Motivation of travel agents' customer service behavior and organizational citizenship behavior: The role of leader-member exchange and internal marketing orientation

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HIGHLIGHTS

- Travel agents perform different reciprocal behaviors for high-quality exchanges.
- Travel agents will reciprocate for high LMX relations by means of organizational citizenship behavior.
- Travel agents will only repay for high level of IMO through customer service behavior when LMX is low.
- LMX and IMO are complementary in nature and play a mutually compensatory role.

ABSTRACT

Travel agents’ customer service behavior (CSB) and organizational citizenship behavior (OCB) are pivotal to the success of a retail travel agency. According to social exchange theory, these behaviors can be motivated by leader-member exchange (LMX, exchange between travel agents and their supervisors) and internal marketing orientation (IMO, exchange between travel agents and their organizations). In addition, the two exchange relationships are interdependent. Data from a two-phase survey of 288 travel agents working in Hong Kong were analyzed through hierarchical linear modeling. The findings indicate that leader-member exchange is positively associated with travel agents’ organizational citizenship behavior, whereas internal marketing orientation is positively associated with travel agents’ customer service behavior only when leader-member exchange is low. Moreover, the quality of one exchange relationship affects the salience of the other relationship. The manuscript concludes with implications for theory and practice.

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1. Introduction

Retail travel agencies are high-contact service businesses, with travel agents serving as the principal route for interaction with customers. Cheyne, Downes, and Legg (2006) describe travel agents as the key intermediary between travel suppliers and consumers. As the front line service employees, travel agents are responsible for delivering customer service, which plays a vital role in the success of the travel agency. Two types of travel agent performances are crucial for sustaining service quality: customer service behavior (CSB) and organizational citizenship behavior (OCB). The former refers to both role-prescribed and extra-role service behavior directed toward customers (e.g., Bettencourt & Brown, 1997), and the latter refers to discretionary or voluntary behavior directed toward the organization that is not explicitly specified in the employee’s formal job description or recognized in the formal reward structure (Organ, 1988). Increasing evidence shows a positive relationship of CSB and OCB to customers’ perception of service quality (e.g., Bitner, Booms, & Tetreault, 1990; Yoon, Seo, & Yoon, 2004; Yoon & Suh, 2003). As such, while it is important to investigate the factors that motivate travel agents to engage in these behaviors, to date, little research has been conducted in the area (Tsaur & Lin, 2004).

This study seeks to fill this research gap. Building on social exchange theory (Blau, 1964), the authors propose that travel agents’
leader-member exchange (LMX) is an antecedent of travel agents’ organizational citizenship behavior (OCB). LMX is defined as the quality of exchange between a supervisor and his or her subordinate (Graen & Uhl-Bien, 1995). Moreover, travel agents’ internal marketing orientation (IMO), the extent to which an organization manages exchanges with its employees (Lings & Greenley, 2005), is predicted to act as the key means of stimulating customer service behavior (CSB). In particular, the authors theorize that travel agents perform different reciprocal behaviors under leader-member exchange and internal marketing orientation. In other words, travel agents engage in a higher level of organizational citizenship behavior in reciprocating a high-quality exchange relationship with their immediate supervisors and in high-quality customer service behavior in reciprocating a high-quality exchange relationship with their organizations. Conceptually, employees’ exchanges with their immediate supervisors and organizations may simultaneously influence each other (Loi, Mao, & Ngo, 2009). Therefore, in this study, the authors further examine the possible interaction effects of leader-member exchange and internal marketing orientation to understand how travel agents’ organizational citizenship behavior and customer service behavior can be optimized under different quality exchanges with their leaders and travel agencies.

The hypotheses are tested using a two-phase survey of a dataset collected from travel agents working in Hong Kong. The travel agency sector is highly competitive here, as more than 1600 agencies were in operation in 2012 (Travel Agents Registry, 2013). Under such business environment, ensuring that travel agents have high levels of organizational citizenship behavior and customer service behavior is pivotal for a travel agency to satisfy customers’ needs and achieve success. Based on the empirical findings, this study provides theoretical implications for researchers and practical implications for managers in understanding how to manage travel agents’ performances through social exchange relationships in travel agencies.

