no significant difference for gratuity distribution environment for organizational commitment levels for component 1 including all items on the organizational commitment scale, $F(1, 189) = 1.55, p = .215$. Table 9 lists means and standard deviations for different gratuity structure environments. The analysis of variance examination for component 2 (continuance commitment) was also not significant based on gratuity distribution system, $F(1, 189) = 2.04, p = .155$. Table 10 lists means and standard deviations for different gratuity structure environments.

Table 9

*Analysis of Variance:*

*Organizational Commitment (Component 1) Levels by Gratuity Environment*

<table>
<thead>
<tr>
<th>Gratuity Environment</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>33</td>
<td>7.338</td>
<td>3.883</td>
</tr>
<tr>
<td>Shared</td>
<td>157</td>
<td>6.610</td>
<td>2.854</td>
</tr>
</tbody>
</table>

Table 10

*Analysis of Variance:*

*Organizational Commitment (Component 2) Levels by Gratuity Environment*

<table>
<thead>
<tr>
<th>Gratuity Environment</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Servers, Bartenders</td>
<td>93</td>
<td>-0.449</td>
<td>1.416</td>
</tr>
<tr>
<td>Management</td>
<td>16</td>
<td>-1.176</td>
<td>1.448</td>
</tr>
</tbody>
</table>
Hypothesis 4 and Hypothesis 5 discuss distributive justice and Hypothesis 6 and Hypothesis 7 discuss procedural justice as components of organizational justice. The previously discussed principal component analysis extracted two components of organizational justice which were not specific to procedural and distributive justice as the scale originally intended. To proceed with the analysis, the examination examines organizational justice as the combined component 1 which includes all seven items.

Therefore, Hypothesis 4 and 6 are revised to include all items in one new Hypothesis 4a: Differences in levels of organizational justice exist between restaurant service employees based on position type. The analysis of variance examination revealed there was no significant difference for gratuity distribution environment for organizational commitment levels for component 1 including all items on the organizational commitment scale, $F(1, 184) = 3.25, p = .073$. Table 11 lists means and standard deviations for different position types. For this hypothesis examination, management is excluded as they are often responsible for establishing organizational policies.

Table 11

<table>
<thead>
<tr>
<th>Positions</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Persons, Hosts, Food Runners</td>
<td>93</td>
<td>6.850</td>
<td>2.472</td>
</tr>
</tbody>
</table>

Analysis of Variance: Organizational Justice (Component 1) Levels by Position
As discussed earlier Hypothesis 5 and 7 are revised to include all items (both procedural and distributive justice) in one new Hypothesis 5a: Restaurant service employees in shared gratuity environments will have higher levels of organizational justice than employees in independent gratuity environments. The analysis of variance examination revealed there was no significant difference between restaurant service employees in differing gratuity distribution environments for organizational justice levels, $F(1, 184) = .22, p = .643$. Table 12 lists means and standard deviations for different gratuity distribution systems.

Table 12

**Analysis of Variance:**

Organizational Justice (Component 1) Levels by Gratuity Environment

<table>
<thead>
<tr>
<th>Gratuity Environment</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>31</td>
<td>7.430</td>
<td>3.172</td>
</tr>
<tr>
<td>Shared</td>
<td>155</td>
<td>7.173</td>
<td>2.744</td>
</tr>
</tbody>
</table>

