

**The Nature, Impact and Development  
of Customer-Oriented Behaviour:  
a Case Study in an Icelandic Service Context**

by

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## **ABSTRACT**

### **The Nature, Impact and Development of Customer-Oriented Behaviour: A Case Study in an Icelandic Service Context**

For the last few decades the importance of customer orientation for the success of service organisations has been emphasised in the academic and applied literatures. While the importance of the concept remains largely beyond dispute, scholars have suggested various definitions and applications of the concept to enhance service delivery. The purpose of this thesis is to examine an explicit behavioural perspective (COBEH) where the focus is not on an untangle service orientations of employees, but on the extent to which employees engage in direct behaviours specifically designed to benefit customers.

This study was designed to examine empirically, for the first time, the nature, impact and development of the COBEH construct. First, the *nature* of COBEH was examined by a series of employee surveys from various service industries. The construct was examined in relation to the already established organisational citizenship behaviour (OCB) construct to determine if and to what extent the constructs are related and predictive of employee service-related behaviours. In this part of the study there were 2693 participants from seven Icelandic service organisations. Secondly, the *impact* of COBEH was examined by using employee and customer survey data from one of the seven participating service organisations (N=103). Employees' self-reported customer-oriented behaviour was compared with customer perceptions of the corresponding employee performance. Data on employee service performance was provided by two customer surveys including 900 customer responses in each survey. The employee and customer surveys provided a unique opportunity to match employee self-reports and customer perceptions. Thirdly, the *development* of COBEH was empirically tested by using both the employee and customer surveys where the antecedents of COBEH were examined (N=1190) and the impact of a customer service training programme on COBEH and the suggested antecedents were tested (N=71). Hence, this study addressed a gap in the literature between human resource practices and individual performance and establishes the COBEH construct as a valid and reliable predictor of customer perception of service outcomes.

The results presented in this thesis show that the COBEH phenomenon is related to organisational citizenship behaviour (OCB) and that contrary to the OCB construct, it is predictive of customers' perceptions. COBEH is constructed of two related but separate sub-dimensions: helping behaviours directed at customers and continuous improvement efforts to enhance service delivery. The results suggest that the type of service may affect the construct's factor structure. The results confirm previous findings regarding the suggested antecedents of COBEH, but provide additional information regarding the differences in the underlying conditions for the two sub-dimensions. Both dimensions are impacted by motivational and capacity factors, but the two sub-dimensions are not a function of the exact same antecedents. A significant interaction was detected between employee willingness and capacity in regards to employee customer-oriented behaviours: as job capacity increases, the impact of employee willingness to engage in efforts on behalf of customers decreases. Organisations wanting to develop customer-oriented behaviours to enhance service delivery must take into consideration differences in the impact of the antecedents on the sub-dimensions and strategically use selection, socialisation, service training programmes and supportive managerial practices to create the conditions necessary for such behaviours to be cultivated and maintained. Furthermore, the results confirm the positive impact of customer-oriented behaviours on customer service perceptions, establishing the construct as a valid predictor of perceived service quality.

It is believed that service delivery through full utilisation of human resources will become the major tool for competitive advances in the coming years. Thus, the importance of the COBEH construct will be enhanced in the new millennium as future examination and application of the construct will aid service organisations in their continuous search for a competitive advantage.

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Secondly, the valuable information provided by the seven participating service organisations, the Shell group in particular, contributed greatly to the dynamic design of the study. And last, but certainly not least, I would like to thank my supervisor, Dr. Riccardo Peccei, for his endless patience and guidance over the duration of the study, for he practices what he preaches and demonstrates the unique helping behaviours which are the very topic of this thesis and in the process taught me the value of continuous improvements.

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## **1.0 Introduction**

In today's marketplace, customer service orientation and the capacity of front-line workers are believed to be the keys to service organisations' success or failure in responding to increased competition and various external conditions. The global market, increased competition and technical development have called attention to the growing importance of the employee initiative, organisational innovation, flexibility, and productivity as a response to pressures to adapt to external changes in the corporate environment (Quinn & Gagnon, 1986). Furthermore, scholars have pointed out that globalisation, advanced technology and communication have forced service organisations to acquire a competitive advantage by placing an emphasis on factors that are not as easy to copy as price or technology - namely the quality of service, based on full utilisation of the human resources in front-line service.

The external pressure on service organisations has consequently increased demand for flexibility and initiative on the part of the front-line service worker resulting in a call for more individualised service. Management control and bureaucratic solutions that standardise service through a set of rules and regulations are therefore no longer believed to cultivate the level of

flexibility necessary for meeting and pro-actively foreseeing shifts in consumers' demands or expectations in a rapidly changing market place. Thus, increased attention has been given to employees' customer orientation and its effect in a service context.

### **1.1 Different approaches to customer orientation**

Over the past 30 years, the importance of developing a strong customer orientation among all employees of a service organisation has been emphasised in the management, quality and customer care literature (Brown, 1993; Heskett, et al, 1997; Lovelock, 1988; Rosenthal et al, 1998; Schneider and Bowen, 1995). While the importance of customer orientation remains largely beyond dispute, scholars have not reached a consensus on how the phenomenon should be defined, operationalised and applied.

One of the ways the concept has been approached is in the systemic way of the classical writers on quality (Juran, 1974, Deming, 1982), where customer orientation is emphasised as an aspect of human nature to be uniformly "released" by appropriate systems and structures. However, Bowen and Schneider (1988) have argued that the unpredictability of the customer service process ultimately makes any attempt to "systematically legislate

service provision” problematic in nature as well as having a negative impact on the required flexibility and individualised care needed in today’s competitive markets. An alternative perspective taking this argument into consideration can be found in the customer care literature where customer orientation has been defined both in attitudinal and behavioural terms.

Schlesinger and Heskett (1991) defined the concept of customer orientation as “positive service attitudes” which refer to variable psychographic characteristics and values congruent with the organisational service norms. This perspective is congruent with the core of marketing thoughts for the past 30 years where the emphasis is on universal company activities aimed towards cultivating a long-term mutually beneficial relationship with customers (Kotler, 1980). However, such generalised service attitudes are ambiguous and difficult to define in organisational settings. Furthermore, any attempt to examine the nature and impact of such generalised attitudes on organisational success and performance is ultimately problematic. And as Hellriegel, et al. (1992) have pointed out: “while there is little doubt that attitudes are related to behaviour, it is now widely accepted that a simple, direct link between attitudes and behaviour frequently does not exist” (p. 87). On this note, is the more tangible approach to customer orientation by Saxe and Weitz (1982). In their definition, the emphasis is on specific

employee behaviours and they argue that sales related service behaviour will lead to customer satisfaction. Although Saxe and Weitz's (1982) approach is less ambiguous than the attitudinal approach to customer orientation, two important points must be made. First, their approach can be viewed as too narrow or specific for many service tasks or organisations. According to them the concept of customer orientation is operationalised by an emphasis on the extent to which employees try to help customers *make purchase decisions* with the purpose of satisfying customers. However, customer orientation can transpire in a variety of behaviours other than sales oriented tasks. Second, employees may engage in certain types of behaviours, but whether or not those behaviours (sales related behaviours) will lead to customer satisfaction cannot be assumed, as suggested by Saxe and Weitz (1982). The quest for the fulfilment of customer needs with the view to achieve customer satisfaction is a complex issue that depends not only on certain behaviours exhibited by employees but also on a variety of factors both from within service organisations as well as in their external environments.

Peccei and Rosenthal (1997) have suggested another behavioural perspective where the emphasis is not only on a psychological state or a general positive attitude toward customers (as emphasised in the attitudinal approach to



customer orientation), but on the actual extent to which individuals engage in behaviours *designed* to satisfy customers (customer-oriented behaviours). Their focus on the concept of customer-oriented behaviours (COBEH) is twofold: first, on certain helping or pro-social behaviours directed at customers and second on the extent to which employees pro-actively engage in continuous improvement efforts designed to enhance service delivery.

Unlike the quality literature, the COBEH perspective does not assume that employees have a natural propensity to provide customers with quality service and that proper service systems or processes will ultimately ensure such quality. The assumption is not made that the systems themselves will necessarily promote the type of *service behaviours* among employees *needed* to ensure customer satisfaction. Similarly, the COBEH perspective, unlike the attitudinal views on customer orientation, does not automatically assume a link between employees' general service attitudes or good will towards customers and employees actual service behaviours. The COBEH perspective is behaviourally based and less ambiguous than the attitudinal perspectives. The focus of the perspective is on measurable service behaviours that provide an opportunity for a tangible comparison with customer perceptions of the provided services. In other words, the extent to which employees engage in specific service behaviours designed to satisfy

customers (regardless of their general attitudes or organisational service systems) can be examined in relation to customers' evaluations of the employees' performance during the employee-customer contact. Furthermore, the COBEH perspective's dynamic dimensionality (the focus both on helping behaviours directed at customers and on continuous improvement efforts designed to enhance service quality) draws the attention not only to current service performance (helping behaviour), but also to the organisations' future success and competitiveness through continuous service improvement, thus embedding the core ideology of both the service and quality literature.

As suggested above, the various approaches to customer orientation can be viewed as either having merely an indirect link to performance or, like the quality literature, underestimating the complexity of the manifestation of customer orientation among service providers. However, the behaviourally based COBEH perspective developed by Peccei and Rosenthal (1997):

- Does not assume a direct link between general service attitudes or service systems and service behaviour designed to promote customer satisfaction.

- Focuses on the extent of tangible service behaviours directed towards customers;
- Allows for a comparison of employee customer-oriented behaviours and customer perceptions of employee service performance;
- Is dynamic, i.e. embeds both a short-term focus on helping behaviour towards current customers and a long-term focus on continuous service improvement efforts designed to satisfy future customers.

These attributes suggest certain advantages of the COBEH perspective. However, little research has been conducted regarding the phenomenon of customer-oriented behaviours. The initial work of Peccei and Rosenthal (1997) is based on a single study conducted in one service organisation in Britain. Further research is needed regarding the usability of the concept of customer-oriented behaviour (COBEH) to enhance service delivery; its nature or conceptualisation; its impact on customers' satisfaction; and its development across service sectors, all of which are central to the research efforts undertaken as a part of this thesis and are described below.

## **1.2 Contribution of the study**

A consensus can be found in the literature regarding the importance of employee customer orientations for service organisations. However, a consensus has not been reached regarding if and how these orientations of employees actually are translated into tangible behaviours positively perceived by customers – and as a consequence promoting the organisation's service delivery. Previous research regarding customer orientation suggests that the COBEH perspective, contrary to alternative perspectives, 'can be expected to be an appropriate vehicle to examine the link between the extent of employees' service related behaviours directed towards customers and customer service perceptions. However, as mentioned above, little research has been conducted in relation to the initial scales designed by Peccei and Rosenthal (1997) to measure customer-oriented behaviour and the relation of such behaviours to other related types of pro-social behaviours, such as organisational citizenship behaviour.