2. Literature review and hypothesis development

2.1. Social exchange in travel agencies: LMX and IMO

According to Blau (1964), a social relationship is established from the exchange of socio-emotional resources with open-ended obligations, termed “social exchange”. People tend to have a general expectation of some future return after making a contribution or providing a service to another party, as governed by the norm of reciprocity in social exchange relationships (Gouldner, 1960). The resources or benefits exchanged are also symbolic and convey particularistic meaning to the receiving exchange partner (Cropanzano & Mitchell, 2005; Foa & Foa, 1974, 1980). While the time frame of the return is unspecified, all parties involved are, none the less, expected to fulfill their obligations (Holmes, 1981). Moreover, individuals engaged in a high-quality exchange relationship are expected to direct their reciprocation toward their exchange partners (Murphy, Wayne, Liden, & Erdogan, 2003). A number of studies (Hofmann & Morgeson, 1999; Masterson, Lewis, Goldman, & Taylor, 2000) have examined exchange processes in varying work contexts. For example, employees may form an exchange relationship with their immediate supervisors to receive work-related information and performance feedback. They may also develop an exchange relationship with the organization to gain training and promotion opportunities. Similar exchange processes are also likely applied to travel sector, where front-line travel agents are motivated to develop social exchange relationships with their immediate supervisors and their organizations to acquire benefits (e.g., increased support, communication, better roles, or greater career prospects). To reciprocate these gains, travel agents have the propensity to fulfill their obligations through performances favorable to their immediate supervisors and the organizations.

In this study, the quality of the exchange relationship between travel agents and their team supervisors is referred to as leader-member exchange (LMX). High-quality LMX relationships are characterized by exchange behaviors with high levels of trust and respect and intense interactions between supervisors and subordinates (DiNiesch & Liden, 1986). These relationships also imply more preferential treatment for high-LMX members. For example, travel agents enjoying high LMX may be assigned trips to more desirable locations or may be exposed to more job-related information. Travel agents therefore may be keen to develop a social exchange relationship with their team supervisor to acquire benefits. To do so, they direct their reciprocation toward their supervisors by enhancing the work-related behaviors that promote the effective functioning of the team and contribute positively to team effectiveness. These discretionary behaviors go beyond the requirements specified in the job description.

In addition to the exchange relationship with the immediate supervisor, front line staff can also form exchange relationship with the organization. Internal marketing orientation (IMO) captures the quality of the exchange relationship between travel agents and the organization. The central premise of IMO is to identify and satisfy the wants and needs of employees as a prerequisite to satisfying the wants and needs of customers. A high level of IMO signals an organization’s commitment to understanding and responding to the needs of employees and thus reflects an effective relationship between the organization and its employees (Rafiq & Ahmed, 1993). Thus, if travel agents have high IMO, they may feel obligated to repay the organization in the form of exceptional customer service, which is valued by the organization.

Grounded in social exchange theory (Blau, 1964), travel agents’ reciprocation efforts are target specific. The authors therefore postulate that high-quality LMX relationships will motivate travel agents to repay their supervisors in the form of positive supervisory-related outcomes. Similarly, a high level of IMO will encourage travel agents to directly benefit their organizations in return by providing favorable outcomes related to customer service. Therefore, Hypotheses 1 and 2 examine the positive associations between exchange relationships with individual exchange partners (i.e., LMX and IMO) and desirable work-related outcomes (i.e., OCB and CSB). Hypotheses 3 and 4 further explore the interactions of exchange relationships with different exchange partners simultaneously.