Specific descriptive statistics for each item of the two measures (organizational commitment and organizational justice) are listed in Table 13 by gratuity distribution environment type. For ease of reading, these items were reverse coded so “7” = strongly agree, “4” = neither agree nor disagree, and “1” = strongly disagree.
<table>
<thead>
<tr>
<th>Survey Item</th>
<th>Shared Mean</th>
<th>Shared SD</th>
<th>Independent Mean</th>
<th>Independent SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC1 I am willing to put in a great deal of effort beyond that</td>
<td>6.327</td>
<td>0.899</td>
<td>6.154</td>
<td>0.961</td>
</tr>
<tr>
<td>normally expected in order to help the organization be successful.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC2 I talk up this organization to my friends as a great</td>
<td>6.107</td>
<td>1.121</td>
<td>5.974</td>
<td>1.564</td>
</tr>
<tr>
<td>organization to work for.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC3 I would accept almost any type of job assignment in</td>
<td>5.018</td>
<td>1.686</td>
<td>5.000</td>
<td>1.806</td>
</tr>
<tr>
<td>order to keep working for this organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC4 I find that my values and the organization’s values are very similar.</td>
<td>5.577</td>
<td>1.369</td>
<td>5.436</td>
<td>1.465</td>
</tr>
<tr>
<td>OC5 I am proud to tell others that I am part of this</td>
<td>6.220</td>
<td>1.058</td>
<td>5.872</td>
<td>1.542</td>
</tr>
<tr>
<td>organization.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC6 The organization really inspires the very best in me in the</td>
<td>5.804</td>
<td>1.263</td>
<td>5.538</td>
<td>1.335</td>
</tr>
<tr>
<td>way of job performance.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC7 I am extremely glad that I chose this organization to</td>
<td>6.054</td>
<td>1.170</td>
<td>5.769</td>
<td>1.202</td>
</tr>
<tr>
<td>work for over others I was considering at the time I joined.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OC8 I really care about the fate of this organization.</td>
<td>6.024</td>
<td>1.209</td>
<td>5.769</td>
<td>1.307</td>
</tr>
<tr>
<td>OC9 For me, this is the best of all possible organizations for</td>
<td>5.485</td>
<td>1.317</td>
<td>5.205</td>
<td>1.894</td>
</tr>
<tr>
<td>which to work.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>P1 People involved in implementing decisions have a say in</td>
<td>5.552</td>
<td>1.144</td>
<td>5.718</td>
<td>0.916</td>
</tr>
<tr>
<td>making the decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey Item</td>
<td>Shared</td>
<td>Independent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>----------</td>
<td>--------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P2 Members of my work unit are involved in making decisions that directly affect their work.</td>
<td>5.295</td>
<td>5.342</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P3 Decisions are made on the basis of research, data, and technical criteria, as opposed to political concerns.</td>
<td>5.265</td>
<td>5.205</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P4 People with the most knowledge are involved in the resolution of problems.</td>
<td>5.217</td>
<td>4.947</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D1 If a work unit performs well, there is appropriate recognition and rewards for all.</td>
<td>5.578</td>
<td>5.308</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D2 If one performs well, there is appropriate recognition and reward.</td>
<td>5.259</td>
<td>5.359</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D3 If one performs well, there is sufficient recognition and rewards.</td>
<td>5.072</td>
<td>5.077</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Summary**

This chapter presented the findings of the study and summarized results associated with the previously posed hypotheses. A review of the reliability of the measures utilized in the survey was addressed. The final chapter discusses the implications of the tests of the hypotheses and offers suggestions for future research.
CHAPTER 5

Discussion and Conclusions

This chapter summarizes and discusses the findings of the study. To begin, a review of the study along with specific results of hypothesis testing from chapter four are provided. General conclusions are then offered along with implications of the results, followed by limitations of the study. The chapter concludes with a list of suggestions for continued related research.

Summary of the Study

The purpose of this investigation was to assess the impact of gratuity distribution systems, either shared or independent, and position type on restaurant service employees. Specifically, this study compared organizational commitment and organizational justice levels of restaurant service employees earning gratuities. The goal of this study was to determine the impact of tip distribution system and employee position type on restaurant servicestaff’s levels of organizational commitment and organizational justice. The results of this study are intended to provide restaurant industry executives and management with information and direction regarding decisions related to gratuity policies and structures. In addition, with limited research on shared and independent gratuity environments, this study provides an exploratory look at gratuity distribution systems and provides an agenda for future research.

The examination of the previous literature led to the four main research questions for this study. First, does gratuity distribution structure (shared versus independent) and
position have an impact on employees’ levels of organizational commitment and organizational justice? Second, does gratuity structure (shared versus independent) impact restaurant service employees’ combined or individual measures of organizational commitment and organizational justice? Third, does position have an impact on either organizational commitment or organizational justice individually or combined? Finally, which type of gratuity distribution system do employees working in shared and independent gratuity environments prefer and does preference vary based on position type?

