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Benevolent leadership and psychological well-being

The moderating effects of psychological safety and psychological contract breach

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Abstract

Purpose – The purpose of this paper is to examine the relationship between benevolent leadership (BL) and psychological well-being (PWB) as well as to test the moderating roles of psychological safety (PS) and psychological contract breach (PCB) on that relationship.

Design/methodology/approach – Data encompasses 1,009 employees from 23 five-star hotels in Turkey. The moderating roles of PS and PCB on the BL and PWB relationship were tested using the moderated hierarchical regression analysis.

Findings – The moderated hierarchical regression analysis results reveal that there was a significant positive relationship between BL and employee PWB. In addition, the positive relationship between BL and well-being was stronger when PS was higher than when it was lower. On the contrary, high-PCB weakened the positive relationship between BL and PWB.

Practical implications – This study showed that both PS and BL enhance well-being. Managers could promote PS by breaking down the barriers preventing effective communication and discussion. Moreover, the results of this study indicated that the state of the psychological contract is a significant predictor of employees’ well-being. Organizational practices and policies, especially human resource practices, should be carefully designed and implemented as to prevent PCB, an important source of employee dissatisfaction and distrust.

Originality/value – The study provides new insights into the influence that BL may have on PWB and the moderating roles of PS and contract breach in the link between BL and employee well-being. The paper also offers a practical assistance to employees in the hospitality industry and their leaders interested in building trust and enhancing well-being.

Keywords Psychological contract breach, Psychological well-being, Psychological safety, Benevolent leadership

Paper type Research paper

Introduction

Leadership style is an important management tool because, if used properly, it can enhance positive relationships with employees, improve the organizational climate and increase service performance (Kozak and Uca, 2008). Effective leaders provide guidance that encourages employees to take ownership of tasks, to think outside the box to solve business problems, and to make decisions that can enhance the good of the team and company (Bennett, 2009; Kara et al., 2013). Like other business companies, hospitality companies should embrace the importance of leadership and apply its principles to enhance employees’ well-being.
The prevalence of psychological well-being (PWB) in the hospitality industry is increasing (Pienaar and Willemse, 2008). Since PWB has major significance for both employees and organizations, it is important to continue searching for mechanisms that increase its positive effects on employees’ physical and psychological health, emotional stability and sense of adequacy (Kara et al., 2013) which, in turn, will positively affect the working relationship with other colleagues and, could well promote and enhance the service quality in the hospitality sector. Research also suggests that employees’ PWB levels arising from their work environment and personal lives are interrelated (Chiang et al., 2010). In the health promotion literature, Rhoades and Eisenberger (2002) as well as Schepers et al. (2008) advocate social support and psychological safety (PS) as approaches to PWB. This approach elucidates that individuals who perceive high levels of social support and PS are better able to select the best available coping means and have high level of PWB. Another concept that is related to PWB is psychological contract. Research on psychological contract breach (PCB) found that it had a strong negative effect on job satisfaction, PWB and a strong positive influence on burnout and cynicism (Tekleab et al., 2005; Johnson and O’Leary-Kelly, 2003). As perceptions of PCB increased, employees reported high-emotional exhaustion and depersonalization along with a lower sense of personal accomplishment — the three components of burnout and lower PWB (Zhao et al., 2007).

The aim of this study is to examine the moderating effects of PS and PCB on the relationship between perceived benevolent leadership (BL) and PWB in the hospitality industry. This study makes several contributions to the literature. First, it is a response to the call for more research on organizational and interpersonal factors that may serve as moderators, buffers or even antidotes to PWB and its effects (Vondey, 2010). Second, given that psychological factors are central to most models of PWB (Hansen et al., 2012), it is important to examine the direct and moderating effects of psychological factors in a single study.

Therefore, the pursuit of the identification of the major psychological variables leading employees to high-PWB may give us some concrete ideas in terms of possible remedies for both employees and organizations in the hospitality industry. Figure 1 summarizes the theoretical model that guided this study.