2.2. Social exchange with the team supervisor: LMX and OCB

LMX theory attempts to explain the quality of the exchange relationship between a supervisor and his or her employee (DiNiesch & Liden, 1986; Graen & Scandura, 1987; Settoon, Bennett, & Liden, 1996). The exchange relationship between a supervisor and each subordinate varies, ranging from high to low in quality (Dansereau, Graen, & Haga, 1975; Graen & Uhl-Bien, 1995). Employees generally perceive an obligation to reciprocate high-quality work relationships over time, as evidenced by studies linking LMX to positive employee behaviors (e.g., Ilies, Nahrgang, & Morgeson, 2007; Settoon et al., 1996). Reciprocity helps explain the effect of LMX on the desired employee behaviors. In travel agencies, team supervisors develop relationships with each agent and distribute resources accordingly. When team supervisors offer material resources, information, opportunities, and
support to travel agents in a high-LMX context, the travel agents will feel obligated to behave in a way that benefits their supervisors directly. They will be obligated to not only perform the job adequately but also go beyond the scope of the usual expectations and formal duties (Bakker, Demerouti, & Verbeke, 2004; Wayne, Shore, & Liden, 1997). This discretionary behavior directly benefits the supervisor because it relieves the need to closely monitor his/her subordinates’ performances and allows him or her to concentrate on other strategic and productive activities (Walz & Niehoff, 2000). Thus, LMX operates in a way that repays the benefits delivered by the supervisor. Research has found that LMX positively predicts helping behavior (Podsakoff, MacKenzie, Paine, & Bachrach, 2000) and high-LMX relationships promote the subordinates’ performances beyond the in-role job descriptions (Graen & Scandura, 1987). Similarly, Deluga (1994) found a positive relationship between LMX quality and OCB. As a result, the authors argue that travel agents in high-quality LMX relationships will reciprocate by engaging in OCB. In contrast, employees with low-quality LMX receive less support and job resources from their supervisors and thus feel less obligated to reciprocate to their supervisors by performing beyond their role descriptions and tend to perform only those duties required by their formal job descriptions (Graen & Uhl-Bien, 1995).

In summary, it is expected that travel agents with high-quality LMX obtain plentiful job resources and emotional support from their supervisors. Accordingly, they will be morally obliged to repay the benefits. This strong sense of obligation will motivate them to engage in helpful and positive discretionary behaviors as a way to reciprocate to their leaders. Thus, the following hypothesis is proposed:

**Hypothesis 1.** Leader-member exchange (LMX) is positively associated with the subordinate’s organizational citizenship behavior (OCB).

### 2.3. Social exchange with travel agency: IMO and CSB

A number of studies demonstrated the positive impact of internal marketing orientation on employees’ satisfaction (Tortosa, Moliner, & Sánchez, 2009) and the success of an organization (Bitner, Booms, & Mohr, 1994) in the service industry. Lings and Greenley (2009) also provide empirical evidence on the positive relationship between the level of IMO and employee motivation to provide excellent customer service. These studies indicate that employees consider IMO as the organization’s commitment to understanding and responding to their needs. According to Wayne et al. (1997, p. 83), employees’ “perceptions of being valued and cared about by an organization also enhance the employees’ trust that the organization will fulfill its exchange obligations of recognizing and rewarding desired employee attitudes and behavior.” Because customer satisfaction is the ultimate goal for travel agencies to secure high customer return, travel agents perceiving high IMO are expected to reciprocate the organization’s affective and resource-based support by engaging in behaviors that promote customer satisfaction.

In the travel service context, a travel agency needs to train, motivate, and provide emotional support to its travel agents to interact effectively with customers. These internal marketing activities serve as sources of job resources and valued support for travel agents. At the same time, travel agents know that the agency values returns related to customer satisfaction and expects its agents to contribute to service excellence. When travel agents perceive high IMO, they will be strongly motivated to reciprocate with CSB to generate quality service and customer satisfaction. Thus, the following hypothesis is generated:

**Hypothesis 2.** Internal marketing orientation (IMO) is positively associated with the subordinate’s customer service behavior (CSB).

### 2.4. The moderating role of LMX and IMO

Thus far, the authors have explained how exchange relationships with the supervisor and the organization enhance job performance. Because the same travel agent simultaneously engages in both types of social exchange, it is likely they are interdependent, where the quality of one exchange relationship can be influenced by the resource interchanges in the other relationship (Coyle-Shapiro & Conway, 2004). Broadly speaking, Cole, Schaninger, and Harris (2002) argue that need satisfaction through one exchange relationship lessens the importance of need satisfaction through the other relationship. For example, if the employees’ needs are being fulfilled by an exchange relationship with their supervisors, the importance of meeting those needs by exchanging with the organization is minimized. In other words, the salience of an exchange relationship with one target decreases when the employees’ needs are being satisfied through an exchange relationship with another target. Therefore, each social exchange relationship is complementary in nature and plays a compensatory role if other exchange relationships are deemed poor or completely lacking. This line of argument has received empirical support; for example, Maertz, Griffeth, Campbell, and Allen (2007) found that support from both supervisors and organizations affect each other’s salience in the employees’ minds. Specifically, support from the organization becomes more salient if the employees experience a low level of support from their supervisors.