This study was designed to serve as a foundational examination of shared and independent gratuity distribution systems. While several studies have been conducted on gratuities, very few have examined differing gratuity structures (Lin & Namasivayam, 2011; Namasivayam & Upneja, 2007) and there were no investigations found comparing independent gratuity environments to shared gratuity environments. In addition, there has been a large amount of debate related to the legality of shared distribution systems; therefore, having a better understanding of how differing gratuity distribution systems impact the employees working in those environments could assist in future regulations related to gratuity distribution systems. This study serves as a foundational examination of differing gratuity distribution environments to begin to understand the effects of how these organizationally determined systems impact employees.

As discussed in the review of existing literature, increased levels of organization commitment has been found to be correlated with lower levels of employee intention to turnover and higher levels of customer service. Similarly, higher levels of organizational justice in employees have been found to be correlated with lower levels of turnover.
Restaurants have typically been known as having high turnover rates; therefore, understanding how the organizational commitment and organizational justice levels of employees vary in differing gratuity system can be helpful to managers in determining if one type of gratuity system is more desirable than another.

The data for this investigation were gathered via paper survey instruments from restaurant service staff who earned gratuities in 11 diverse restaurants in 5 different cities. Eight of the restaurants operated with a shared gratuity distribution environment. Three restaurants operated with an independent gratuity distribution environment. The restaurants ranged from three meal period restaurants to a three star Michelin restaurant. Restaurant service employees included in the study were individuals earning gratuities in the restaurant including food servers, food runners, bus persons, hosts, bartenders and sommeliers. While not originally part of the study, some management personnel also completed the survey during data collection so those responses were also included. The restaurants participating in the study were selected as a convenience sample as there is no known publicly available list of the gratuity distribution system restaurants utilize. The researcher had previously established working relationships with the restaurant organizations participating in the study and knowledge of the gratuity distribution systems. After the study was developed, approval was requested and received from the university Human Subjects Review Committee to conduct the survey (a copy of the approval appears in Appendix II).

Data were collected using two pre-established measures. The shortened Organizational Commitment Questionnaire (Mowday, Porter, & Steers, 1982) contained nine items to measure an employee’s level of commitment to the organization. The
second measure on the survey instrument contained seven items to measure organizational justice levels, particularly distributive and procedural justice. The instrument was pilot tested using a small sample of the intended population.

For data collection, the researcher visited the 11 participating restaurants during pre-shift meetings. Restaurant service staff members on shift during the visit were presented with verbal instructions and a written information sheet explaining participation in the study was voluntary. Participants were also informed the study was for academic research and all responses would be anonymous with any identifying information being aggregated in the final research report. The average completion time for the survey was 5 to 7 minutes.

Information gathered via the survey was compared to identify mean differences in organizational commitment and organizational justice levels of restaurant service staff in two different gratuity distribution environments, shared and independent. A Chi-square test was conducted to determine which gratuity distribution system was preferred by different restaurant service staff positions. Multivariate analysis of variance (MANOVA) was performed with two independent variables (position and gratuity distribution method) and two dependent variables (organizational commitment and organizational justice). Finally, an analysis of variance of the main effects of each component was conducted.

Responses from the 207 participants were examined for significant differences. First, responses for each scale (organizational commitment and organizational justice) were reduced using principal component analysis (PCA) to identify interpretable components of each construct. The PCA of the organizational commitment measure
resulted in two components with the first including all items which represented total organizational commitment. The second commitment component included two items and was labeled continuance commitment. The PCA of the organizational justice measure resulted in two components as well; however, the since only seven items were included in the measure, only the first resulting component was examined. The first component combined both procedural justice and distributive justice resulting in an overall organizational justice PC. The reliability of each of these dimensions was assessed using Cronbach’s alpha.

**Hypotheses**

**H1:** Employee preference for gratuity distribution system (shared or independent) varies based on position type with servers and bartenders preferring independent gratuity environment and bus persons and hosts preferring shared gratuity environments.