One of the main purposes of this thesis is to examine the relation between employees' individual customer orientations and organisational service outcomes as perceived by customers. The COBEH perspective bears potential for such an analysis mainly due to the focus on the extent of employees' actual service behaviours that are visible to customers, which

provides an opportunity for a research design that includes both employees' self-reported service-related behaviours and customers' perceptions of the service. However, due to the lack of empirical research on the conceptualisation of employees' customer-oriented behaviours and the lack of systematic efforts to examine the validity and reliability of scales used to capture such behaviours, the first aim of this thesis is to empirically re-examine the initial COBEH scale (1997) over a range of service industries before the construct can be used in this study. Once validity and reliability have been established, the second aim of the thesis is to attempt to use the COBEH scales to empirically examine the impact of customer-oriented behaviours on service outcomes.

To the extent (1) that the COBEH scales are valid and reliable measures of employees' customer-oriented behaviours, and (2) that empirical test conducted as a part of this study, suggest their importance for customers' positive service perceptions; then the third and final aim of the thesis is to explore the development of the phenomenon by examining the antecedents of customer-oriented behaviour and the impact of customer service training on such behaviours. Hence, the study aims to contribute to the academic and applied literature in three main ways namely by examining the nature,

impact and development of customer-oriented behaviours in a service context. Each of these aims is discussed in slightly greater detail below.

### **1.2.1 Thesis contribution: The nature of customer-oriented behaviour**

The first aim of the study is to contribute to a better understanding of the *nature* of customer-oriented behaviour (COBEH). The COBEH phenomenon can be viewed as a form of pro-social organisational behaviour (see Brief & Motowidlo, 1986) and has been defined as “the relative propensity of an individual to engage in continuous improvement and to exert effort on the job for the benefit of customers” (Peccei and Rosenthal, 1997, p. 69). In existing models, COBEH has been operationalised as one construct. However, theoretically the definition contains two constructs or sub-dimensions (which originated from the quality and service literature) that are both alleged to be vital to organisational performance. The first sub-dimension relates to continuous improvement efforts which are essentially directed *inwards* and manifested in the number of suggestions and ideas employees have on how to improve service provision - consequently, effecting the long-term performance and preservation of the organisation in a competitive marketplace. The second sub-dimension focuses on helping or pro-social behaviours. In previous studies, such behaviour has been manifested in employees’ efforts on behalf of customers, their disregard for

their own personal comfort, and dedication directed towards meeting customers' needs to ensure customer satisfaction.

Helping behaviours and continuous improvement efforts are theoretically distinguishable as two separate constructs. However, in the existing models of customer-oriented behaviours the COBEH construct has been operationalised as one construct. This study will empirically re-examine the factor structure of the COBEH phenomena in a variety of service industries to explore the nature of the construct further. Also, a re-examination of COBEH across service industries provides an opportunity to explore possible differences in the construct's factor structure in relation to different types of services and organisational situations.

The second contribution of this study regarding the nature of customer-oriented behaviours concerns the relation between COBEH and related constructs that are also designed to capture helping behaviours in organisational settings. Close similarities exist between customer-oriented behaviour (COBEH) and organisational citizenship behaviour (OCB) - a construct focusing on general helping behaviours within organisations that has a well established history in the organisational literature (Graham, 1991; Van Dyne, et. al, 1994). Both constructs focus on helping behaviours and on

the exertion of effort on behalf of others, but empirical investigation is needed to confirm customer-oriented behaviour (COBEH) as a separate construct.

This thesis sets out to examine to what extent the two constructs (COBEH and OCB) capture separate employee behaviours and orientations. Therefore, the scales used to capture organisational citizenship behaviour and customer-oriented behaviour are empirically examined in relation to their factor structure, inter-correlation and customer perceptions of service outcomes to examine the extent to which the constructs overlap.

The two constructs are expected to be closely related, but examination of factor structure and inter-correlation provides information regarding the extent of the constructs' separate identity. Furthermore, the correlations between customer-oriented behaviours and organisational citizenship behaviours with customers' perceptions provide important additional information as to whether one or both of the constructs are predictive of levels of customer satisfaction and hence provide an indication of the constructs' shared or unique service related attributes.



### **1.2.2 Thesis contribution: The impact of customer-oriented behaviour**

The second main aim of this study is to contribute to the analysis of the potential *impact* of COBEH on organisational service outcomes. The importance of the full involvement of front-line staff in problem-solving and continuous improvement activities and helping behaviours, beyond and above employees' job descriptions, has been emphasised in the quality and management literature (Bowen, 1994; George, 1994). However, this important impact still remains insufficiently examined in the literature. Hence, the purpose of this study is to empirically examine the relation between employee customer-oriented behaviours and service outcomes as perceived by customers. In other words, to examine the extent to which employees' self-reported service-related efforts actually translate into and involve behaviours that are positively perceived by customers. The impact of the overall COBEH construct as well as the impact of the two sub-dimensions (helping behaviours and continuous improvement efforts) is tested in relation to customers' perceptions of important issues of customer care.

Furthermore, if the results of the statistical tests regarding the validity of the self-reported COBEH construct suggest that the construct can be used in an organisational context to predict customers' perceptions of service, other

important questions arise. How robust is COBEH as a construct? Many organisations use supervisor's evaluations as the only means of assessing employee performance and in this study, a three-pronged approach was used to assess how applicable or robust the COBEH construct is by conducting a series of statistical tests to examine the relation between self-reported customer oriented behaviour, supervisors' evaluations, and customers' perceptions of the services provided.

### **1.2.3 Thesis contribution: The development of customer-oriented behaviour**

The third and final aim of this study is to contribute to the understanding of the *development* and application of customer-oriented behaviours in service settings. In other words, what are the antecedents of COBEH, and what are the factors within service organisations that can contribute to the development of customer-oriented behaviour among front-line staff? Clearly, this importance and contribution of the third part of the thesis depends largely on the potential strength of the suggested impact of customer-oriented behaviours. That is to say, an understanding of the antecedents and development of the COBEH becomes all the more important to the extent that employees' customer-oriented behaviour can indeed be shown to have a significant impact on customers' service perceptions and satisfaction.

The thesis aims to contribute to our understanding of the antecedents and the development of COBEH in three main ways. First, through a re-examination of the previously identified antecedents of customer oriented behaviour (Peccei & Rosenthal, 1997), but now in a variety of service settings to see if the relevant behaviours are a consequence of the same antecedents across different service industries. Studies on the antecedents of employees' customer oriented-behaviour have only been conducted in Britain using a sample of supermarket employees performing relatively simple tasks and services. Further research is needed to examine whether customer-oriented behaviours are impacted by the same antecedents or must be developed differently in relation to task complexity or the type of service provided by employees.

The second contribution of the study regarding the development of COBEH is to examine separately the antecedents of the two sub-dimensions of customer-oriented behaviours. Existing models of customer-oriented behaviour have examined its possible antecedents drawing on organisational theory and the management literature. However, the work has been focused on the antecedents of employees' customer-oriented behaviours as a *whole*, not on the suggested components of the construct – helping behaviours and continuous improvement efforts. Theoretically the two sub-dimensions are

distinctive and the question remains if organisations willing to enhance their employees' customer-oriented behaviours can use the same managerial and organisational practices to promote employees' helping behaviour and simultaneously cultivate the conditions necessary for employees' active participation in continuous service improvement efforts.

The third and final contribution involves an examination of the impact of one of the most commonly used methods of service development, a customer care programme on employees' customer-oriented behaviours, in a major Icelandic service organisation. Customer service training programmes of the type examined here, in fact, represent one of the most common methods used by contemporary service organisations to try to enhance service delivery. However, little organised research has been done on the effectiveness of such interventions (Peccei & Rosenthal, 1997; Peccei & Rosenthal, 2000). Thus, this study will attempt to examine the effectiveness of a customer service training programme where the initiative and the full involvement of the front line was emphasised with the purpose of creating conditions necessary for a flexible service tailored to customer needs. In this thesis, a close look will be taken at all these issues, both theoretically and empirically.

### **1.3 Thesis chapter structure**

As outlined above, the contribution of the thesis is mainly three fold: First, to the conceptualisation and understanding of customer-oriented behaviour, and second to the debate regarding the impact of employees' customer oriented behaviours in service organisations focusing on particular on the link between the customer-oriented behaviour of front-line staff and customers' perceptions and satisfaction with the service received. Both of these are important issues to be addressed before the COBEH perspective can be regarded as a valuable addition to other related perspectives already established in the literature. Furthermore, the thesis also attempts to examine the antecedents of customer-oriented behaviour and ways in which such behaviour can be developed among service employees. In accordance with the outlined contributions above, the thesis is organised into three main parts. In each chapter an overview of theoretical issues is provided as well as detailed descriptions of methods, statistical analyses and corresponding results of research conducted for this thesis.

In the first part of the thesis, following this introduction, the research design of the study is presented (chapter two) and the participating companies introduced. Also, data collection, research methods and statistical analyses are described. In chapter three, definitions of customer orientation will be

discussed and development of related constructs examined. The results of statistical tests designed to examine the COBEH factor structure and the constructs' relation to organisational citizenship behaviour will be presented in chapter four. In the second part of the thesis (in chapter five), the reliability, content validity and convergent validity of the COBEH construct will be examined through a comparative analysis of data on customer-oriented behaviours, collected by multiple methods and the impact of such behaviour examined. In the third and final part of the thesis, the antecedents of customer-oriented behaviour are presented and the model developed by Peccei and Rosenthal (1997) re-tested across service sectors and results reported in chapter six. Further examination into the development of employees' customer-oriented behaviours is then presented in chapter seven, where the results of a statistical analysis of the impact of a customer service programme on employees' customer-oriented behaviours and customer perceptions are presented. In the eighth and final chapter, academic and organisational implications of the research regarding the nature, impact and development of customer-oriented behaviour will be discussed.

In sum, the purpose of this thesis is to examine the conceptualisation of the COBEH construct designed to measure customer-oriented behaviour; to what extent it can be regarded as a separate construct and a valid predictor

of customers' perceptions of provided services; how robust the construct is; and to what degree antecedents and organisational initiatives impact the extent of employees motivation and capacity to engage in continuous improvement and helping behaviours designed to benefit customers. In addition, this study attempts to link the customer-oriented behaviours of employees to customers' perception of employee performance in order to examine the impact of such behaviours on customers' perception of service quality. Consequently, the study attempts to fill a gap in the academic and applied literatures regarding the role and impact of customer-oriented behaviours on customer care as well as to provide an insight into the effectiveness of a commonly used organisational initiative in the service industry.

## **2.0 Research Design and Methodology**

This study was designed to examine one of the suggested key determinants of service organisations' success – customer-oriented behaviours, and to evaluate the development and potential impact of such behaviours on customers' perceptions of organisations' service performance. The purpose of this chapter is to provide an overview of the research design and methods used to examine the COBEH phenomena and its links to employee performance and customers' perceptions. Also, the chapter provides an overview of the participating companies, the applied methods and statistical analysis are described, and the location, duration and potential limitations of the study are discussed.