These arguments can be applied to the interaction between IMO and LMX in the proposed exchange relationships. The salience of support from different sources may direct employees’ efforts to reciprocate to different targets. In particular, under low levels of IMO, the low chances of receiving valued resources and emotional support for their work from the agency would make the employees’ alternative resources more salient. Travel agents thus would rely more on LMX as a source of job resources. Accordingly, they would be more sensitive to the exchange relationship with their supervisors and more inclined to reciprocate by enhancing their OCB in exchange for benefits from their supervisors. As a result, the positive relationship between LMX and OCB will be stronger. Following this notion, the following hypothesis is proposed:

**Hypothesis 3.** The positive relationship between leader-member exchange (LMX) and organizational citizenship behavior (OCB) is stronger for those experiencing low internal marketing orientation (IMO) and weaker for those experiencing high internal marketing orientation (IMO).

Similarly, when travel agents experience a low level of LMX, they have little access to resources and receive less supervisor support (Bolino & Turnley, 2009). Travel agents would then rely more on the organization as a source of support, diverting their attention to IMO, and thus make IMO more salient. Consequently, they would be more inclined to return benefits to the organization by improving their CSB. Therefore, the positive relationship between IMO and CSB would be stronger. Building on this argument, the following hypothesis is derived:

**Hypothesis 4.** The positive relationship between internal marketing orientation (IMO) and customer service behavior (CSB) is stronger for those experiencing low leader-member exchange (LMX) and weaker for those experiencing high leader-member exchange (LMX).
3. Methods

3.1. Respondents and procedure

Data were collected from travel service companies in Hong Kong, with the support from The Hong Kong Association of Travel Agents (HATA). HATA arranged for eight of its member travel agencies to participate in the study. They varied in size from small and medium-sized enterprises to international corporations (see Fig. 1). The number of front line staff in each organization ranges from 15 to more than 200. Of the travel agencies, five mainly provide products or services for outbound travelers, including overseas tours, worldwide ticketing, and lodging and car rentals, whereas the other three serve inbound travelers and offer services such as ticketing, local sightseeing, and even foreign currency exchange. In terms of work structure, all of them operate in team or branch units, with a supervisor overseeing the performances of the front line staff in that unit. The supervisors are the leaders of a branch or a team, supervising at least three front line staff members. Supervisors work closely with their front line staff members on a daily basis. The front line staff is mainly responsible for providing services to customers, with whom s/he is in direct contact. The responsibilities include providing travel-related information and responding to customer inquiries, acting as “tour coordinators” on tours, making the best possible travel arrangements for customers, and actively communicating with customers during the trip. Because these eight travel agencies are active members of HATA, they uphold and maintain the standard of ethics and quality within the travel industry in Hong Kong. Invitations were sent to 400 front line staff and a total of 288 responses were received, representing a response rate of 72%.

The survey was conducted in two phases, with a 12-week gap, to examine the relationships of the independent and dependent variables. Such a research design minimizes the possible threat of common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

In the first phase of the study, the interviewers arranged survey sessions for the front line staff only (without the intervention of their supervisors) to prevent response bias. A return envelope was included with each questionnaire to assure anonymity. Participants were asked to respond to a survey assessing LMX and IMO and were requested to seal the envelope after completing the questionnaire and to drop it in a collection box. Each front line staff member was assigned a discrete code so that responses could be matched with his/her team supervisor without identifying him/her. Twelve weeks later, a second round of survey was conducted among the supervisors to collect data on the behaviors of their front line staff, including OCB and CSB. The authors approached the supervisors individually to provide briefing and instructions for the survey. The supervisors returned the completed questionnaires directly to the research team in a sealed envelope within three days.

A total of 32% of the supervisors were men, their median age was in the range of 36–40 years, and 89% of the supervisors had an organizational tenure of more than five years. Of the front line staff members, 39% were men, the median age was in the range of 26–30 years, and 61% had an organizational tenure of at least three years.