**H2:** Differences in organizational commitment exist among restaurant service employees based on position type.

**H3:** Restaurant service employees in independent gratuity environments will have higher levels of organizational commitment than those in shared gratuity environments.

**H4:** Differences in levels of distributive justice exist among restaurant service employees based on position type.

**H5:** Restaurant service employees in shared gratuity environments will have higher levels of distributive justice than employees in independent gratuity environments.
H6: Differences in levels of perceived justice exist among restaurant service employees’ based on position type.

H7: Restaurant service employees in shared gratuity environments will have higher levels of perceived justice than employees in independent gratuity environments.

H8: Different restaurant service employee positions in independent gratuity environments will have higher combined levels of organizational commitment and organizational justice.

**Discussion of Hypotheses Testing**

The first hypothesis was examined utilizing a Chi-square test which revealed positions who do not receive gratuities directly from the guest (bus persons, food runners, and hosts) preferred shared gratuity environments while positions who receive gratuities directly from the guest (food servers and bartenders) indicate a preference for both types of environments. This finding is contradictory to the previous work of Lin and Namasivayam (2011) who reported their sample of mostly food servers preferred independent gratuity environments over shared gratuity environments. There was no discussion in the previous study of the participants’ familiarity with working in differing gratuity systems, rather the individuals were simply presented with differing scenarios and asked to select which might be preferred.

In contrast, the participants in this dissertation were asked to indicate if they had worked in both shared and independent gratuity distribution systems. Restaurant service personnel who receive gratuities indirectly from the guests preferred working in shared gratuity environments while those directly receiving gratuities reported a split preference,
with half preferring independent and half preferring shared gratuity systems. Perhaps the
previously discussed benefits of shared gratuity distribution systems such as consistency
in amount of gratuity received and increased teamwork are appreciated by restaurant
service staff including bus persons, food runners, and hosts.

The next hypothesis analyzed was Hypothesis 8 as it examined all components of
the study using MANOVA and the remaining hypotheses (2-7) are main effects of the
MANOVA. For Hypothesis 8, there was no significant difference found in the levels of
organizational commitment and organizational justice in restaurant service staff positions
at differing gratuity distribution system restaurants. Therefore the null hypothesis for
Hypothesis 8 was not rejected.

Hypothesis 2 examined differences in organizational commitment levels
between restaurant service employees based on position type with two categories: those
directly receiving gratuities from guests (food servers and bartenders) and those
indirectly receiving gratuities from guests (bus persons, food runners, and hosts). The
analysis revealed a significant difference between position type for both organizational
commitment component 1 (total organizational commitment) and component 2
(continuance commitment). Therefore, the null hypothesis (there is no difference in
organizational commitment between restaurant service employees based on position type)
can be rejected. An analysis of the means indicated the service staff who receive
gratuities indirectly from guests (bus persons, food runners, and hosts) have higher levels
of organizational commitment for each of the two component, total organization and
continuance commitment.
This finding seems to extend and support the related study conducted by Curtis, Upchurch, and Severt (2009) which examined organizational commitment and motivation levels of restaurant staff. Curtis et al. (2009) examined restaurant positions including bartenders, food servers, and hosts and found no significant difference in organizational commitment levels based on position. While the results of this study are not generalizable based on the convenience sample, the groupings of restaurant service employees into those directly receiving gratuities from guests and those indirectly receiving gratuities from guests with significant differences in organizational commitment adds to body of knowledge. Common groupings of restaurant service staff previously examined in literature include front-of-the-house versus back-of-the-house, tipped versus non-tipped, and bar versus restaurant. Additional research could be conducted to examine additional differences in perceptions of these two groups.