**Benevolent leadership and PWB**

Benevolent leadership can be stated as a form of individualized care within a work domain, such as allowing opportunities to correct mistakes, avoiding the public humiliation of subordinates, providing coaching and mentoring, striving to solve

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**Figure 1.** Hypothesized model
subordinates’ work problems and showing concern for subordinates’ career development. It can also be expressed as a form of individualized care within a non-work domain, such as treating subordinates as family members, helping subordinates during their personal emergencies and showing holistic concern beyond professional relationships (Farh et al., 2008; Wang and Cheng, 2010).

Benevolent leadership is effective in increasing subordinates’ productivity because it makes subordinates feel obligated to reciprocate and obey the leader (Farh et al., 2006). Previous studies consistently revealed that BL strongly promotes subordinates’ deference to, gratitude to and identification with the leader (e.g. Cheng et al., 2004; Farh et al., 2006). Literature on paternalistic leadership also evidenced the positive effect of BL on a variety of favorable subordinate outcomes, such as satisfaction with the leader, organizational commitment, job performance and organizational citizenship behavior (Farh et al., 2008; Wang and Cheng, 2010).

We would propose that BL influences followers’ PWB. First, the personal integrity and elevated self-awareness of benevolent leaders, coupled with their striving for truthful relationships, lead to unconditional trust on the part of their followers, which enhances followers’ organizational-derived self-concept by influencing followers’ personal identification with the leader. Second, benevolent leaders influence followers’ well-being through emotions and provide an atmosphere conducive to the experience of positive emotions, which, in turn, influence followers’ experiences. Third, leaders serve as positive behavioral models for personally expressive and benevolent behaviors. Fourth, benevolent leaders support the self-determination of followers, in part by providing opportunities for skill development and autonomy. Last but not least, through social exchanges, benevolent leaders influence and elevate followers.

Furthermore, according to the “Belongingness theory” (Baumeister and Leary, 1995), one of the primary human drives is the need to belong, or to form strong positive interpersonal relationships. The need to belong is a powerful, fundamental human need that individuals constantly strive to satisfy (Baumeister and Leary, 1995); when one’s sense of belonging is thwarted (i.e. lower than desired), this can result in adverse reactions such as high-interpersonal deviance (Thau et al., 2007). Consistent with belongingness theory, research about BL suggest that it encourages employees engagement in more extra-role behaviors and commitment to their organizations. These are the end-results of employees’ need to belong, or to form strong positive interpersonal relationships, which, in turn, lead to low levels of interpersonal deviance and high PWB. Therefore, it is expected that BL will cause an increase in follower’s well-being:

H1. Benevolent leadership is positively related to follower’s well-being.

Moderating roles of PS and PCB

Psychological safety refers to members’ perception of an interpersonal context in which they “are comfortable being themselves” (Edmondson, 1999, p. 354). In a psychologically safe environment, unit members feel free to express concerns, self-doubts and their needs for learning in order to perform effectively (Kahn, 1990, p. 708). Members believe that they can speak up and inquire about a failure without repercussions from other unit members or the leader and this is essential for units to learn from their failures.

A PS climate is expected to encourage higher levels of employees’ well-being than unsafe work climate because PS makes employees feel comfortable, free from external controls or constraints and engage them in more voice behavior (Burke et al., 2006;
Kim et al. (2009). Employees who perceive high levels of PS are, thus, more likely to engage in voice behavior, trust in leader, risk taking and alternative thinking, all of which are expected to foster PWB (Edmondson, 2003).

In this study, we propose that PS moderates the relationship between BL and PWB. When an employee’s perception of PS is high, the impact of BL on well-being is likely to be stronger. High levels of PS allow employees to feel confident so that their behaviors, such as voice up and self-expression, are safe. In such a work environment, it would be possible for managers to use BL in a more efficient way which, in turn, cause employees to perceive higher levels of PWB (Singh et al., 2013).

On the contrary, in an environment characterized by low levels of PS, employees are afraid to speak honestly and may feel reluctant to engage in task-related behaviors, such as asking for resources to complete a task, asking questions, seeking feedback and reporting a problem or a mistake (Kark and Carmeli, 2009). Moreover, the fear and uncertainty that may be present in psychologically unsafe environment may distract employees from focussing on their tasks. Subordinates perceiving a low-PS are not highly sensitive to contextual supports for (or threats to) their well-being (Farmer et al., 2003) so that they do not tend to treat high levels of BL as an important support for their well-being. They do not enjoy utilizing their leader’s benevolence to perceive more well-being because, doing so, does not fulfill their need for voice behavior and trust in leader (McCall and Simmons, 1978; Riley and Burke, 1995). Thus, a strong, positive relationship is expected between BL and the well-being of subordinates high in PS:

H2. Psychological safety moderates the positive relationship between BL and employees’ well-being in such a way that the relationship is stronger when PS is high than when it is low.