3.2. Survey instruments

Because the measurement scales were developed in the West and the surveys were administered in Chinese, back translation was adopted to ensure accuracy of translation (Brislin, 1970). A seven-point scale ranging from 1 (strongly agree) to 7 (strongly disagree) was used for all of the measures. With regard to leader-member exchange, the 12-item LMX scale from Liden and Maslyn (1998) was adopted. Participants were asked to indicate their level of agreement with 12 statements regarding the quality of the relationship with their supervisors (e.g., “My supervisor is the type of person one would like to have as a friend”). The Cronbach’s alpha for this scale was 0.936, and higher scores indicated higher-quality LMX relationships. With regard to internal marketing orientation, the 15-item IMO scale developed by Foreman and Money (1995) was adopted. Participants were asked to indicate their level of agreement with statements regarding the success of internal marketing (e.g., “Our organization offers employees a vision that we can believe in”). The Cronbach’s alpha for this scale was 0.961. With regard to customer service behavior, the 10-item CSB measure developed by Bettencourt and Brown (1997) was used. The items focus on both role-prescribed customer service and extra-role customer service of service employees. An example of the items used to measure the role-prescribed CSB is “Your subordinate performs all the tasks for customers that are required of him or her”, and an example of the items used to measure the extra-role CSB is “Your subordinate voluntarily assists customers even if it means going beyond job requirements”. The alpha reliability for the measure of CSB was 0.944. With regard to organizational citizenship behavior, the 24-item measure developed by Podsakoff, MacKenzie, Moorman, and Fetter (1990) was used. The supervisors were asked to rate the OCB performance of their subordinates (e.g., “Your subordinate obeys company rules and regulations even when no one is watching”). The alpha reliability for the measure of OCB was 0.902. Similar to previous research studies in which employees’ OCB and their commitment to customer service were used as dependent variables (e.g., Pececi & Rosenthal, 1997; Williams, Pitre, & Zainuba, 2002), several demographic characteristics of the front line staff may have confounding effects on the CSB and

Fig. 1. Descriptions of the eight travel agencies.
OCB and thus were statistically controlled. These include gender, age, and organizational tenure.

4. Results

Table 1 reports the means, standard deviations, and correlations among the variables. With regard to LMX and IMO, the two-factor structure produced a comparative fit index (CFI) score of 0.90 and an incremental fit index (IFI) score of 0.90, indicating an acceptable model fit. With regard to OCB and CSB, the CFI and IFI were both 0.90, also demonstrating a reasonable model fit.

Because all team supervisors were required to assess the work-related outcomes of their front line staff members, between-group differences may exist in the data. Therefore, hierarchical linear modeling (HLM) was conducted to test the hypotheses. Before doing so, null models (without predictors) were run to determine whether there were significant between-group differences in organizational citizenship behavior and customer service behavior. The results show that the levels of these two types of behavior were significantly different across teams. The authors then constructed random coefficient regression models to examine the relationships between leader member exchange and organizational citizenship behavior (i.e., Hypothesis 1) and between internal marketing orientation and customer service behavior (i.e., Hypothesis 2) and used slopes-as-outcomes models to test the significance of the moderating effect of internal marketing orientation (i.e., Hypothesis 3) and leader-member exchange (i.e., Hypothesis 4).

Table 2 and 3 present the HLM results. The two null models indicate that there is systematic between-group variance in the organizational citizenship behavior ($\chi^2(35) = 157.01; p < 0.001$) and customer service behavior ($\chi^2(35) = 90.43; p < 0.001$) of the front line staff. Following the procedure outlined by Hofmann, Griffin, and Gavin (2000), the intra-class correlations (ICCs) were computed. Regarding the organizational citizenship behavior of the front line staff, the ICC shows that 42.18% of the variance was attributed to group-level effects, whereas 57.82% of the variance was found to reside within groups. Regarding the customer service behavior of the front line staff, the ICC shows that 24.21% of the variance was attributed to group-level effects, whereas 75.79% of the variance was found to reside within groups. These figures indicate that variations in the two types of behavior are due to groups and signify the need to use multi-level analyses.

Hypotheses 1 and 2 suggest a main effect of leader member exchange on the travel agents’ organizational citizenship behavior and a main effect of internal marketing orientation on the travel agents’ customer service behavior, respectively. The HLM analysis (see Model 2 in Table 2) provides significant evidence of the positive relationship between LMX and OCB ($\gamma = 0.13$, $p < 0.05$). Thus, Hypothesis 1 is not rejected. Nevertheless, as Model 2 in Table 3 shows, the internal marketing orientation was not significantly related to customer service behavior ($\gamma = 0.07$, n.s.). Hence, Hypothesis 2 is rejected.