### **2.1 The participating company**

The challenge for this study was to find a participating company which was both undertaking an organisational-wide service training programme and willing to provide the access necessary to conduct employee, supervisor and customer surveys needed for the study. Furthermore, the company had to have service units of a manageable size to allow for matching of employee and customer perceptions. From a practical point of view, the number of employees and the size of the participating company's service facilities had



to be limited in order to link employees' self-reported customer-oriented behaviours with the customers' perceptions of the performance of each individual employee. For most types of services, customers cannot be expected to remember which employees they received the service from. Therefore, the researcher had to *control* the employee-customer contact by monitoring closely which employee came in contact with which customer at the time of the service transaction. If a service unit is small, the linking of an employee self-report and a customer's perception of the service is more manageable. To link the data files accurately the time of each customer's transaction was matched with the work schedule of each service unit (and controlled for potential absenteeism or replacements in the employee group).

The national affiliate of the Royal Dutch Shell Group in Iceland fulfilled all requirements set forth for the research design of the thesis: the company regularly measured customer satisfaction, the management was planning a service training programme, and each service unit could be defined into 1-2 person groups. The groups were working on shifts that easily allowed for matching of employee self-reported behaviours and customer perceptions of these same behaviours. From a practical viewpoint, the size of the Shell service units was appropriate to reliably link employee and customer data.

### **2.1.1 The Royal Dutch Shell Group**

There are over 1,700 active companies in the Royal Dutch Shell Group carrying on a wide variety of activities ranging from operation of gas stations to oil rigs and laboratory complexes. In Iceland, where this study was conducted, there were 70 Shell franchised gas stations. Eighteen of the stations were solely owned and operated by the local Shell group. The other stations are owned by individuals and operated locally by station owners without the direct co-operation of Shell regarding human resources, marketing or financial management. The Shell group only served as their vendor or provider of goods. The stations included in this study were those owned and operated by the national Shell group (18).

Financially the Shell group has been very stable, showing substantial profits for the last five years (Shell Annual Report 1999). All participating stations operated as a team of stations with unified human resource practices, service standards, marketing, and financial management systems, thus providing an excellent case for comparisons of attitudinal and behavioural differences. The number of employees operating the stations at the time of the study was 117, providing both full service and self-service options at all the stations. Every station had a supervisor and 3 to 22 service providers working on shifts, and each employee was assigned a designated service unit or sector

(one to two employees per unit). The gender ratio was 81 men and 36 women; 65 percent of the employees were under the age of 35, but which on average was 26 years. About one-third of the front-line workers had been working for the company longer than five years. One of every ten employees had worked less than one year at the company.

### **2.1.2 Working at Shell**

As in many other companies in service industries the Shell front-line service providers were paid minimum wages and benefits. The employees were selected from a limited pool of applicants, but standardised selection and socialisation procedures are exercised at the company. Employees who participated in the study were all in direct contact with customers. The jobs at the stations could be categorised into outdoor duties and indoor duties, where the responsibilities included assistance to the customers, such as pumping gas, changing windshield wipers, checking the oil, etc. (outdoors) and accepting payment and selling food and beverages as well as various other types of assistance a customer requires from a gas station (in-doors).

Information collected as a part of this study (surveys and focus groups) indicated that job satisfaction at the gas stations was fairly high and most

employees were committed to the organisation. However, employees perceived that providing good service to customers was not well rewarded or recognised by the organisation. Employees reported enjoying dealing with customers and believed they should always make the customers' interests and needs a priority. Job pressure was only perceived to be a problem at three of the largest stations, which also resulted in a higher employee turnover rate at those stations. More detailed information on employee attitudes towards their workplace as well as information on customers' perceptions of the service at Shell are discussed in chapters four and five of this thesis in relation to employees' customer-oriented behaviours and the potential antecedents of these orientations.

### **2.1.3 Shell service**

The Gallup Organisation in Iceland regularly conducts surveys for Shell, measuring customer satisfaction and quality of service. These surveys have shown a high satisfaction ratio among customers and about 28 percent of customers could be characterised as highly loyal customers (using Shell as their only provider of petrol and related products). Over 90 percent of customers have reported satisfaction with the service provided - about 70 percent of whom were very satisfied (Gallup, 1998, 1999).

The management of Shell emphasises the importance of quality service: “In the small, competitive market a competitive advantage can not be achieved by the means of price or position, but only by the means of quality service.” (Shell Director of Marketing, 1999) In the past few years, a number of practices and procedures have been implemented at Shell to enhance service delivery, such as service standards, quality standards and regular service measures.

#### **2.1.4 Shell service initiative**

Prior to this study the Shell management had planned a major service initiative in the form of extensive service training programmes for all front-line staff and their supervisors. Shell had conducted a number of service training programmes, but they were not held regularly. Prior training programmes were mostly seminars designed to promote employees’ knowledge regarding product attributes. The last training session was undertaken 18 months before the new programme.

The objective of the new training programme at Shell was to gain a competitive advantage in a small, but highly competitive market. The prices, availability and quality of products of all the competitors on the market were

compatible, but a difference in the quality of service provided had been identified (Gallup, 1996, 1997). Comparative customer surveys including responses from all major gas companies in Iceland indicated that the appearance of the Shell stations and the speed of service at the stations were superior to others, but the Shell staff was perceived to be less flexible and the service un-personal. An extensive customer service-training programme for front-line staff was designed to attempt to enhance employees' interpersonal skills and involvement, to explain customers' and management expectations, discuss Shell service standards, and motivate employees to provide more personalised and flexible service. In addition, one third of the training programme's time was used to enhance employee product knowledge and selling techniques.

The duration of the programme was eight hours for employees and twenty hours for supervisors. The trainers were veteran Shell front-line workers, supervisors and consultants. An evaluation of the training (which took place in September 1998) was conducted both immediately after the training and three months (see chapter seven).

## **2.2 Other participating companies**

As discussed above, the link between employee orientations and performance can be established when data sets from employee self-reports and customers' perceptions can be matched. The size of the Shell working groups met these criteria. However, the study aimed not only to compare and contrast employee and customer data but also to track possible changes in behaviours and perceptions over the duration of 12 months (before and after an organisational-wide service training programme). Therefore, the initial size of the sample (N=104) could be expected to diminish over the duration of the study, due to employee turnover, absenteeism and failure to participate in the employee surveys as well as individuals' absence from the customer service programme.

A small sample minimises the possibilities for statistical analysis and generalizability of results. Therefore, to validate the results of this study, specifically regarding the conceptualisation of COBEH and the impact of suggested antecedents on the construct, data were collected in co-operation with the Gallup Organization in Iceland in six additional service organisations to supplement the data from the Royal Shell Group. The purpose was to examine more closely the consistency of COBEH's factor structure and its links to the closely related construct of organisational

citizenship behaviour (OCB), using data from a variety of service organisations.

In order to collect data from a wide range of companies an agreement was made with the Gallup Organization and six of Gallup's clients in Iceland to participate in the study. Gallup's role was to collect employee data regarding customer-oriented behaviours, organisational citizenship behaviours and the antecedents of COBEH using previously validated scales from the Shell study. The data were collected as a part of the Gallup annual employee surveys at the participating companies. Also, Gallup collected data on customer service perceptions at Shell as a part of Shell's quarterly service measures. After the data collection, Gallup's role was completed and a joint data file of the findings (all the participating companies) was created to allow for a cross-sectional analysis of the data.

The six additional participating companies were different in size and represented different types of services industries. They were all located in Iceland, though three of the companies operated internationally. Gallup distributed questionnaires (paper and pencil) among the employees of the six companies that included: an international airline (N=806), an international car dealership (N=89), a telecommunication company (N=1142), an insurance



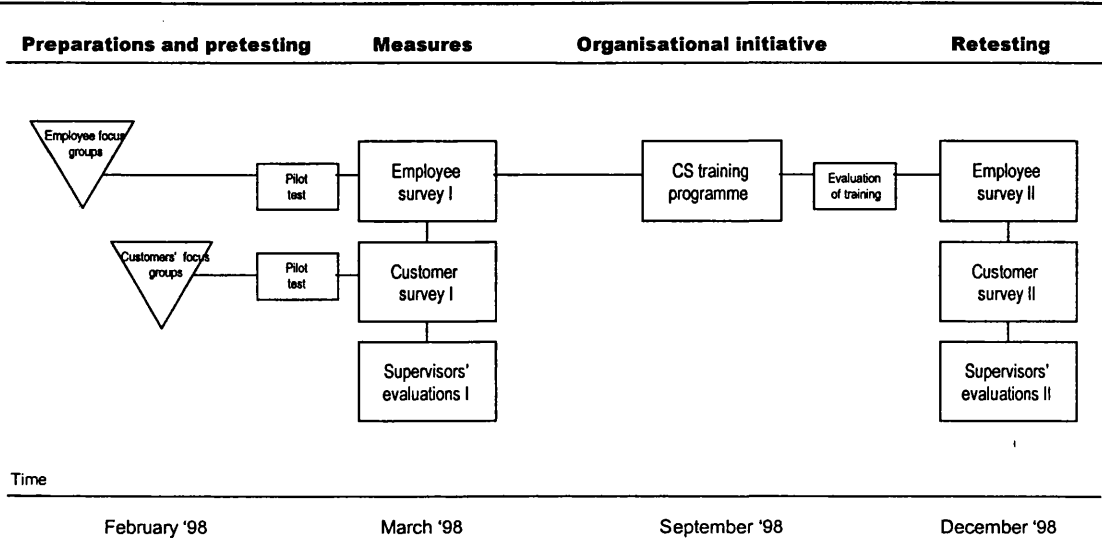
company (N=170), international software developers (N=66), and a chain of retail stores (N=320). Due to the need to maintain confidentiality about issues relating to the companies a more detailed location or description of these organisations cannot be disclosed.

In the following chapters of this thesis, the results from these surveys will be presented and implications in relation to previous findings discussed. The data files with responses from all of the employee surveys provided an opportunity to examine the conceptualisation of COBEH and its antecedents with a large sample size which enhances greatly the generalizability of the results regarding the conceptualisation and development of customer-oriented behaviour in a wide service context.

### **2.3 Methods**

The main elements of the research design, fieldwork and data collection carried out within Shell are shown schematically in figure 1. Each element, focus groups, employee and customer surveys, supervisors' evaluations, evaluation of training and procedures are described below.

**Figure 1 Shell research design**



**2.3.1 Focus groups**

The first step in the data collection procedures was to hold focus groups involving Shell employees and customers. Before administering employee surveys at Shell, three employee focus groups (N=29) were held to collect qualitative information about organisational culture, customer service behaviours, employee management relations, and organisational structure. Employees were randomly selected to participate in the focus groups including employees of all ages from all service units in the company. The employees were asked to discuss various issues in the working and service environments. The aim of the focus groups was to examine employees' terminology in Icelandic to enhance the validity and reliability of the

translated employee questionnaire to be used in the later part of the research. In addition, qualitative methods allowed for an in-depth examination of underlying organisational issues. As Judd et al., (1991) have pointed out, the “interviewer has the freedom to explore reasons and motives and to probe further in directions that were unanticipated” (p. 261) prior to the study.