Psychological contract has been defined by Rousseau (1989) as the employees’ belief about the terms of the reciprocal exchange agreement that exists between themselves and their organizations. Very few studies to date have explored the psychological contract in a hospitality setting (Blomme et al., 2010; Kelley-Patterson and George, 2001; Lub et al., 2012).

When the organization does not fulfill its obligations, employees may experience PCB. Contract breach is defined as the cognitions of an employee that the organization has failed to deliver its obligations (Morrison and Robinson, 1997). An affective reaction may follow, including feelings of anger and betrayal (Bal et al., 2008; Robinson and Morrison, 2000).

Previous research on psychological contracts has indicated that contract breach has a profound impact on job attitudes (Bal et al., 2008; Conway and Briner, 2005; Lub et al., 2012; Zhao et al., 2007). When organizations break psychological contracts, employees’ trust in their organization is harmed. Furthermore, organizational failure to deliver its obligations is also associated with a decrease in job satisfaction and commitment to the organization. Zhao et al. (2007), in their recent meta-analysis on the relations between PCB and outcomes, employed affective events theory to explain the relations between psychological contracts, attitudes and behaviors. According to affective events theory, a negative event at the workplace causes negative emotional reactions, such as anger or frustration (Morrison and Robinson, 1997; Weiss and Cropanzano, 1996). These emotions affect the cognitive evaluation of one’s job, in such a way that experience of negative emotions will cause more negative job attitudes (Thoresen et al., 2003). Previous research has confirmed this link between negative emotions and job attitudes by showing that negative emotions are related to decreases in trust (Dunn and Schweitzer, 2005), job satisfaction (Judge and Ilies, 2004) and commitment (Thoresen et al., 2003). On the other hand, positive emotions will
affect evaluations of the job in a positive way, such that people experience higher trust, satisfaction and commitment. Zhao et al. (2007) argue that, in particular, PCB is perceived as such a negative event. Thus, contract breach leads to affective reactions, which, in turn, contribute to the establishment of job attitudes. However, it is not always clear why and how employees come to perceive something as a negative event. Social exchange theory provides an explanatory framework of the processes that lead employees to perceive a negative event and, hence, PCB.

According to social exchange theory, people engage in interactions with other people because they are motivated by the expectation of receiving inducements in return from the other party (Blau, 1964; Gouldner, 1960). Social exchange involves series of interactions (such as incentives from the employer and contributions from the employee) between two parties (Cropanzano and Mitchell, 2005). Each party acts according to the norm that the other party will reciprocate such actions, creating mutual obligations over time. If one party does not reciprocate, an imbalance is created between the contributions of the two parties (Cropanzano and Mitchell, 2005). If employees perceive that their employer has not reciprocated their contributions, they will respond with emotional reactions such as anger and frustration, in line with affective events theory. Furthermore, employees may restore the balance in social exchanges by lowering their trust, job satisfaction and commitment (Taylor and Tekleab, 2004). According to Taylor and Tekleab (2004), social exchanges and reciprocity play a critical role in the psychological contract because mutual obligations, as social exchanges, form a psychological contract. Shore and Barksdale (1998) found that imbalances between employee and employer obligations resulted in a lower affective commitment than in a balanced situation, especially when it involved mutually high obligations (Bal et al., 2008).

Not receiving anything in return for contributions to the organization will, therefore, be perceived as a negative event. Subsequently and in accordance with affective events theory (Blau, 1964; Taylor and Tekleab, 2004), contract breach as an imbalance in social exchange will affect job attitudes. As a result, employees respond to contract breach by lowering their trust in leaders, job satisfaction and commitment to the organization. Trust in leaders and job satisfaction positively affect employees’ PWB by limiting the perceived level of risk, vulnerability and stress, all of which could have detrimental effects on well-being (Kelloway et al., 2012; Schabrácq et al., 1996). Employees who distrust their leaders and are dissatisfied with their jobs consume their cognitive and emotional energy in attempting to safeguard themselves from these leaders and jobs, depleting their emotional and physical resources in the process, which, in turn, lead to low level of employee well-being.