Hypothesis 3 proposed that IMO would moderate the relationship between LMX and the travel agents’ OCB. The results from Model 3 in Table 2 show that the interaction term of LMX and IMO was significant ($\gamma = -0.25$, $p < 0.001$) for predicting OCB. The results indicate that 21.86% ($\Delta R^2$) of the variance in the relationship between LMX and the travel agents’ OCB was explained by IMO. Following the procedure suggested by Aiken and West (1991), the authors further examined the relationship by plotting the interaction effect as shown in Fig. 2. The pattern indicates that the positive relationship between LMX and OCB was stronger for low IMO (one standard deviation below the mean). The simple slope test examining the nature of the interaction (Preacher, Curran, & Bauer, 2006) further demonstrates that LMX was significantly related to OCB when IMO was low with a slope of 0.35 ($z = 6.72; p < 0.001$). However, LMX did not affect the level of the travel agents’ OCB when IMO was high ($z = -0.15; n.s.$). Thus, Hypothesis 3 is not rejected.

Hypothesis 4 predicted that LMX would moderate the relationship between IMO and the travel agents’ CSB. The results from Model 3 in Table 3 show that the interaction term of IMO and LMX was significant ($\gamma = -0.18$, $p < 0.01$) for predicting the travel agents’ CSB. Similarly, 8.42% ($\Delta R^2$) of the variance in the slope of IMO was explained by LMX. The pattern of the interaction effect, as shown in Fig. 3, indicates that the positive relationship between IMO and the travel agents’ CSB was stronger for low LMX (one standard

Table 1
Means, standard deviations, reliabilities, and correlations among variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>$M$</th>
<th>$SD$</th>
<th>$1$</th>
<th>$2$</th>
<th>$3$</th>
<th>$4$</th>
<th>$5$</th>
<th>$6$</th>
<th>$7$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Travel agents’ gender</td>
<td>1.61</td>
<td>0.49</td>
<td>0.25</td>
<td>0.26</td>
<td>0.24</td>
<td>0.24</td>
<td>0.25</td>
<td>0.24</td>
<td>0.25</td>
</tr>
<tr>
<td>2 Travel agents’ age</td>
<td>3.75</td>
<td>1.76</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>3 Travel agents’ tenure</td>
<td>2.79</td>
<td>1.14</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>4 LMX</td>
<td>5.11</td>
<td>0.95</td>
<td>-0.06</td>
<td>-0.11</td>
<td>0.02</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
</tr>
<tr>
<td>5 IMO</td>
<td>4.78</td>
<td>0.92</td>
<td>-0.16**</td>
<td>0.21**</td>
<td>0.15**</td>
<td>0.37**</td>
<td>0.37**</td>
<td>0.37**</td>
<td>0.37**</td>
</tr>
<tr>
<td>6 Travel agents’ OCB</td>
<td>4.98</td>
<td>0.67</td>
<td>-0.04</td>
<td>-0.11</td>
<td>0.11</td>
<td>0.20**</td>
<td>0.20**</td>
<td>0.20**</td>
<td>0.20**</td>
</tr>
<tr>
<td>7 Travel agents’ CSB</td>
<td>5.26</td>
<td>0.78</td>
<td>-0.09</td>
<td>0.13*</td>
<td>0.23**</td>
<td>0.01</td>
<td>0.75**</td>
<td>0.75**</td>
<td>0.75**</td>
</tr>
</tbody>
</table>

n = 288.

The Cronbach’s alpha values are reported in parentheses. *p < 0.05; **p < 0.01.

a 1 = male, 2 = female.

b Age was measured in years using seven categories (1 = 20 or below; 2 = 21–25; 3 = 26–30; 4 = 31–35; 5 = 36–40; 6 = 41–45; 7 = 46 or above).

c Organizational tenure was measured in years using four categories (1 = less than 1 year; 2 = 1–2 years; 3 = 3–5 years; 4 = more than 5 years).

Table 2
HLM results for travel agents’ OCB.