Hypothesis 3 states restaurant service employees in independent environments will have higher levels of organizational commitment than those in shared gratuity environments. The analysis revealed there was no significant difference found between shared and independent gratuity environments in organizational commitment levels for either of the two components (total organizational commitment or continuance commitment). This seems to contradict Wright and Kehoe (2008) who suggest human resource practices impact employees. There are several possible reasons why this examination yielded no significant differences. Perhaps gratuity distribution system type has no impact on organizational commitment levels. This could be a result of the restaurants clearly communicate the gratuity distribution system to restaurant service staff prior to beginning employment with the organization.
Hypotheses 4 and 6 were condensed to Hypothesis 4a which combined procedural and distributive justice into one measure of organizational justice as a result of the principal component analysis. The revised Hypothesis 4a stated: Differences in levels of organizational justice exist between restaurant service employees based on position type. There was no statistically significant difference between positions directly receiving gratuities from guests (food server and bartender) and positions indirectly receiving gratuities from guests (bus person, food runner, host) in reported levels of organizational justice. This seems to conflict with Lin and Namasivayam (2011) who reported their sample of restaurant employees believed sharing gratuities between front-of-house (servers) and back-of-house (all other positions) employees would be less fair (with less distributive justice).

Hypotheses 5 and 7 were similarly condensed to Hypothesis 5a including both procedural and distributive justice into one component of organizational justice. Hypothesis 5a stated: Restaurant service employees in shared gratuity environments will have higher levels of organizational justice than employees in independent gratuity environments. The analysis revealed no statistically significant difference between shared and independent gratuity system employees on levels of organizational justice. This insignificant finding is particularly interesting. It seems to suggest employees perceive both shared and independent gratuity systems as fair, with no one distribution system being considered more just than the other. Another possibility could be employees feel no control over the type of gratuity distribution system as restaurant management often determines the system utilized. Nadiri and Tanova (2010) reported employees wanted to see fair procedures in regards to distribution of rewards and these
finding might suggest both shared and independent gratuity distribution systems are perceived as fair.

**Implications**

The results of this study provide restaurant operators with insight into how human resource practices, like how gratuity distribution methods, influence individuals in the organization. In this examination, there were no statistically significant differences between employees in shared gratuity environments and those in independent gratuity environments on levels of organizational commitment or organizational justice. Often researchers perceive insignificant results as disappointing; however, in this instance the insignificant findings might be informative as this is an exploratory study. The finding of no difference in organizational commitment or organization justice levels between employees working in different gratuity distribution systems might suggest there is no disadvantage in regards to impact on organizational commitment or organizational justice between one gratuity system and the other.

In addition, as discussed in Chapter 2, there are legal debates over the fairness of shared gratuity systems (Issacs, 2011). Since there were no statistically significant differences in perceived organizational justice levels between shared and independent gratuity systems it could be speculated that both systems are considered to be fair by those individuals receiving gratuities. Certainly additional research in the differences between shared gratuity environments and independent gratuity environments could further illuminate the impact of each distribution system.

The study did reveal a significant difference in organizational commitment levels between all service staff surveyed (regardless of gratuity distribution system) who
indirectly receive gratuities from guests (bus persons, food runners, and hosts) and service staff who directly receive gratuities from guests (food servers and bartenders). Post hoc testing revealed those receiving gratuities indirectly from guests (bus persons, food runners, and hosts) had higher levels of organization commitment than those receiving gratuities (food servers and bartenders). No previous studies have been found investigating the differences between these two position types. Additional studies examining these two position groupings with relation to other organizational behavior constructs like job satisfaction and intent to leave may provide additional insight for restaurant operators.

**Limitations**

As with most research, this study has limitations. Several factors related to the research should be considered when drawing conclusions from the results. First, this study surveyed only 11 restaurants. This convenience sample affects the generalizability of the findings. Surveys of employees of restaurants operating in differing markets or geographical locations may have produced different results.

Also, the surveys gathered from shared gratuity environments were from one organization while the independent environment restaurants spanned three different restaurant organizations. There may be organizational factors for each of the restaurant groups impacting the dependent variables in addition to gratuity distribution method and position. Each organization has specific culture, reward systems, and employee selection criteria which may result in differing responses.

There were a limited number of responses in the independent gratuity environment as compared to the shared gratuity environment. This low independent
gratuity system representation could have resulted in a lack of power to accurately discern differences between the two groups (Tabachnick & Fidell, 2007).