Based on the above research, it is expected that PCB moderates the relationship between BL and employees’ well-being:

H3. Psychological contract breach moderates the positive relationship between BL and employees’ PWB in such a way that the relationship is weaker when PCB is high than when it is low.

Methods
Participants
The sample of this study included 1,009 employees along with their superiors from 23 five-star hotels in Turkey. These hotels were randomly selected from a list of all 398 five-star hotels in the country (The Ministry of Culture and Tourism, 2013).
A cluster random-sampling method was used to select the sample. In this sampling method, first, all the five-star hotels in Turkey were stratified into seven strata according to their geographic regions. Then, hotels in each stratum were proportionally selected by a cluster random sampling; employees working at the selected hotels comprised the study sample.

This study was completed between September 2013 and November 2013. Participants were told that the study was designed to collect information on the BL and their well-being perceptions in the hospitality workforce. They were given confidential assurances and told that participation was voluntary.

We distributed questionnaires to all heads of department and senior management staff through the human resource department (HRD). After answering the questionnaires, respondents returned them to the HRD in a self-sealing envelope provided by the researcher. Envelopes were then collected from each hotel.

A randomly selected group of employees completed the PS, PCB and well-being scales (46-89 employees per hotel, totaling 1,380). Missing data reduced the sample size to 1,009. Those employees’ immediate superiors (first-line managers) completed the BL scale (3-6 first-line managers per hotel, totaling 92). First-line manager reports of BL were used instead of employee reports in order to avoid same-source bias. In total, 31 percent of employees were female with an average age of 24.23 years. Employees’ average organizational tenure was 4.13 years. In total, 6 percent of employees had a graduate degree, 74 percent had an undergraduate degree, 10 percent had a technical degree and 10 percent had lower levels of education, most of whom had completed a high-school degree. Their primary functional areas were: food and beverage departments (53 percent), rooms side (27 percent), and a variety of other areas such sales and marketing, accounting, purchasing (20 percent). Moreover, 69 percent of first-line managers were male with an average age of 36.33 years and an organizational tenure of 6.23 years. In total, 15 percent of first-line managers had a graduate degree and 85 percent had an undergraduate degree. The response rate of the study turned out to be 73.12 percent. Potential non-response bias was assessed by conducting a multivariate analysis of variance test on demographic variables such as gender, age and organizational tenure. No significant differences were found between respondents and non-respondents, which indicates minimal if any non-response bias in the sample based on these factors.

Measures

Benevolent leadership. In total, 11 items of Cheng et al. (2000) BL scale were used to test leader benevolence. On a five-point scale, that ranges from 1 “not at all” to 5 “frequently”, employees reported the frequency of perceiving their supervisors’ benevolent behavior. Sample items include “my supervisor tries to understand the cause when I do not perform well,” and “my supervisor will help me when I am in an emergency.” The Cronbach’s $\alpha$ for this measure was 0.86.

PWB. It was measured by Ryff’s (1989) PWB measure-short form. This 17-item standardized measure has documented reliability and validity and contains subscales for purpose in life, personal growth, autonomy, environmental mastery, positive relations with others and self-acceptance. Responses were made on a five-point scale from 1 (strongly agree) to 5 (strongly disagree). One thing needing to be pointed out is that Ryff’s (1989) original questionnaire had six subscales, including purpose in life, personal growth, autonomy, environmental mastery, positive relations with others and...
self-acceptance. However, since the separate sub scales were highly inter-correlated (average $r = 0.79$) in this study, we combined the subscales into an overall measure as in the previous studies (Arnold et al., 2007; Schwartz et al., 2005). Cronbach’s $\alpha$ for this measure turned out to be 0.89 in the present study.