<table>
<thead>
<tr>
<th>Models</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\gamma$</td>
<td>SE</td>
<td>$\gamma$</td>
</tr>
<tr>
<td>Intercept</td>
<td>4.86***</td>
<td>0.11</td>
<td>4.82***</td>
</tr>
<tr>
<td>Control variables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender</td>
<td>-0.04</td>
<td>0.08</td>
<td>-0.04</td>
</tr>
<tr>
<td>Age</td>
<td>-0.05*</td>
<td>0.02</td>
<td>-0.04</td>
</tr>
<tr>
<td>Organizational tenure</td>
<td>0.12**</td>
<td>0.04</td>
<td>0.11**</td>
</tr>
<tr>
<td>Independent variable LMX</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent variable IMO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction term LMX * IMO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% change in variance explained</td>
<td>2.35</td>
<td>4.49</td>
<td>-0.25**</td>
</tr>
</tbody>
</table>

*p < 0.05; **p < 0.01; ***p < 0.001, as determined using a two-tailed test.
a R-square change compared with the null model.
b R-square change compared with the previous model.
deviation below the mean). To provide support for Hypothesis 4, a simple slope analysis was run on the two-way interaction. In the low-LMX condition, IMO had a significantly positive effect on the travel agents’ CSB with a slope of 0.30 ($z = 4.63; p < 0.001$). In the high-LMX condition, IMO was not significantly related to the travel agents’ CSB ($z = -0.05; n.s.$). These results do not reject Hypothesis 4 and further illustrate that the effect specified in Hypothesis 2 (i.e., that IMO is positively related to the travel agents’ CSB) was true only among employees with low-quality LMX.

5. Discussion and implications

This study sought to clarify the relationship between two forms of social exchange—leader-member exchange and internal marketing orientation—and their respective work-related outcomes among travel agents. In general, the HLM results are in line with the social exchange perspective of travel agents’ work-related behaviors. In particular, LMX, the exchange between travel agents and their team supervisors, leads to higher levels of organizational citizenship behavior. In contrast, the positive relationship between IMO, the exchange between travel agents and the organization, and the travel agents’ customer service behavior was not significant. It is possible the moderating effect of LMX explains, in part, the non-significant relationship between IMO and CSB. This issue requires further investigation. Furthermore, exchange relationships with both the immediate supervisor and the organization play a moderating role in affecting the performance of organizational citizenship behavior and customer service behavior. Specifically, employees are more sensitive to the exchange relationship with their immediate supervisors as a source of support under conditions of a low-quality exchange relationship with the organization, making LMX more salient to employees and thereby strengthening the LMX-OCB relationship. Similarly, employees are more conscious of the exchange relationship with the organization under conditions of a low-quality exchange relationship with their immediate supervisors, making IMO more salient to employees and thereby strengthening the IMO-CSB relationship.

Consistent with previous studies (e.g., McNeely & Meglino, 1994; Settoon et al., 1996), this work offers empirical evidence of the importance of social exchange relationships in explaining and predicting variance of desirable work-related outcomes among travel agents. In particular, the results show that travel agents are more responsive to the benefits derived from their immediate supervisors. So, it is more likely that the high-quality exchange relationship with the supervisor will contribute to their organizational citizenship behavior. Conversely, the exchange relationship with the organization does not necessarily contribute to their customer service behavior. Instead, the reciprocating effort in response to IMO only comes into effect when LMX is poor. The findings in the current study are also in line with the work of Konovsky and Pugh (1994) that social exchange functions more effectively in the personalized relationship between employees and their supervisors rather than in the relationship between employees and a depersonalized organization. Furthermore, the results of this study are fairly consistent with the empirical findings reported by Maertz et al. (2007), suggesting that supervisor support is more accessible and obvious to employees because it is easier to identify a supervisor as the primary source for needed resources and support.

5.1. Theoretical implications

This study explored the antecedents of desirable work-related behaviors exhibited by travel agents through the theoretical lens of social exchange. Findings demonstrate that travel agents are no different than employees in other organizations. Travel agents develop exchange relationship with their team supervisors that, in turn, leads to higher levels of organizational citizenship behavior because of an obligation to reciprocate. As such, this study also adds to the social exchange literature by illustrating the complementary nature of social exchange relationships in motivating desirable work behavior, particularly in the context of travel agencies. This is reflected by the significant interaction effect of internal marketing orientation on the relationship between leader-member exchange and organizational citizenship behavior; and the significant interaction effect of leader-member exchange on the relationship between internal marketing orientation and customer service behavior.
behavior. As a result, between the two sources (from supervisor and organization) of resources and support, when employees perceive either one as low or deficient, the other source will become operative. These findings establish that LMX and IMO are complementary in nature and play a mutually compensatory role in the retail travel agencies in Hong Kong.

