

The Impact of Leader-Member Exchange on Frontline Employee Engagement in Budget Hotels: The Mediating Role of Organizational-Based Self-Esteem

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Introduction

This study examines leader-member exchange (LMX) and its impact on employee engagement, with organizational self-esteem as mediator. Based on 342 Dalian employees, results show LMX boosts engagement and self-esteem, and self-esteem mediates this link. Findings suggest enhancing leader-employee relations and valuing staff can improve engagement and reduce turnover.

Research Questions

1) How does leader-member exchange (LMX) influence frontline employee engagement in budget hotels? 2) How does LMX affect organization-based self-esteem (OBSE)? 3) Does OBSE enhance engagement? 4) Does OBSE mediate the LMX-engagement relationship?

Methodologies

This study used a questionnaire survey targeting frontline employees in 20 budget hotels in Dalian, collecting 342 valid responses. Key variables – employee engagement, organizational self-esteem, and leader-member exchange – were measured with validated Likert scales. Data analysis involved reliability tests, descriptive statistics, and linear regression using SPSS 20.0 to examine direct and mediating effects among variables.

Mathematical Formulas

$$\text{Employee Engagement (Y)} = 0.696 \times \text{Leader-Member Exchange Relationship (X)} + 1.227 \quad (1)$$

$$\text{Organization-Based Self-Esteem (Y)} = 0.655 \times \text{Leader-Member Exchange Relationship (X)} + 1.227 \quad (2)$$

$$\text{Employee Engagement (Y)} = 0.790 \times \text{Organization-Based Self-Esteem (X)} + 0.883 \quad (3)$$

$$\text{Employee Engagement (Y)} = 0.327 \times \text{Leader-Member Exchange Relationship (X)} + 0.482 \times \text{Organization-Based Self-Esteem (M)} + 0.826 \quad (4)$$

Figure

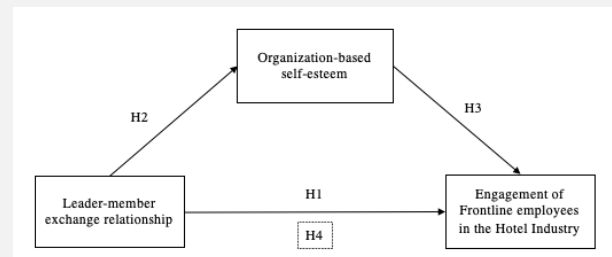


Figure 1. Research model

Table

Table 1. Hypothesis test results

R	R ²	Adjusted R ²	Std. Error	F	Sig.	Coefficients	t	Sig.
0.790	0.625	0.623	0.3659	565.613	0.000	Constant: 1.227	11.716	0.000
						LMX: 0.696	23.783	0.000
0.794	0.630	0.629	0.3402	580.029	0.000	Constant: 1.227	12.597	0.000
						LMX: 0.655	24.084	0.000
0.812	0.659	0.657	0.3491	327.925	0.000	Constant: 0.826	6.826	0.000
						Organization-Based Self-Esteem: 0.482	5.874	0.000
						Leader-Member Exchange: 0.327	10.489	0.000

Conclusion

This study confirms that leader-member exchange (LMX) and organizational self-esteem (OBSE) drive employee engagement in budget hotels. LMX enhances engagement directly and via OBSE, especially among young frontline staff. Managers should strengthen LMX through trust, recognition, and rewards to boost engagement. Findings highlight key strategies for improving workforce motivation and performance.