In addition, customer focus groups were used to insure a comprehensive examination of service issues relevant to the particular company and its customers as well as an accurate terminology in the customer surveys to be carried out at later stages in the study. Four focus groups were conducted (N=36) and the participants were randomly selected from Shell’s current customers. The prerequisite was that the participants had to have experienced Shell service in the preceding month. Age and gender of the customers were congruent with the company’s customer age and gender ratios. The results of the focus groups’ discussions were then used to adapt the company’s new customer service training programme to better emphasise issues important for meeting customers’ expectations and needs (see chapter seven).

### **2.3.2 Employee surveys**

The second step in the research process was a comprehensive data collection process including both employee surveys at Shell and in six other Icelandic service organisations. The purpose of all of the employee surveys was to collect data on employees' self-reported customer oriented behaviours, their organisational citizenship behaviours and the suggested antecedents of COBEH (see Appendix).

Of the surveys, the Shell survey was the most comprehensive one and included additional items regarding various organisational factors. The Shell questionnaire contained 104 statements adapted from previously validated scales measuring a number of relevant employee attitudes, perceptions and behaviours such as: job satisfaction, job conditions, commitment, extrinsic well-being, employee-management relations, customer service issues and competencies as well as customer service oriented behaviour (see Appendix). The Shell employee survey (paper-and-pencil) was conducted twice, first before the service training programme and then nine months later or three months after the programme had been completed.

The two employee surveys at Shell were conducted at the 18 gas stations owned and operated by the Shell group in Iceland and in the other six

participating companies. Front-line service providers participated in the surveys. Before the implementation of the questionnaires, a pilot test was conducted to ensure accurate terminology of the translated questionnaires. Slight changes were made in terminology regarding organisational commitment and calculative orientation as a result of the pilot tests (the Icelandic words and phrases used to measure these items were changed to better fit the level of understanding of the participants. See Appendix). In the first Shell survey (N=103), the response rate was 94 percent and in the second survey the response rate was 85 percent.

In the six other participating companies, employees participated in one employee survey (paper-and-pencil) focusing on customer-oriented behaviour, organisational citizenship behaviour and COBEH antecedents (see Appendix). The data were collected over the duration of the Shell study. The response rates were 80-94% depending on the size and location of the companies (larger companies with more than one location had a lower response rate than the smaller ones - see details in chapter six of the thesis).

### **2.3.3 Customer surveys**

In addition to the employee surveys at Shell and the other six service organisations, the collection of customer data at Shell was the third step in data collection for this study. The customer surveys were conducted before, during, and after the Shell service training programme, to monitor possible changes in customers' service perceptions at Shell following the programme. Also, customer perceptions were needed to examine the impact of customer-oriented behaviours on customers' perceptions of service outcomes and for the comparison of customer-oriented behaviour and organisational citizenship behaviour in a service context. Key dimensions of service quality identified in the service and marketing literature were used to construct a questionnaire for measuring customer perceptions (see Appendix).

The first customer survey at Shell was conducted by the Gallup Organization in Iceland six months before the customer service training programme was announced and the second one three months after front-line workers had completed their training. Three months were designated as an appropriate waiting period before conducting the second survey due to possible effects of participation in the training sessions. Davies (1989) has pointed out that if training involves development of interpersonal skills of some type, then the repeated measure should be conducted at least three months after the

completion of the programme so that the participants have had an opportunity to put into practice what they have learned.

The data in the customer surveys were collected by telephone from a sample of 900 customers each time, measuring customer perceptions of the service at all 18 gas stations. The response rates were 80 percent for the first survey and 75 percent for the second survey. Customers included in the surveys were randomly selected from the stations' customer base and on-site at every station to insure that customers' perceptions from all stations were represented in the study. T-tests of the two samples from every station (from customer base and on-site) did not reveal a statistical difference between the samples.

In sum, the customer survey data provided an opportunity to compare employee self-reported customer-oriented behaviour to both supervisor and customer perceptions of the employees' behaviours. The aim of the research design was to provide evidence to confirm or discard the COBEH constructs' convergent validity and to provide an opportunity to empirically test the impact of customer-oriented behaviour on service outcomes in organisational settings.

#### **2.3.4 Supervisors' evaluations**

Supervisors are in many cases an organisation's only providers of employee performance evaluations. In spite of the many implications of supervisors' evaluations, over 90 percent of businesses having performance appraisal-programme use the immediate supervisor as the rater or appraiser (Henderson, 1980). Due to the widespread application of supervisor evaluations of employee performance an examination of if and to what extent supervisors' evaluations of employees' customer orientation can be utilised to predict customer perceptions of the service provided is compelling. This forth step in the study's data collection provided an opportunity for a three-dimensional approach to the examination of the COBEH construct through a comparison of supervisors' evaluations of their employees customer-oriented behaviours and employee self-assessment of their own behaviours. In addition a measure of customer perceptions of the employee-customer contact provided an opportunity to compare not only supervisors' evaluations to employee self-reported behaviours but also to customer perceptions of those behaviours (as described above).

Supervisors at nine of the 18 Shell stations participated in this study and evaluated their employees individually on the same six statements as their employees rated their own customer-oriented behaviour. In addition to the



six COBEH statements the supervisors were asked to evaluate the overall service success of each employee.

To minimise the risk of rater error the supervisors participated in a short seminar on performance appraisals (held by HRM consultants working for Shell) before they filled out the questionnaire. The data provided by the supervisors were used to examine the relation between supervisors' evaluations and employee self-reported data and the relations of the data to customer perceptions. The supervisors repeated the evaluation three months after the customer service training had been conducted in connection with the second customer and employee surveys.

### **2.3.5 Evaluation of training**

A lack of empirical evidence supporting the effectiveness of various human resource programmes undertaken by organisations to enhance service delivery is evident in the human resource and service management literature. Therefore the fifth and final step included in the research design of this study attempted to monitor the effectiveness of such a programme at Shell and the impact of employee training participation on the extent of their customer-oriented behaviour. Furthermore, an evaluation of employees'

perceptions of the programme was also conducted to examine participants' comprehension of the training material and its relevance to their jobs.

Without a comprehensive evaluation of training programmes it becomes difficult to explain the reasons for the success or failure of such training (Davies, 1989). The evaluation of the training at Shell was carried out in three steps, both immediately after the training had been completed and three months later. The effectiveness of the programme was evaluated at all levels suggested by Whitelaw (1972). First, the reaction to and immediate outcome of the training was measured by a short questionnaire (see Appendix) at the end of the training sessions. The intermediate level was measured by supervisory performance reports four weeks after the training had been completed, including an evaluation of employee customer-oriented behaviours. The third and final level was conducted three months after the training had been completed and was evaluated by questions included in the employee and customer surveys at Shell (see Appendix).

The close co-operation with Shell management in the study allowed for creation of a control group. Of the 71 employees participating in both employee surveys at Shell, 25 were excluded from the training sessions (the control group). This allowed for a systematic comparison of the self-reported

customer-oriented behaviours of employees who participated in the training and those who did not participate in the programme. A more detailed description of the training programme, participants, the statistical analysis and results are presented in chapter seven of this thesis.

## **2.4 Procedures**

For this study, employee and customer perceptions and behaviours were monitored through the series of qualitative and quantitative measures discussed above. Following is a brief discussion on a number of issues regarding the methods used for this study, such as questionnaire translations, compliance, statistical analysis and limitations of the study.

### **2.4.1 Questionnaire development and translation**

To evaluate the validity and reliability of the measures included in the study, previously tested and validated scales were used wherever possible. In the employee and customer survey questionnaires all items were measured on a five point Likert scale, translated and adapted to Icelandic (the national language of the participants in the study). To ensure accurate terminology, the translated copies were re-translated into English by a specialist at the Gallup Organization in Iceland. The copies were compared to the original

copies and adjustments made to the translated copy. Also, pilot tests were conducted before the first employee and customer surveys. Seven service employees tested the employee questionnaire. The pilot testing was closely monitored and followed up by interviews and the necessary adjustments made. The customers' questionnaire was pilot-tested by Gallup interviewers who contacted 30 Shell customers to test their comprehension of the questions as well as the sequence and wording of questions. No changes were necessary following the pilot test.

As pointed out earlier, little research has been conducted regarding scales developed to measure customer-oriented behaviours. For example no evidence can be found in the literature regarding content or face validity of scales used in previous studies. To attempt to establish the content validity of the COBEH construct used in this research qualitative rather than quantitative methods were applied. As suggested by Kidder and Judd (1986, 1997), Nunnally (1978), and Churchill (1979) the six items in the COBEH construct were evaluated by a group of experts (N=10). The members of the group were from the Gallup Organisation in Iceland and the University of Iceland in addition to human resource and service managers from several Icelandic service organisations. They read the statements to see whether, in their opinion, the COBEH scale were likely to measure what its name and

content suggested. They concluded that the translated name and content of the construct represented the concept of customer-oriented behaviour in a clear and thorough manner. Therefore, according to Parasuraman, et al., (1988) the COBEH construct can be considered to possess content validity. Additional information relating to the validity and reliability of the various measures used in this study is provided in the relevant chapters that follow.

#### **2.4.2 Compliance**

At Shell, as in the other organisations participating in the study, demographic information was collected from employee respondents (gender, age, status, and length of service, department, contact with customers), but the questionnaires were anonymous to minimise response bias from subjects. The paper-and-pencil questionnaires were placed in a sealed box provided by the Gallup Organisation after the questionnaires had been completed to further ensure the confidentiality of the information provided. For the Shell part of the study, the *National Data Protection Commission* granted the necessary authorisation to code and track individual employee responses over time and employees were ensured that Shell management would not have access to their personal data. To insure high response rates (over 85 percent) a small incentive was offered to those employees who participated in the surveys. The incentive was a dinner invitation for two of the

participating employees and their guests at one of the finest restaurants in Reykjavik. Standardized Gallup data collection procedures were followed in the customer surveys, leading to the desired response rate of 75 percent. No incentives were used.

## **2.5 Limitations of the study**

No research exists in a vacuum and there are limitations to every study. The potential limitations of survey research are particularly well known. Various intervening factors can influence the subjects' responses. Factors such as social desirability, for example, can affect the accuracy, reliability and validity of data collected. Respondents' may be unable to recall information about their activities and about themselves caused by lack of memory, confusion about the questions asked, or nervousness related to being involved in a research study (Huck & Cormier, 1996). Also, various issues are raised when using self-reported data that may lead to possible errors in assessment. For example, when assessing someone else's performance people tend to discount situational factors. On the other hand people tend to magnify such factors when assessing their own performance. (Milkovich & Boudreau, 1997).

Like other research involving surveys and evaluations of performance, this particular study was limited by several factors. The first limitation was the small sample in the employee surveys at Shell. The first survey included 103 participants representing 94 percent of the company's employees. In the second survey 71 of the original 103 front-liners from the first survey participated again. The high response rates in the surveys minimised the problems associated with the small samples. However, a bigger sample would have allowed for a more detailed analysis of the data and in-depth investigation of causal relationships. Therefore, additional data were collected with the co-operation of the Gallup Organization and six of their clients in the service industry to provide conjoint data file including responses from 2693 participants.