**Psychological safety.** Edmondson’s (1999) PS scale was used. This measure assesses the extent to which a member in an organization feels psychologically safe to take risks, speak up and discuss issues openly. Following the results of a factor analysis, we adopted five items from this scale. Responses were made on a five-point scale ranging from 1 (not at all) to 5 (to a large extent). The Cronbach’s $\alpha$ for the scale was 0.86 in this study.

**Psychological contract breach.** We used Coyle-Shapiro and Kessler’s (2000) nine-item scale to measure PCB. Respondents were asked to indicate the degree ($1 = \text{not at all}, 5 = \text{very great extent}$) to which their employer had fulfilled nine employment obligations and the degree ($1 = \text{not at all}, 5 = \text{very great extent}$) to which their employer had promised nine employment obligations. Sample items of the obligations include “support to learn new skills”, “good career prospects”, “long term job security”, “fair pay for responsibilities in the job” and “pay increases to maintain standard of living.” The Cronbach’s $\alpha$ for this measure turned out to be 0.89.

**Control variables.** The demographic factors: age, gender and organizational tenure, found to be significantly related to employee well-being (Wright and Bonett, 1997), were controlled. Age and tenure were measured in years while gender was measured as a dichotomous variable coded as 1 for male and 0 for female.

**Results**

Due to the fact that the data for this study were collected using a single survey instrument, we performed a Harman one-factor test to evaluate whether common method bias influenced our results (Podsakoff et al., 2003). This procedure involves performing a factor analysis on the study variables using principal axis factoring to determine whether the method factor (the first factor) accounts for a disproportionate amount of variance (Fabrigar et al., 1999). This analysis produced a four-factor solution based on the eigenvalue > 1.0 criteria using varimax rotation. The method factor accounted for 19.96 percent of variance. This falls below the cutoff of 25 percent identified by Williams et al. (1989), suggesting that common method variance did not substantially influence the results.

A confirmatory factor analysis (CFA) on the four constructs of BL, PWB, PS and PCB was performed to measure the internal consistency reliability, convergent validity and discriminant validity of the constructs in the proposed model (see Table I). The results revealed that the composite reliability (CR) of each construct ranged from 0.86 to 0.94, exceeding the 0.60 CR threshold value, and giving evidence of internal consistency reliability (Bagozzi and Yi, 1989; Fornell and Larcker, 1981). In addition, the factor loadings of the individual items in the four-factor model were all significant ($p < 0.001$), indicating preliminary evidence for the convergent validity of the measurement model. Meanwhile, the average variance extracted (AVE) of all constructs ranged from 0.59 to 0.66, exceeding the 0.50 AVE threshold value (Bagozzi and Yi, 1989; Fornell and Larcker, 1981). Thus the convergent validity was acceptable.

Table II presents the fit indexes of the proposed model in the CFA. As shown in Table II, the results of the proposed four-factor structure BL, PWB, PS and PCB demonstrated good fit with the data ($\chi^2 (266.73, n = 1009)/df(96) = 2.78, CFI = 0.96$,
RMSEA = 0.04). Against this baseline four-factor model, we tested three alternative models: Model 1 was a three-factor model with PWB merged with BL to form a single factor; Model 2 was another three-factor model with PWB merged with PS to form a single factor; and Model 3 was a two-factor model, with BL merged with PWB and PS to form a single factor. As shown in Table I, the fit indices support the proposed four-factor model, providing evidence for the construct distinctiveness between BL, PWB, PS and PCB.

<table>
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<th>Construct</th>
<th>No. of items</th>
<th>Cronbach’s α</th>
<th>Variable</th>
<th>Standardized factor loadings</th>
<th>CR (t-value)</th>
<th>AVE</th>
<th>Composite reliability</th>
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<td>0.76</td>
<td>14.36***</td>
<td></td>
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<tr>
<td>P. contract breach</td>
<td>9</td>
<td>0.89</td>
<td>PCB1</td>
<td>0.81</td>
<td></td>
<td>0.59</td>
<td>0.90</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PCB2</td>
<td>0.80</td>
<td>14.19***</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PCB3</td>
<td>0.69</td>
<td>15.10***</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PCB4</td>
<td>0.73</td>
<td>14.66***</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PCB5</td>
<td>0.79</td>
<td>14.09***</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PCB6</td>
<td>0.76</td>
<td>15.39***</td>
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<td></td>
<td></td>
<td></td>
<td>PCB7</td>
<td>0.81</td>
<td>15.67***</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PCB8</td>
<td>0.88</td>
<td>14.89***</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>PCB9</td>
<td>0.91</td>
<td>14.66***</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table I.**