This investigation is not comprehensive and there are likely variables other than gratuity distribution type and position which impact respondents’ perceptions of organizational commitment and organizational justice levels. Other variables related to the work environment, the position requirements, and the organization could impact an employee’s perception of organizational commitment and organizational justice. Also the survey instrument asked for participants overall view of their respective restaurant organization when responding to organizational commitment and organizational justice measures. Perhaps responses would have been different if respondents were asked to evaluate how the specific gratuity distribution system impacted their levels of organizational commitment or their perceptions of justice.

In addition, the surveys were administered during company work hours. While the surveys were presented and collected by the researcher, restaurant management remained in the general area of the employees as they completed the surveys. Participants may have indicated responses they felt to be perceived as more favorable to the organization in fear of later repercussions. Efforts were made to reduce this response bias. The researcher provided both written and verbal assurance of anonymity to respondents. The researcher also communicated to participants that completed questionnaires would be retained by the university with the organizations receiving only complied responses from all participating restaurants at the conclusion of the study.

Finally, the study was presented in English only. Service staff members may have difficulties reading English and could have selected responses randomly in order to
complete the survey. There were very few incomplete or refused surveys, suggesting language was not a concern; however, it is possible individuals with weak English reading comprehension skills completed the surveys without fully understanding questions and responses.

**Suggestions for Future Research**

This study provided insight into restaurant service staff perceptions of organizational commitment and organizational justice in differing gratuity distribution environments. As this is one of the first studies examining the impact of gratuity distribution systems, more research could be conducted that investigates the impact of how many and which types of restaurants operate with shared and independent gratuity environments. Studies can be conducted to determine an organizational level of analysis examining productivity levels and performance metrics of specific restaurant with differing gratuity distribution systems. Employee specific performance metrics like table turn time, guests served per hour, and average spend per customer could also be examined to measure the impact of gratuity distribution system on the restaurant profitability.

More investigation may be beneficial to determine the opinion of management on preferences for gratuity distribution environment. Posing specific questions to managers regarding the impact of distribution system on the overall restaurant environment may offer hidden benefits and challenges of each distribution environment. Detailed case studies which examine and describe the advantages and challenges associated in successful independent and shared gratuity environments could provide rich information
for other restaurant operators to reference when deciding which type of distribution
system to implement.

Summary

The chapter provides the implications and findings of the study. First, a review
of the study was presented along with specific results of hypothesis testing from chapter
four. Limitations of the study were presented along with a list of suggestions for
continued related research.
APPENDIX I

Survey Instrument
EXEMPT RESEARCH STUDY
INFORMATION SHEET

Department of Hotel Administration

TITLE OF STUDY: Restaurant Service Employees Organizational Commitment: Shared Gratuity Versus Independent Gratuity Environments

INVESTIGATOR(S) AND CONTACT PHONE NUMBER: Dr. Clark Kincaid and Susan Roe, M.S. 702.581.0667

The purpose of this study is to determine the organizational commitment levels of restaurant service staff employees. You are being asked to participate in the study because you meet the following criteria: you work for an organization in a front of house service staff position which earns part of your salary from gratuities.

If you volunteer to participate in this study, you will be asked to do the following: complete a survey.

This study includes only minimal risks. The study will take approximately 5 to 10 minutes of your time. You will not be compensated for your time.

For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted you may contact the UNLV Office of Research Integrity – Human Subjects at 702-895-2794, toll free at 877-895-2794, or via email at IRB@unlv.edu.

Your participation in this study is voluntary. You may withdraw at any time. You are encouraged to ask questions about this study at the beginning or any time during the research study.

Participant Consent:
I have read the above information and agree to participate in this study. I am at least 18 years of age. A copy of this form has been given to me.
This research study asks Restaurant Service Staff opinions about their position and their work organization. The answers you provide are anonymous. The responses you share will be compiled with individuals from other restaurants. Thank you for your participation!