A second factor to be noted is the use of self-reports in the employee surveys. There are known implications to self-report measures, such as social desirability and selective memory (Howard, 1994). Howard, et al, (1980) suggested five threats to any behavioural measure: method variance, situation variance, natural variability within a given method and situation, obtrusive measurement variance, and rater variance. However, they have argued that although self-report measures are not perfect, the construct-validity coefficients of self-reports are superior to the validity coefficients of

other measurements (e.g. Gabbard, Howard and Dunfee, 1986; Cole, Howard and Maxwell, 1981; Howard et al., 1980).

Spector (1987) has argued that the most frequently found sources of method variance in self-reports are acquiescence and social desirability. Research has shown that some measures are highly correlated with social desirability, consequently making it difficult to determine if the intended construct is being measured (Nunnally, 1978; Spector, 1987). Various techniques have been developed to control for such threats to the instrument, such as forced choice items and screening out items that correlate highly with social desirability. The other suggested bias (acquiescence) is the tendency of participants to agree or disagree with items, regardless of content (Spector, 1987). Both these types of biases are more likely to occur when the items are ambiguous and the questionnaires poorly developed (Cronbach, 1950). For this study, previously validated scales were used to control for such threats as much as possible. Finally, known problems with supervisors' evaluations of performance will undoubtedly affect the study, but multiple-method and repeated measures enhance the accuracy of interpretation and generalisations based on the data provided by the supervisors.



In sum, although various suggestions have been made regarding problems related to the use of self-reports, compelling research findings support the use of such methods as well as collection of data from multiple sources using multiple methods (Howard, 1994). The high response rates in relation to all measurement instruments should minimise the limitations of the study resulting from the small sample size in the Shell employee surveys. Furthermore, data from other participating companies provided further validation of the study's results regarding key issues related to the nature of customer-oriented behaviour and the relation of the construct to closely related constructs.

## **2.6 Summary**

In this chapter, the research design has been introduced and the implications of reliably linking employee self-reports and customer perceptions of provided services discussed. The data collected from the Shell group provided an excellent opportunity to examine the relation between employees' self-reported customer-oriented behaviours and how those behaviours were reflected in customer perceptions. Also, the Shell data could be used to track potential changes in employee attitudes and behaviours as well as customers' perceptions over the duration of the study.

Furthermore, additional data on the COBEH factor structure, OCB and the antecedents of COBEH collected from the six additional service companies, enhanced the generalisability of the study's results and provided information from a wide range of service industries.

In this chapter, a brief overview has been provided regarding the research design, methods and limitations. A more detail description of these issues is provided in each chapter of this thesis in relation to the corresponding research topic.

### **3.0 Customer Orientation: Conceptual Issues**

A strong customer orientation is central to discussions of quality management (Bowen, 1994; Hill & Wilkinson, 1995), human resource management (Legge, 1995), the 'excellence' approach (Peters, 1987, 1992; Peters & Waterman, 1982), and service management (Bowen & Schneider, 1988; Mills, 1986). However, in spite of the increased focus on the importance of employee-customer interaction and service orientation the literature has given little attention to the conceptualisation of customer orientation, its link to related constructs and how it relates to individuals' performance and organisational service quality. The purpose of this chapter is to discuss the debate regarding the conceptualisation of customer orientation and to examine related constructs and their development in the literature.

#### **3.1 Definitions of Customer Orientation**

A lack of focus and systematic work has caused difficulties in conceptualisation of customer orientation (Peccei & Rosenthal, 1997). Consequently, definitions of customer orientation vary across management, quality, and service literatures. The concept has been discussed in systemic, attitudinal and behavioural terms (Bowen, Siehl & Sneider, 1989; Deming,

1982; Heskett, 1987; Heskett, Sasser, Schlesinger, 1997; Juran, 1974; Peccei & Rosenthal, 1997; Saxe & Weitz, 1982; Schlesinger & Heskett, 1991).

### **3.1.1 Systemic approach to customer orientation**

To some, total quality management (TQM) provides a historically unique approach to improve organisational effectiveness (Wruck and Jensen, 1994), but a more sceptical view is that TQM is but one programme in a long line of programmes soon to be replaced with new management fashions (Hackman and Wageman, 1995). Regardless, numerous service organisations have adopted a TQM philosophy and implemented TQM strategies in an attempt to enhance service effectiveness. The concept of customer orientation and attitudes of employees is an important element in these programmes. Dean and Bowen (1994) have pointed out that TQM theory acknowledges the importance of customer orientation at all levels of an organisation. The universal approach of the classical quality writers emphasised such an orientation as an aspect of human nature, to be uniformly 'released' by appropriate systems and structures (Deming, 1982; Juran 1974). Deming, Ishikawa, and Juran have argued that the primary focus of organisations is to stay in business so that they can promote the stability of the community, *generate products and services that are useful to customers*, and provide a setting for the satisfaction and growth of organisational members (Deming, 1986;

Ishikawas, 1985; Juran, 1969; Hackman & Wageman, 1995). Furthermore, the key elements of TQM have been identified by Pentacost (1991) as a total process involving all operations where every strategy relates to satisfying customers' needs and the greater involvement of people. But Hackman and Wageman (1995) have pointed out that the TQM strategy is rooted in four interlocked assumptions - about people, quality, organisations, and the role of senior management. The assumption about people suggests that employees naturally care about the quality of work they do and will take initiatives to continuously improve their work. According to Hackman and Wageman (1995), TQM must alter how people work in order to accomplish its purpose. Under TQM, people are expected to improve work processes continuously, they should be working harder, be smarter (with greater knowledge and skill), and act more responsively with their customers' needs in mind.

To accomplish its goal of enhanced organisational effectiveness TQM emphasises an improvement in employees' behaviour at work through three behavioural processes: motivation, learning and change. Hackman and Wageman (1995) have identified dilemmas associated with TQM's attempts to alter employee behaviours. They suggest that organisations have problems both with motivating front-line staff towards continuous

improvement and learning while simultaneously adhering closely to standardised best practices and procedures. TQM is process oriented and Waldman (1994) has pointed out the predisposition of the mainstream literature on total quality towards systems rather than individuals. Although service is a process and can be systematically analysed through service blueprinting and service mapping (see Shostack, 1984; 1987), the service operation is less controllable than typical manufacturing processes because of the human element of service provision. In spite of the complex issue of employee-customer interaction, the mainstream TQM literature views customer orientation of individual employees as mainly unproblematic.

Two of the main principles of change embedded in TQM are a focus on work processes and the notion that the uncontrolled variance in processes is the primary cause of quality problems. Mullins (1996) has argued that there has been too much reliance on systems in the service quality literature. On the same note Lammermeyr (1991) points out that “although systems are necessary, they are only as effective as the people who design them.” (p. 175). Hence, Peccei and Rosenthal (1997) have pointed out that there is little evidence of the TQM assumption that appropriate systems and structures will cultivate a “natural” flow of employees’ customer orientation as suggested in the TQM literature. Moreover, the unpredictability of the

customer service process makes any attempt to legislate service provision systematically by rules and close supervision problematic in nature and hinders required flexibility, initiative and individualised care (Bowen and Schneider, 1988). Thus, attention has been shifting to alternative definitions of customer orientation and solutions to ensure appropriate discretion of front-line service providers.

### **3.1.2 Attitudinal approach to customer orientation**

In the current service management literature the alternative perspective to the systemic approach of the quality writers is an emphasis on employee attitudes towards service. "Attitudes are relatively lasting feelings, beliefs, and behavioural tendencies directed towards specific persons, groups, ideas, issues, or objects" (Hellriegel, et al., 1992). Attitudes and their effect on behaviours are in fact very complex and are by no means clearly related to individuals' behaviours. Social psychologists point out that attitudes represent the *interplay* of a person's feelings, cognitions, and behavioural tendencies (Hellriegel, et al., 1992) and Ajzen and Fishbein (1980) have argued that behaviour is more predictable when a person's *intentions* to behave are examined instead of his or her attitudes toward the particular subject.

In the Attitudinal approach, customer orientation is defined in terms of internalisation of organisational norms and values (Bowen, Siehl & Schneider, 1989; Heskett, 1987, Heskett, Sasser, Schlesinger, 1997) and customer orientation in a service context is viewed as “positive service attitudes”. Positive service attitudes are the “traits [that] have to do with attitudes and personalities-psychographic characteristics, which can vary from firm to firm (Schlesinger & Heskett, 1991).

Positive service attitudes are being viewed by some as a core element in an organisations’ pursuit of competitive advantage. Congruent with the view of Dunlap et al., (1988) and Saxe and Weitz (1982), Kelly (1993) has argued that customer orientation, as reflected in positive customer service attitudes, is important because it leads to the development of long-term relationships between the organisation and its customers. However, such generalised service attitudes are ambiguous and difficult to adopt in organisational settings and often even more so than new technologies and systems. Furthermore, often and particularly under favourable economic conditions, the recruitment, selection and retention of service employees who appear to share “basic values congruent with the organisation’s service ethos” (Schlesinger & Heskett, 1991, p. 26) become increasingly more difficult. Most importantly, the link between service attitudes and service outcomes,



suggested in the attitudinal approach, is unclear and highly problematic. Hence, alternative conceptualisation of the customer orientations of front-line staff may prove more fruitful from both theoretical and a practical point of view.

### **3.1.3 Behavioural focus on customer orientation**

Behaviourally-based perspectives offer a more tangible approach to service orientation than attitudinal definitions. Instead of a general focus on service attitudes the emphasis is directed towards the desired end of the service (fulfilment of customer needs) manifested in actual employee behaviour towards customers.

Saxe and Weitz's (1982) defined customer orientation as the satisfaction of customer needs at the level of the employee-customer interaction. In their definition of customer orientation the "highly customer oriented salespeople engage in behaviour aimed at increasing long-term customer satisfaction" (p. 344). The concept is operationalised as the "way of doing business" (p. 344) on the part of the service provider and the extent to which employees try to *help their customers making purchase decisions* that will satisfy customer needs. This perspective is congruent with the core of marketing thoughts for

the past 30 years in which the notion of an integrated, company-wide approach where all activities are directed toward customer satisfaction and cultivation of long-term mutually beneficial relationships with customers is emphasised (Kotler, 1980). Kurtz et al., (1976) also stress the importance of customer service orientation manifested in a problem-solving approach to selling. They suggest that all parts of an organisation should be oriented toward solving customer problems and meeting the needs of the marketplace. However, these two problem-solving approaches to customer orientation (Kurtz, Dodge & Klompmaker, 1976; Saxe & Weitz, 1982) assume a direct relationship between employee sales-related behaviours and customer satisfaction. However, customer satisfaction is a complex phenomenon and is conditioned by a number of situational, organisational and environmental factors. Hence, the extent to which employees engage in sales-related behaviours can not be argued to lead unconditionally to customer satisfaction. Furthermore, the focus on a very specific set of behaviours in the service context excludes the application of the approach to many service tasks and organisations. Consequently, Peccei & Rosenthal (1997) proposed another behaviourally-based perspective to customer orientation where the emphasis is not only on a psychological state or a general positive attitude towards customers or specific sales-related

behaviours but on the actual extent to which individuals engage in behaviour *designed* to satisfy customers.