Coefficients for the four-factor measurement model

**Notes:** n = 1009. ***Correlation significant at the 0.001 level (two-tailed)
Table III shows the means, standard deviations and correlations for the study variables. H1 was tested with hierarchical regression analysis (Table IV). In Step 1, the control variables were entered and in Step 2, BL. As can be seen in the section of the table showing the values yielded by Step 2, BL was significantly, positively related to PWB ($\beta = 0.31, p < 0.001$), a finding that supports H1.

<table>
<thead>
<tr>
<th>Model</th>
<th>Factors</th>
<th>$\chi^2$</th>
<th>df</th>
<th>RMSEA</th>
<th>CFI</th>
<th>TFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Null</td>
<td></td>
<td>6913.99</td>
<td>113</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Baseline</td>
<td>266.73</td>
<td>96</td>
<td>0.04</td>
<td>0.96</td>
<td>0.95</td>
</tr>
<tr>
<td></td>
<td>Alternatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 1</td>
<td>Three factors. BL and PWB were combined into one factor</td>
<td>1093.77</td>
<td>100</td>
<td>0.10</td>
<td>0.89</td>
<td>0.86</td>
</tr>
<tr>
<td>Model 2</td>
<td>Three factors. PWB and PS were combined into one factor</td>
<td>1613.93</td>
<td>100</td>
<td>0.11</td>
<td>0.81</td>
<td>0.79</td>
</tr>
<tr>
<td>Model 3</td>
<td>Two factors. BL, PWB, and PS were combined into one factor</td>
<td>2096.99</td>
<td>102</td>
<td>0.13</td>
<td>0.71</td>
<td>0.70</td>
</tr>
</tbody>
</table>

**Notes:** BL, Benevolent leadership; PWB, psychological well-being; PS, psychological safety; and PCB, psychological contract breach

Table II. Comparison of measurement models

Table III. Means, standard deviations and correlations among variables

Table IV. Results of hierarchical regression analysis for psychological well-being

Steps and predictor variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Age</td>
<td>24.23</td>
<td>1.33</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Gender</td>
<td>0.69</td>
<td>0.31</td>
<td>0.06</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Job tenure</td>
<td>4.13</td>
<td>1.86</td>
<td>0.26</td>
<td>0.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Psychological safety</td>
<td>4.93</td>
<td>0.76</td>
<td>0.09</td>
<td>0.10</td>
<td>0.11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Psychological contract breach</td>
<td>3.87</td>
<td>0.93</td>
<td>−0.06</td>
<td>0.07</td>
<td>−0.16*</td>
<td>−0.27**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Benevolent leadership</td>
<td>4.29</td>
<td>1.26</td>
<td>0.03</td>
<td>0.04</td>
<td>0.04</td>
<td>0.31***</td>
<td>−0.29**</td>
<td></td>
</tr>
<tr>
<td>7. Psychological well-being</td>
<td>4.12</td>
<td>0.83</td>
<td>0.16*</td>
<td>0.09</td>
<td>0.13*</td>
<td>0.33***</td>
<td>−0.36***</td>
<td>0.34***</td>
</tr>
</tbody>
</table>

**Notes:** $n = 1009$. *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$
The $H_2$ and $H_3$ in the study were tested by using moderated hierarchical regression, according to the procedure delineated in Cohen and Cohen (1983). The significance of interaction effects was assessed after controlling all main effects. In the models, gender, age and job tenure were entered first as control variables; BL, predictor variable, was entered in the second step; the moderator variables (i.e. PS and PCB) were entered in the third step; and the interaction terms, in the fourth step. In order to avoid multicollinearity problems, the predictor and moderator variables were centered and the standardized scores were used in the regression analysis (Aiken and West, 1991).

As can be seen in Step 4 results from Table V, the interaction effect for BL and PS was significant for PWB, supporting $H_2$ ($\beta = 0.33, p < 0.001$).