5.2. Implications for practice

The results of this study have implications for stimulating desired work-related behaviors among travel agents. First, team managers need to take the initiative to create and maintain high-quality exchange relationships with front line staff in order to motivate them to perform higher levels of organizational citizenship behavior. Wayne, Shore, Bommer, and Tetrick (2002) indicated that supervisors can develop high-quality exchanges with their subordinates through administering contingent reward behavior. In travel agencies, team supervisors can clarify how agents will be rewarded if they meet expectations (Avolio, Bass, & Jung, 1999; Bass & Avolio, 1993). Travel agents receiving contingent reward behaviors for their work, including feedback, recognition, and praise, are likely to experience higher-quality relationships with their team supervisors and to feel indebted to them (Wayne et al., 2002). Second, an interactional justice perception of travel agents is also an important antecedent of LMX (Masterson et al., 2000). Supervisors should provide high-quality interpersonal treatment (i.e., treating travel agents with politeness, dignity, and respect) when executing procedures. An open-door policy, informal meetings, or social activities could also be key means for increasing the LMX between front line employees and their supervisors (Kim, O’Neill, & Cho, 2010).

Attention to the quality of the relationship between travel agents and their supervisors can identify the potential for travel agents to reciprocate high IMO through CSB. Travel agents will only return high CSB for gains in high-quality exchange with the organization when LMX is deemed lacking. Therefore, travel agencies should regularly obtain feedback from their agents on the quality of LMX. In cases of high LMX, travel agencies should identify means other than IMO to stimulate their agents’ CSB—for example, establishing explicit work guidelines for travel agents to respond to customer inquiries and complaints. In cases of low LMX, travel agencies can motivate travel agents to deliver superior customer service by reinforcing the employee-organization exchange. Nevertheless, agencies should still identify problems of low LMX and find ways to ameliorate them. Despite the complementary role of LMX and IMO, the findings of the present study by no means suggest that travel agencies should rely solely on either form of exchange because both forms differentially lead to various employee outcomes (Wayne et al., 1997). Travel agencies need both employee outcomes of OCB and CSB because they play different roles in achieving organizational goals. Thus, travel agencies should provide platforms for their employees to engage in multiple exchange relationships with different parties.

6. Limitations and further research

As with any empirical study, the current study has several limitations. First, we measured OCB and CSB in the second phase of the questionnaire survey only. This research design limits any inference of causality among the study variables, thus making it impossible to provide irrefutable evidence of causation. Although the authors strove to mitigate common method bias by using multiple raters, i.e., travel agents providing the ratings of LMX and IMO and team supervisors providing the ratings of the travel agents’ OCB and CSB, a cross-lagged model or a longitudinal research design should be used to firmly establish the causal relationships between different forms of exchange (i.e., LMX and IMO) and work-related outcomes (i.e., OCB and CSB).

Second, the sample characteristics may bring the external validity of the study into question. Although the sample consists of travel agents from eight retail travel agencies in Hong Kong, it does not adequately represent the population, which raises the question of the sample’s generalizability to other cultural regions or other sectors beyond the retail travel one. To enhance generalizability, this study should be replicated using respondents drawn from travel agencies of different types, sizes and even other countries.

Third, the study considers the exchange relationship with the supervisor and the organization as the two major forms of exchange in travel agencies. Cole et al. (2002) suggested that the exchange quality among team members is equally important in social exchange in organizations and call for more empirical work to explore the contributions of team-member exchange to employee outcomes. Therefore, exchange relationships should be extended from supervisor-subordinate exchange and employee-organizational exchange to examine the importance of exchange relationships that develop between team members. Further research could investigate whether and how team-member exchange comes into play to motivate positive behaviors in travel agents. Such a study would deepen the understanding of the reciprocation mechanism as a result of social exchange in the travel industry.

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