### **3.2 Customer-oriented behaviour – COBEH**

A core element of different approaches to customer orientation is a concern for customer needs. However, as Peccei and Rosenthal (1997) have pointed out, this concern only relates to performance if and when it translates into behaviour. The explicit behavioural approach to customer orientation suggested by Peccei and Rosenthal (1997) has a direct reference to behaviour intended to enhance service performance. However, the assumption of a direct relation between employee behaviour and customer satisfaction is not made, but the emphasis is on the extent to which employees actually exert effort on behalf of their customers. Other approaches have more indirect links to performance or, as is the case in the quality and management literatures, underestimate the complexity of the manifestation of customer orientation among service providers. The explicit behavioural approach emphasises a link to performance based on the manifestation of tangible behaviours *designed* to satisfy customer needs and not on ambiguous attitudes or *wishful thinking* in regards to the effective release of customer orientation by appropriate systems suggested in the quality and management literatures. Attitudinal and other behaviourally focused

approaches to customer orientation emphasise the importance of the appropriate service orientations of employees, but do not specifically identify another key element equally important for organisational success - employee participation in continuous improvement. In the quality management literature a striving for continuous improvement has been identified by Waldman (1994) and Dean and Bowen (1994) as an integral part of customer orientation in a service context. The explicit behavioural definition of customer orientation (Peccei & Rosenthal, 1997) reflects both of these two key elements: continuous improvement and helping behaviours. Peccei and Rosenthal identify the term customer-oriented behaviour (COBEH) and define customer orientation as "the relative propensity of an individual to engage in *continuous improvement* and to *exert effort* on the job for the benefit of customers." (p. 69).

The emphasis on the explicit behavioural perspective on continuous improvement captures the notion that has been a central goal of quality management (Dean & Bowen, 1994). Simultaneously the perspective embeds an emphasis on the key goals of human resource management identified by Guest (1989) as employee flexibility, innovation and motivation manifested in a high effort on behalf of customers and on continuous improvement efforts. In sum, the advantages of the explicit behavioural perspective is a

link to performance through the emphasis on two sets of behaviours, both identified as core elements in the management literature for organisational success and for competitive advantage.

Some elements of the COBEH definition need further clarification. First, COBEH has been identified as a helping or pro-social behaviour (Peccei & Rosenthal, 1997) containing an emphasis on the exertion of effort by employees to satisfy customers and on the continuous striving for improvement. The definition places an equal emphasis on the two elements, but the link between an employee's customer orientation through efforts on behalf of customers and his or her effort for continuous improvement is perhaps more indirect than is suggested by Peccei and Rosenthal (1997). COBEH could be hypothesised as a form of customer-oriented behaviour reflecting employee motivation to exert an effort and consequently involving active expenditure of energy on the part of the employee. But behaviours also important to service performance; such as flexibility and innovation of organisational members emphasised in the quality and management literature are not necessarily directly related to helping behaviours directed at customers. These behaviours that cultivate continuous improvement could be viewed as a secondary factor or sub-dimension of customer-oriented behaviour. In other words, an employee can engage in customer-

oriented behaviour without engaging in continuous improvement efforts (or vice versa). Also, if the employee on the other hand engages in continuous improvement efforts (has ideas and suggestions for improvements) the effort might not be a *conscious* effort to satisfy customer needs but motivated by a wide variety of reasons designed to promote the employee's own well being. Thus, it could not in all cases necessarily be regarded as a "cost" to the individual employee, as suggested by Peccei and Rosenthal (1997).

Second, in the behavioural approach to customer orientation, helping or pro-social behaviours are one of the two core elements of the COBEH definition. Innovation, responsiveness and flexibility are embedded in the COBEH definition and as Van Dyne et al, (1994) have pointed out, many terms have been used to describe such behaviours in the last decade, including pro-social organisational behaviour (Brief & Motowidlo, 1986), organisational citizenship behaviour (Organ, 1988, 1990; Graham, 1991; Schnake, 1991), extra role behaviour (Van Dyne & Cummings, 1990), and organisational spontaneity (George & Brief, 1992). Consequently, diverse operational definitions have been employed (Van Dyne et al, 1994). However, it is not clear what type of helping behaviours are included and which, if any, are excluded in the behavioural definition of customer orientation. Moreover, an attempt has not been made, as of yet, to examine theoretically and

empirically the overlap and correlation of customer-oriented behaviour with the various forms of pro-social behaviours such as organisational citizenship behaviour (OCB).

### **3.2.1 Pro-social behaviour**

During the last decade there has been increased recognition of the importance of pro-social behaviours in organisational settings (George, 1991; George & Bettenhausen, 1990; Morris & Feldman, 1996). Brief and Motowidlo (1986) defined pro-social organisational behaviour (POB) as “a behaviour which is (a) performed by a member of an organisation, (b) directed towards an individual, group or organisation with whom he or she interacts while carrying out his or her organisational role, and (c) performed with the intention of promoting the welfare of the individual, group, or organisation toward which it is directed” (p. 711). Thus, pro-social behaviours are a form of willingness or helping behaviours performed to benefit or help other individuals (George, 1991).

Such behaviours can be viewed both as a dimension of employee performance as a part of the formal in-role prescriptions (Brief & Motowidlo, 1986; George, 1991) or as extra roles not formally required by management or

rewarded by the organisation. However, the extra roles are important to organisational success because organisations can not foresee and plan all behaviours necessary to achieve organisational goals (George, 1991).

### **3.2.2 Organisational citizenship behaviour**

Organisational citizenship behaviour (OCB) is another form of pro-social or helping behaviour and diverse conceptualisation attempts have been made to identify such work behaviours that are sometimes overlooked by traditional definitions and measurements of job performance but still contribute (at least in the long run) to organisational effectiveness (Van Dyne et al. 1994). Bateman and Organ (1983) have pointed out that early attempts to define organisational citizenship behaviour (OCB) emphasised OCB as separate from job performance and should be viewed as both extra role and organisationally functional. Graham (1991) presented another approach based on citizenship research in philosophy, political science, and social history. According to her, organisational citizenship can be conceptualised as a global concept that includes all positive organisationally relevant behaviours of individual organisational members.



Organ (1988) defined organisational citizenship behaviour as “individual behaviour that is discretionary, not directly or explicitly recognised by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation” (Organ, 1988, p.4). Thus, the absence of direct or formal recognition by these organisations’ reward systems in the context of organisational citizenship behaviour is emphasised. For example, if organisations directly and formally reward employees for providing quality service to customers the behaviour would not be classified as organisational citizenship behaviour. Hence, organisational citizenship behaviour includes some forms of helping behaviour, but excludes others (George & Brief, 1992).

The first form of OCB identified by Organ (1988) is altruism, which is similar to helping co-workers, a specific form of spontaneity (George & Brief, 1992). Altruism includes “all discretionary behaviours that have the effect of helping a specific other person with an organizationally relevant task or problem.” (Organ, 1988, p.8). Conscientiousness, the second form of OCB identified by Organ, refers to employees’ orientation to carry out their role requirements far beyond the required minimum. Sportsmanship is the third. It refers to employees avoiding “complaining, petty grievances, railing against real or imagined slights, and making federal cases out of small

potatoes" (Organ, 1988, p. 11). Organ (1988) identifies a fourth form of organisational citizenship behaviour, courtesy, which refers to "touching base with those parties whose work would be affected by one's decisions or commitments" (Organ, 1988, p. 12). Finally, civic virtue is identified as a form of OCB, including employee participation in the political life of an organisation (Organ & Konovsky, 1989).

The separation of in-role and extra-role behaviours in the context of organisational citizenship behaviour is problematic in nature and varies across individuals, jobs, and organisations (Graham, 1991; Van Dyne et al, 1994). Thus, Graham (1991) proposed a broader definition of OCB including all positive community-relevant behaviours of employees. Including traditional in-role job performance behaviours and organisationally functional extra-role behaviours as well as political behaviours, such as participation, previously excluded in traditional OCB definitions. In addition, Graham (1991) extended the conceptualisation of OCB to include additional categories of behaviours having to do with obedience and loyalty in organisational settings.

### **3.2.3 Organisational spontaneity**

Katz (1964) identified spontaneous performance of extra-role pro-social behaviours as one of three behavioural patterns essential for organisational functioning. Organisational spontaneity is a set of behaviours that are not described by role prescriptions. They are impulsive extra-role acts performed voluntarily to contribute to organisational success. The various existing forms of organisational spontaneity are central to the survival and effectiveness of organisations (Blau, 1973; George & Brief, 1992; Katz & Kahn, 1978; March & Simon, 1958) because no organisation can pro-actively foresee every change in its external and internal environment. Katz (1964) argued that "the resources of people in innovation, in spontaneous co-operation (or helping coworkers), in protective and creative behaviour are thus vital to organizational survival and effectiveness" (p. 132). George and Brief (1992) identified five forms of organisational spontaneity:

- Helping co-workers.
- Protecting the organisation.
- Making constructive suggestions.
- Self-development.
- Spreading goodwill.

All these form of behaviours are typically outside the primary content dimensions of employees' jobs (Katz & Kahn, 1978), but aide the organisation in the accomplishment of organisational goals and improvement of its functions (George and Brief, 1992).

#### **3.2.4 Customer-oriented behaviour identified**

As can be seen from the above discussion, a certain amount of overlap exists between definitions of customer-oriented behaviour, pro-social behaviour, organisational citizenship, and organisational spontaneity. All forms include an emphasis on helping others. However, scholars (Gorege & Brief, 1992) have argued that some forms of OCB are not necessarily spontaneous (conscientiousness, courtesy, and civic virtue) and other forms of spontaneity are excluded from the OCB construct (*e.g.*, protecting the organisation and self-development). George and Brief (1992) have pointed out that early definitions of OCB excluded some forms of spontaneity (typically those behaviours rewarded by formal organisational reward systems). Peccei and Rosenthal's definition of customer-oriented behaviour does not clearly define which helping behaviours are included or excluded in the constructs. However, a comparison on the basis of a review of the literature discussed above suggests that COBEH has elements in common with both pro-social

and organisational citizenship behaviour constructs, as well as organisational spontaneity.

Pro-social behaviour is defined by Brief and Motowidlo (1986) as behaviour performed with the intent of promoting the welfare of individuals, groups, or organisations, while the employee carries out his or her organisational role, thus, sharing with the COBEH construct an emphasis on effort exerted on behalf of others, but not clearly stressing continuous improvement.