$H_3$, which states that PCB moderates the relationship between BL and PWB, received strong support (see Table V). The interaction effect for BL and PCB was significant for PWB ($\beta = 0.22, p < 0.01$).

Figures 2 and 3 graphically show the interactional BL – PWB relationship as moderated by PS and PCB, for which high and low levels are depicted as one standard deviation above and below the mean, respectively.

As predicted, when employees perceived high levels of PS, the relationship between BL and employees’ well-being was stronger. On the contrary, it was found that PCB weakened the positive relationship between BL and well-being. As presented in (Figure 3), the positive relationship between BL and well-being was less pronounced when an employee’s perception of PCB was high.

**Discussion**

The results of this study revealed that both PS and PCB moderated the positive relationship between BL and employee well-being. These findings are consistent with

<table>
<thead>
<tr>
<th>Steps and predictor variables</th>
<th>Psychological safety</th>
<th>Psychological contract breach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Age</td>
<td>0.08</td>
<td>0.07</td>
</tr>
<tr>
<td>Gender</td>
<td>0.09</td>
<td>0.08</td>
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<tr>
<td>Job tenure</td>
<td>0.11</td>
<td>0.10</td>
</tr>
<tr>
<td>Step 2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Benevolent leadership (BL)</td>
<td>0.33***</td>
<td>0.31***</td>
</tr>
<tr>
<td>Psychological safety (PS)</td>
<td>0.30***</td>
<td>0.27**</td>
</tr>
<tr>
<td>Psychological contract breach (PCB)</td>
<td>-0.34***</td>
<td>-0.31***</td>
</tr>
<tr>
<td>Step 3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>BL × PS</td>
<td>0.26</td>
<td>0.33</td>
</tr>
<tr>
<td>BL × PCB</td>
<td>0.22**</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.26</td>
<td>0.40</td>
</tr>
<tr>
<td>Change in $R^2$</td>
<td>0.07</td>
<td>0.06</td>
</tr>
<tr>
<td>$F$</td>
<td>2.11*</td>
<td>3.31***</td>
</tr>
</tbody>
</table>

**Notes:** $n = 1009$. $\beta$ is standardized beta. $^{*}p < 0.05; ^{**}p < 0.01; ^{***}p < 0.001$
previous research suggesting that PS (Singh et al., 2013; McCall and Simmons, 1978; Riley and Burke, 1995) and PCB (Bal et al., 2008; Conway and Briner, 2005; Zhao et al., 2007) have moderating effects. In this study, employee’s perception of PS was positively and significantly associated with employee’s well-being. In order to enhance employees’ well-being, managers need to be aware of employees’ expectations, focus on building trust and loyalty and devise ways to improve communication. Moreover, managers should recognize and reward employees for their success and contributions and should involve employees more in solving job-related problems and making decisions.

On the other hand, an employee’s perception of PCB may decrease his/her well-being in a hotel. When the organization does not fulfill its obligations vis-à-vis its employees, they may experience PCB. An affective reaction may follow, including feelings of anger, betrayal (Robinson and Morrison, 2000), lower trust, job satisfaction and commitment to the organization (Zhao et al., 2007). Similarly, employees may perceive insufficient social support in an organization with high PCB. These perceptions, in turn, may lead to lower employees’ well-being.

The results in this study suggest that researchers should continue to investigate psychosocial and contextual factors such as person-job fit (Vigoda-Gadot and Meiri, 2007), organization structure and size (Perry et al., 1994), organizational politics (Davis and
Gardner, 2004) and a leader’s power bases (Perry et al., 1994; Davis and Gardner, 2004), in unveiling perceptions and behaviors. It is plausible that PS and PCB were relevant interpersonal variables in this setting because they were the main sources of macro variation across hotels in the study. In other words, the findings in this study may be sample-specific and in need of replication. In different settings, other contextual factors, such as organizational structure or human resource practices, might become relevant. In developing theoretical explanations for the roles of interpersonal and contextual factors, researchers are encouraged to consider aspects of the organizational context that are most important to the population under investigation. Identifying contextual factors affecting employees’ well-being seems to be a promising research area.