List your primary position

List the name of your restaurant

Please indicate which response best describes your opinion for each statement

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am willing to put in a great deal of effort beyond that normally expected in order to help the organization to be successful</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I talk up this organization to my friends as a great organization to work for</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I would accept almost any type of job assignment in order to keep working for this organization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I find that my values and the organization’s values are very similar</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I am proud to tell others that I am part of this organization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>The organization really inspires the very best in me in the way of job performance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I am extremely glad that I chose this organization to work for over others I was considering at the time I joined</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>I really care about the fate of this organization</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>For me, this is the best of all possible organizations to work for</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>What is the highest level of education you have completed?</td>
<td>What is your current status?</td>
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<td>----------------------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than High School</td>
<td>Single, never married</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School / GED</td>
<td>Married without children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td>Married with children</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Year College Degree</td>
<td>Divorced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Year College Degree</td>
<td>Separated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Masters Degree</td>
<td>Widowed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctoral or Professional Degree</td>
<td>Living with partner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What is your race?
- White / Caucasian
- African American
- Hispanic
- Asian
- Native American
- Pacific Islander
- Other __________________

What is your gender?
- Male
- Female
**How long have you been employed by this organization?**

Years ____________________ Months ____________________

**Circle which best describes your employment status with this organization**

- Full Time
- Part Time
- On Call

**How many hours (on average) do you work per week?** ____________________

**Please indicate which response best describes your opinion for each statement**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons involved in implementing decisions have a say in making the decisions</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>If a work unit performs well, there is appropriate recognition and rewards for all</td>
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<td>Members of my work unit are involved in making decisions that directly affect their work</td>
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<td>If one performs well, there is appropriate recognition and reward</td>
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<td>Decisions are made on the basis of research, data, and technical criteria as opposed to political concerns</td>
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<tr>
<td>If one performs well, there is sufficient recognition and reward</td>
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<td>People with the most knowledge are involved in the resolution of the problems</td>
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</tbody>
</table>
How long have you been employed by the restaurant industry?

Years ___________________  Months ___________________

Which type of tip distribution system have you worked? (select both if appropriate)

Shared / Pooled: where all monies are collected and divided according to a predetermined formula

Independent: where individuals receiving direct gratuities decide which staff and what amount to tip out

Which type of tip distribution system do you prefer? (select only one)

Shared / Pooled: where all monies are collected and divided according to a predetermined formula

Independent: where individuals receiving direct gratuities decide which staff and what amount to tip out

What is your current average weekly tip amount? $__________________________

What is your annual income range? (including tips and base pay)

Below $20,000

$20,000—$29,999

$30,000—$39,000

$40,000—$49,000

$50,000—$59,000

$60,000—$69,000

$70,000—$79,000

$80,000—$89,000

$90,000 or more
APPENDIX II

IRB Approval
Social/Behavioral IRB – Exempt Review
Deemed Exempt

DATE: March 12, 2012

TO: Dr. Clark Kincaid, Hotel Administration

FROM: Office of Research Integrity – Human Subjects

RE: Notification of IRB Action
Protocol Title: Restaurant Service Employees Organization Commitment: Shared Gratitude Versus Independent Gratitude
Protocol # 1202-4049M

This memorandum is notification that the project referenced above has been reviewed as indicated in Federal regulatory statutes 45CFR46 and deemed exempt under 45 CFR 46.101(b)2.

PLEASE NOTE:
Upon Approval, the research team is responsible for conducting the research as stated in the exempt application reviewed by the ORI – IHS and/or the IRB which shall include using the most recently submitted Informed Consent/Assent Forms (Information Sheet) and recruitment materials. The official versions of these forms are indicated by footer which contains the date exempted.

Any changes to the application may cause this project to require a different level of IRB review. Should any changes need to be made, please submit a Modification Form. When the above-referenced project has been completed, please submit a Continuing Review/Progress Completion report to notify ORI – IHS of its closure.

If you have questions or require any assistance, please contact the Office of Research Integrity - Human Subjects at IRB@unlv.edu or call 895-2794.
References


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organizational commitment: How does it fit with the work commitment construct?

the millennium: A meta-analytic review of 25 years of organizational justice


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Publications:


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Dissertation Examination Committee:
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Committee Member, Ashok Singh, Ph.D.
Graduate Faculty Representative, Lori Olafson, Ph.D.