The overlap between COBEH and organisational citizenship behaviour varies depending on the definitions of OCB. Customer-oriented behaviour and OCB both emphasise altruism (helping others), conscientiousness (carrying role requirements far beyond the required minimum) and courtesy (touching base with those affected by one's decisions or commitments) as defined by Organ (1988). Also, OCB and COBEH can be viewed as sharing and emphasis on participation, obedience and loyalty of employees as suggested by Graham (1991), as employees exert effort or engage in continuous improvement in a service context. Other forms of OCB identified by Organ (1988), sportsmanship (avoiding complaining and petty grievances) and civic virtue (participation in the organisation's political life) do not have as a clear relevance to customer-oriented behaviour. Moreover,

early definitions of OCB excluded behaviours formally rewarded by organisations. However, Peccei and Rosenthal (1997) suggest that customer-oriented behaviours will be designated as in-role or extra-role behaviours depending on the particular circumstances and the reasons why employees engage in the behaviour, thus not excluding formally rewarded in-role behaviours crucial to service success (Peccei & Rosenthal, 1997)

COBEH overlaps with organisational spontaneity (the other behavioural construct reflecting motivation, flexibility and innovation) on four of the five forms of the construct; helping co-workers, protecting the organisation and spreading good will, which call for the exertion of effort by employees (a key element of customer-oriented behaviour). In addition, the other two forms of spontaneity-making constructive suggestions and self-development are reflected in the other key element of COBEH, continuous improvement. However, spontaneity has been identified as impulsive extra-role acts performed voluntarily and contributing to organisational success (Blau, 1973; George and Brief, 1992; Katz & Kahn, 1978; Mach & Simon, 1958), but as mentioned earlier, customer-oriented behaviour has not been defined specifically as extra-role behaviour.

In sum, unlike early definitions of OCB the definition of customer-oriented behaviour (COBEH) does not exclude behaviours rewarded by formal organisational systems and encompasses a narrower approach to helping behaviours than organisational spontaneity. Also, the COBEH definition excludes pro-social behaviours that are dysfunctional and/or detrimental to the organisation's service success and that are included in definitions of organisational spontaneity. Hence, drawing on Graham's (1991) global definition of organisational citizenship behaviour, COBEH could be defined as the relative propensity of an individual to engage in continuous improvement and to exert effort on the job, including all positive organisationally relevant behaviours aimed towards a desired service outcome.

### **3.3 Continuous improvement**

The second of the two core elements of a behaviourally based definition of customer orientation (COBEH) emphasises employees' continuous efforts at improvement to better satisfy customers. Peccei and Rosenthal (1997) have stated that customer-oriented behaviour can be characterised as enthusiasm and/or concern for customers (helping behaviour) by employees striving to identify and fulfil customers' preferences, needs and expectations.

Furthermore, customer-oriented behaviour can be reflected in employee efforts designed to improve the provided service, such as in the number of ideas and suggestions employees make to improve their own as well as organisational service effectiveness.

This striving for continuous improvement is central to the concept of total quality management, total quality, and human resource management (Dean & Bowen, 1994; Waldman, 1994) and is an integrated part of theoretical and operational definitions of customer-oriented behaviour. Peccei and Rosenthal (1997) do not clearly justify the construction of the COBEH concept or the relation between the two core elements (helping behaviour and continuous improvement), but point out that customer-oriented behaviour can take a variety of forms depending on the specific nature of the service in question. Customer orientation could be manifested in the effort exerted or enthusiasm for customer needs or by the number of suggestions or ideas an employee has and communicates to management (or he or she implements on the job) to better serve customers. Also, such behaviour can be explicit in other continuous improvement or learning efforts initiated by the employee, such as improved product knowledge, better understanding of customer needs, enhanced job skills, and so on.



The importance of the role played by continuous improvement in organisational attempts to protect and preserve the organisation is stressed in the quality and management literatures. One of four principles of the total quality management philosophy identified by Hackman and Wageman (1995) is the concept of learning and continuous improvement. By drawing on earlier work by Crosby (1979), Deming (1986), Feigenbaum (1983), Ishikawa (1985), and Juran (1989), Hill and Wilkinson (1995) have identified customer orientation and continuous improvement as two of the fundamental principles of TQM. "Satisfying customer requirements involves the continuous improvement of products and processes" (p. 9) and "quality means meeting customer requirements, customers are both external and internal, and the orientation of quality management is to satisfy customers" (p. 9). The pioneer quality writers Juran (1969), Ishikawa (1985) and Deming, (1986) suggest that the long-term health of an enterprise depends on treating quality improvements as a never-ending quest. "Opportunities to develop better methods for carrying out work always exist, and a commitment to continuous improvement ensures that people will never stop learning about the work they do" (in Hackman & Wageman, 1995, 3:27). Human resource management and total quality management are intertwined and Hill and Wilkinson (1995) suggest that HRM is likely to emphasise quality management issues such as the need to create employee commitment to

quality and flexibility. Guest (1992) has also argued that TQM is inextricably linked to HRM through the vehicle of training because of the need for a quality and committed workforce.

The goal of total quality management is for the organisational members to continuously improve work processes for the benefit of customers. Ideally it calls for a pro-active approach to service provision where “organisational units would be so closely in touch with the environment – including process innovations introduced by other organizations as well as changes in customers’ needs – that they could adapt their performance strategies with little lag and, perhaps, even stay a step or two ahead of customers’ wishes” (Hackman & Wageman, 1995, p.xx). This, in turn, provides a powerful argument for including a measure of continuous improvement in any attempt to define and operationalise customer orientation in a service context. However, routines contribute enormously to the efficiency of organisational life and this level of pro-active behaviour is not common, not even in organisations where continuous improvement is a core value. (Hackman & Wageman, 1995). In addition, as Staw et al. (1981) have pointed out employees are likely to maintain their routine behaviours more vigorously under arousing conditions, conditions that in fact demand innovation and flexibility. However, employees maintain their routine

behaviours instead of inspecting, reflecting upon or reconsidering their behaviour as would be expected where continuous improvement is emphasised.

An argument for including continuous improvement, in attempts to operationalise customer-oriented behaviour is the emphasis of the total quality literature on the concept. Dean and Bowen (1994) name continuous improvement as the second principle of total quality. "Underlying this principle are the concept of organizations as systems of interlinked processes and the belief that by improving these processes, organizations can continue to meet the increasingly stringent expectation of their customers." (p. 3:23) Dean and Bowen (1994) have identified continuous improvement to satisfy customers as a central goal of quality management, but total quality efforts are process oriented and emphasise relatively unproblematic release of employee orientations through utilisation of appropriate systems and structures (Deming, 1982; Juran, 1974). Further research is needed to support or discard these claims made in the quality and management literatures. However, in today's constantly changing market place, satisfaction of customer needs is said to call for continuous improvement efforts (innovation and flexibility) to actively meet and pro-actively foresee changes in customers' needs and preferences to further enhance organisational

successes. Thus, continuous improvement should be included in attempts to operationalise customer-oriented behaviour in a service, even though those behaviours may not be directly related to other forms of customer-oriented behaviour easily visible to the customer at the time of the employee-customer interaction.

### **3.4 Summary**

A consensus regarding the importance of customer orientation for organisational success is evident in the management, quality and service literatures. However, a lack of focus in the various definitions proposed in the literature has caused difficulties in the conceptualisation of the concept.

For the purpose of this study, the explicit behavioural perspective of customer orientation (COBEH) has apparent advantages: First, in contrast to the systemic approach of the classical quality writers (Deming, 1982; Juarn, 1974) the COBEH perspective does not rely on systems or structures designed to “release” the appropriate orientation of employees nor does it refer to ambiguous and general service attitudes (see Schlesinger & Heskett, 1991). Such attitudes are difficult to conceptualise and it is also difficult to measure their impact on service performance. Second, the COBEH construct encompasses the two key elements suggested in the service and quality

literatures for organisational service success, helping behaviours directed at current customers to enhance customer satisfaction and continuous improvement efforts designed to benefit future customers and a competitive advantage. Third, the perspective suggests key behaviours applicable to a variety of service sectors in contrast to the more narrowly defined behaviour scales of others (Saxe & Weitz, 1982).

However, some elements of the construct need further clarification. In relation to the conceptualisation and application of the COBEH construct, further research is needed to determine the impact and interaction of the two sub-dimensions. Also, further research is needed to determine if and to what extent the customer-oriented behaviours of employees cover distinctive behaviours different from those subsumed under the already established theoretically related construct of organisational citizenship behaviour. In the following chapter, the dimensionality and the psychometric properties of the COBEH construct will be discussed and the results of the empirical tests presented.

## **4.0 Empirical testing of COBEH constructs**

In the previous chapter, the advantages of an explicit behavioural perspective on customer orientation have been identified and discussed. Furthermore, the need for further research regarding the construct's factor structure and its relation to other related constructs has been suggested. The purpose of the empirical analysis presented in this chapter is to answer three questions that still remain unanswered in the literature. First, how is the COBEH construct operationalised? Are the two elements embedded in the construct a single factor or is the concept multi-dimensional? Second, is the construct's factor structure stable, both over time and across service industries? Third, is customer-oriented behaviour (COBEH) a separate construct measuring distinct behaviours and attitudes or is COBEH a sub-dimension of already established pro-social behaviour constructs such as organisational citizenship behaviour (OCB)?

To answer these questions, relevant data from the Icelandic based Royal Shell Group will be analysed and presented, together with results from six other service organisations representing a wide variety of service settings in Iceland.

#### **4.1 COBEH scale and measurement**

Customer-oriented behaviour was measured by using the six-item COBEH scale proposed by Peccei and Rosenthal (1997) and designed to capture employee enthusiasm or propensity to provide service and their inclination for continuous improvement. Factor analysis with Varimax rotation was applied; a technique used to untangle the linear relationships of the items in the construct into their separate patterns (Zikmund, 1997). Previous studies using the six-item COBEH scale have suggested the presence of only one factor (Peccei & Rosenthal, 1997). However, these studies were limited to a single service context of British supermarkets where most of the employees involved performed relatively simple tasks. Further examination of the construct is needed involving a wider range of service industries including different types of organisations with different levels of task complexity.

To re-examine the factor structure of the COBEH scale in a new service context, the six items were first randomly distributed in a questionnaire of 104 statements administered to all of the Shell employees (N=103) working in 18 gas stations in Iceland. Furthermore, to examine the construct's stability over time, the items were tested twice with an interval of nine months using the same sample of Shell gas stations employees. The COBEH scale was then re-tested in six additional service organisations in Iceland to explore the

constructs' factor structure across a variety of service industries. In this chapter, the results of the first and second factor analyses conducted at Shell will be presented followed by the results from the other service companies. But first, an introduction of the COBEH items included in the scale will be provided together with an overview of the extent of customer-oriented behaviours in the participating companies.

#### 4.1.1 The COBEH items and means

The scale designed to capture customer-oriented behaviours proposed by Peccei and Rosenthal (1997) is composed of six items with three items capturing employees' helping behaviours directed at customers and another three items designed to measure the level of employees participation in continuous improvement efforts. The same six item COBEH scale was used in the present study (see table 1) and in all cases the items were measured on five point Likert scale tapping respondents' level of agreement with the items in question (1=strongly disagree, 5= strongly agree).

**Table 1 Shell COBEH items**

Item	Mean	SD
I put a lot of effort into my job to satisfy customers	4.33	.69
No matter how I feel, I always put my self out for every customer I serve	4.38	.69
I often go out of my way to help customers	4.21	.68
I am always working to improve the quality of service I give to customers	4.21	.63
I have specific ideas about how to improve the service I give to customers	3.81	.69
I often make suggestions about how to improve customer service in my department	3.41	.67



Table 1 shows the mean and standard deviation for each of the COBEH items for the sample of 103 employees who participated in the first phase of the Shell study. The first three items in the table were designed to measure employees' helping behaviour and the last three measure the extent of employees' continuous improvement efforts. Employees reported considerably more frequent helping behaviours towards customers than participation in continuous improvement efforts.