Managerial implications
Extensive evidence indicates that employee well-being has a significant impact on the performance and survival of organizations by affecting costs related to illness and healthcare (Danna and Griffin, 1999). The psychological states of employees are important factors in determining their behaviors and responses at work. Besides, leaders, managers, supervisors and employees alike believe that making employees happier and healthier increases their effort, contributions and productivity (Fisher, 2003).

As employees with poor well-being may be less productive, make lower-quality decisions and exhibit higher absenteeism rates at work (Danna and Griffin, 1999), it is important for organizations to focus on enhancing employee well-being (Kalshoven and Boon, 2012). This study showed that both PS and BL enhance well-being. Managers could promote PS by breaking down the barriers preventing effective communication and discussion. Moreover, managers’ tendency to invite suggestions and inputs from their subordinates is likely to signal to subordinates that their feedback is valued and respected. This, in turn, should encourage employees to voice their opinions, thereby reinforcing their feelings of PS. Managers could also use BL, such as supportiveness, power sharing, caring and fairness in order to enhance employee well-being.

The results of this study indicate that the state of the psychological contract is a significant predictor of employees’ well-being. Conway and Briner (2009) emphasize the fact that organizations shape employees’ psychological contract in three ways: through their human agents, such as managers, communicating messages to the employees; through policies and practices (especially human resources practices); and through employment contracts. Therefore, organizations play an important role in shaping employees’ perception of the state of their psychological contracts (Conway and Briner, 2009). According to Handley et al. (2006), managers can improve trust by providing recognition, by being sensitive to subordinates’ needs and concerns and by creating effective communication channels. Special attention should be paid to the way managers communicate messages as well as to the content of these messages. Tyagi and Agrawal (2010) recommend that organizational practices and policies, especially human resources practices, should be carefully designed and implemented with the aim of preventing PCB, which is an important source of employee dissatisfaction and distrust.

Strengths and potential limitations
The main strength of the investigation in this study was its multilevel research design. Most research on BL and PWB has been conducted within single organizations, precluding an assessment of the way in which interpersonal variables influence employees’ well-being. The multilevel design was capable of capturing the complexity of individual behaviors by
considering different contexts. Second, the use of a Turkish sample added to the growing literature examining employee well-being in non-Western settings.

The study has several limitations that could be future research topics. First, some specific characteristics of hotels may have affected the findings, such as their source of funding. Whether hotels had foreign or local funding may have affected their organizational culture, which, in turn, could influence their leadership styles. Second, demographic factors might have affected the results. To illustrate, most of the participants were young with job tenure under five years. Moreover, most of the samples chosen came from males genderwise, which would strongly open a debate of whether similar results would be obtained if gender composition was different. Finally, this study is cross-sectional thus limiting one’s interpretation of causal mechanisms. Employing a longitudinal design would have provided us with an opportunity to examine not only BL effect on well-being but also whether followers’ well-being impacts improved perceptions of benevolent leaders. It is not surprising to think that people who are more optimistic or satisfied are also more likely to perceive others as benevolent, caring, supportive etc.

Despite these potential limitations, this study contributes to the research on benevolent empowerment and employee well-being by showing that PS and PCB are relevant psychosocial variables in determining the importance of employee well-being to leader-subordinate relationships. The results in the study support the argument that PWB is socially constructed and, therefore, studies of PWB in relation to outcomes should recognize the interpersonal context. It is expected that the results of this study would encourage future research to consider other interpersonal variables in models of leadership and employee’s well-being such as social support (Leiter and Maslach, 1988), trust (Mayer et al., 2009), self-disclosure (Sorensen, 1989), etc.

In conclusion, hospitality organizations must differentiate their services and products through the development and implementation of programs and processes of quality improvement in order to improve performance and gain competitive advantages. The delivery of high quality services and experiences is a critical success factor to hospitality organizations. Employees’ well-being and satisfaction, service quality and customer satisfaction, and high quality hospitality experiences are relevant constructs, all of them related to the understanding of the role leaders are to perform in competitive organizations. At the heart of these endeavors is a strong belief that currently employee well-being, satisfaction and commitment influence tomorrow’s customer well-being, satisfaction, and commitment and ultimately, the organization’s profit and growth.

References


Further reading

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