#### **4.2 COBEH operationalised**

As described above, one of the three aims of this chapter was to report the results of empirical examinations regarding the operationalisation of the COBEH construct. Previous research by Peccei and Rosenthal (1997), applying factor analysis with Varimax rotation, had suggested a one-factor construct. However, the same procedures conducted using the Shell data suggested two factors, both at time one and time two. As seen in table 2, the results from the factor analysis at time one suggest two three-item sub-dimensions. The first sub-dimension represented employees' helping behaviour (alpha coefficient .83) and the second factor (alpha coefficient .77) included the remaining three items (continuous improvement). The overall alpha coefficient of the six items was 0.81.

The factor loadings reported in table 2 are a measure of the importance of the items in explaining each factor. The factors explained 72.4% of the total variance of the original variables. The first factor (helping behaviour) summarises 53.1% of the variance and the second factor (continuous improvement) 19.3%. The inter-correlation of the two sub-dimensions was relatively moderate (.42) but significant at the .01 level. The factor loading showed in most cases a clear separation between items measuring helping behaviours and items measuring continuous improvement.

**Table 2 COBEH Factor Analysis at Shell**

COBEH items	Factor 1 Helping behaviors	Factor 2 Cont. impr.
I put a lot of effort into my job to try to satisfy customers.....	.87	.26
No matter how I feel, I always put myself out for every customer I serve.....	.85	.17
I often go out of my way to help customers.....	.80	.15
I am always working to improve the quality of service I give to customers.....	.41	.67
I have specific ideas about how to improve the service I give to customers.....	.15	.84
I often make suggestions about how to impr. customer service in my department.....	.12	.85
Percent of variance explained:	53.1	19.3
Eigen values:	3.12	1.16

Extraction Method: Principal component analysis.

Rotation Method: Varimax with Kaiser Normalization.

KMO .85

In sum, the results of the factor analysis of the six customer-oriented behaviour items in the Shell study suggests that COBEH is not a uniform construct, but is composed of two correlated factors or sub-dimensions,

helping behaviours and continuous improvement efforts. However, as introduced above, previous studies in a different cultural and service context (British supermarkets) had suggested only one factor. Hence, further investigation was needed to examine the COBEH scale's factor structure in a wider service context.

#### **4.3 COBEH consistency over time and across industries**

The second aim of this chapter was to examine the stability of COBEH both over time and across various service industries. To examine the consistency of COBEH over time the factor structure was re-examined at Shell, nine months after the first survey. The factor analysis in the second employee survey yielded the same results, but with slightly lower alpha coefficients for the overall scale (six-items) than the first Shell analysis had done. The second factor analysis (see Appendix) revealed an alpha coefficient of .75 for the overall scale (six items), but an alpha coefficient of .74 for factor 1 (three-items measuring helping behaviour) and .72 for factor 2 (three-items measuring continuous improvement). The inter-correlation of the two sub-dimensions was lower than at time one ( $.37, p < .01$ ). These results suggest that the COBEH factor structure was stable over time in the Shell study. But the question remains whether the construct must be operationalised

differently in relation to the type of service and task complexity required of employees in different service industries.

To explore the consistency of COBEH's factor structure in a wider service context, data were collected in co-operation with the Gallup Organization in Iceland, in six additional service organisations (N=2589). The companies were different in size and represented different types of services industries. The criteria for the selection of the participating companies were that they had to represent different service sectors, be of different sizes and have a range in complexity associated with tasks required from front-line staff.

#### **4.3.1 COBEH descriptive statistics of participating companies**

The additional participants in the study were flight attendants working for an international airline (N=806), sales and service personnel with an international car dealership (N=89), sales assistants with a local retail store (N=320), claims officers and service personnel from a local insurance company (N=170), technological consultants and service personnel with the local telecommunication company (N=1142), and consulting programmer teams with an international software developer (N=66). Response rates were 75% for the sample of flight attendants and retail stores, 86% for the

telecommunication company, and over 90% for the car dealership, insurance company and software developers. Due to the Gallup Organization's requirements for confidentiality a more detailed location or description of the companies cannot be disclosed.

As table 3 shows, the means for the extent of employees customer-oriented behaviours were similar between the companies. The overall mean for the conjoint data set from all the participating companies was 4.09 on the five point COBEH scale. The companies scoring below the mean for customer-oriented behaviours were: the car dealership, telecommunications, software developers and Shell. The highest level of customer-oriented behaviour was reported among flight attendants (4.18) and the lowest among telecommunication staff and service consultants at the computer software developer (3.89). Also, the flight attendants were the most likely to engage in helping or pro-social behaviours (4.55), whereas sales and service staff at the car dealership were the least likely to engage in such behaviour (4.15). On the other hand, the flight attendants scored below the mean for continuous improvement, and telecommunication staff and software developers were the least likely to engage in continuous improvement efforts.

**Table 3**      **Companies' descriptive statistics**

	COBEH		Helping beh.		Con-imp	
	Mean	SD	Mean	SD	Mean	SD
Shell	4.02	.61	4.27	.65	3.73	.66
Airline	4.18	.57	4.55	.59	3.80	.94
Insurance	4.14	.64	4.41	.77	3.87	.92
Retail stores	4.12	.59	4.39	.65	3.86	.91
Car dealership	4.02	.48	4.15	.52	3.89	.55
Telecommunication	3.89	.85	4.20	.77	3.58	1.09
Software developers	3.89	.55	4.22	.86	3.56	1.06
<b>Overall conjoint dataset</b>	<b>4.09</b>	<b>.53</b>	<b>4.32</b>	<b>.58</b>	<b>3.86</b>	<b>.64</b>

Overall the participating employees could be categorised in three groups in terms of their companies' COBEH scores. In the first group with relatively high means, were the flight attendants, insurance service personnel and retail service staff. In group two were companies which scored just below the mean – Shell gas station service providers and sales personnel at the car dealership. The third group consisted of the companies with the lowest reported customer-oriented behaviour – the telecommunication consultants and the software developers. It is worth noting that in all organisations, the mean scores for helping behaviours were significantly higher than for continuous improvement efforts.

#### **4.3.2 COBEH factor consistency across service industries**

The above introduction of the COBEH means and its sub-dimensions showed that the level of customer-oriented behaviour at Shell can be described as average compared to the other participating companies and that the level of customer-oriented behaviours varied in relation to the type of service provided by the organisations. In the Shell study, an examination of COBEH's factor structure revealed two factors. To examine further the stability of the construct's factor structure, a factor analysis using data from the additional companies was conducted to examine if the extent of employees' customer-oriented behaviours or the type of service provided by them had an impact on the constructs' operationalisation.

The factor structure was first examined by conducting a factor analysis (with Varimax rotation) using a conjoint data file containing results from all the employee surveys at the seven participating companies. The sample in the Shell study was small (N=104), but the conjoint data file provided an opportunity to examine the COBEH factor structure using a very large sample (N=2693). The factor analysis of the COBEH six-item scale in the overall databank resulted in two factors (see table 4). The first factor included the items used to measure helping behaviours, such as the perceived effort employees put into their jobs to satisfy customers, the

disregard of personal feeling for the benefit of the customers, and employees' perceptions of extra effort for customers. This factor explained 46.9 percent of the variance and the loadings on the items clearly distinguished them from the ones used to measure continuous improvement efforts. The second factor was less clear and explained 19 percent of the variance. The third item did not clearly load on either factor. The loading on the item was above .45 on both factors, thus not clearly categorising the item in either factor (see table 4).

**Table 4 COBEH factor structure**

COBEH Items	Factor 1	Factor 2
I put a lot of effort into my job to try to satisfy customers	.79	.27
No matter how I feel, I always put myself out for every customer I serve	.84	.01
I often go out of my way to help customers	.78	.15
I am always working to improve the quality of service I give to customers	.14	.82
I have specific ideas about how to improve the service I give to customers	.11	.85
I often make suggestions about how to impr. customer service in my department	.51	.45
Percent of variance explained:	46.9	19.0
Eigen values:	2.81	1.14

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.

KMO .85

A reliability test of the two factors showed an alpha coefficient of .88 for factor one and .82 for factor two. The reliability for both factors would not be enhanced if an item were to be deleted. The alpha coefficient for the overall COBEH six-item scales was .89.



These results based on a sample of 2693 service employees from a variety of service industries support the previous findings, presented in this thesis, that COBEH can be regarded as a construct with two sub-dimensions: helping behaviours and continuous improvement efforts. However, these results are not congruent with findings from the initial survey conducted in Britain (Peccei & Rosenthal, 1997) where a factor analysis suggested only one overall factor. Various explanations can be suggested regarding the incongruent findings from the UK and Icelandic studies regarding the construct's factor structure. For example, the difference could be a function of different cultural or organisational settings or due to differences between various service industries included in this study. Thus, further tests were conducted to examine the potential differences in relation to the different participating service organisations.

A separate factor analysis examining the COBEH six-item scale was conducted for each of the Icelandic companies included in the research. As table 5 shows, all but two of the factor analyses produced two factors relating to helping behaviours and continuous improvement efforts, respectively.

**Table 5 Cross-sectional COBEH factor analysis**

	FACTOR 1 Helping behaviours		FACTOR 2 Continuous improvement	
	Eigen value	Pct of Var	Eigen value	Pct of Var
Data base	2.81	46.9	1.14	19.0
Airline	1.87	46.4	1.11	27.9
Insurance	2.51	41.8	1.22	20.4
Retail	2.98	49.8	1.0	16.6
Car dealership	2.87	47.8	1.09	18.2
Gas station	3.12	53.1	1.16	19.3
Telecommunication	3.39	56.5	NA	NA
Software developers	2.42	40.3	1.43	23.9

In all the companies the factor analysis revealed two separate factors, except in the telecommunication company where only one factor was extracted. Moreover, in all the companies the items loaded clearly onto each factor with the exception of the results from the software developers (see table 6) where the analysis suggested two factors but most of the items loaded above .40 on both factors making the distinction between the two factors unclear. The results from these tests suggest that of the participating employees only telecommunication consultants and software developers did not distinguish between helping behaviours and continuous improvement efforts as clearly as was the case in the other participating companies. Also, less difference was detected in the means for helping behaviours and continuous improvement efforts in those companies.

**Table 6 Software developers: COBEH factor structure**

	FACTOR 1 Pro-social behaviours	FACTOR 2 Continuous improvement
I am always working to improve the quality of service I give to customers	.56	.65
I have specific ideas about how to improve the service I give to customers	.54	.72
I often make suggestions about how to impr. customer service in my dept	.66	.03
I put a lot of effort into my job to try to satisfy customers	.73	.41
No matter how I feel, I always put myself out for every customer I serve	.79	.33
I often go out of my way to help customers	.43	.45
Percent of variance explained:	64.2	16.0
Eigen values:	2.42	1.43

Extraction method: principal component analysis.

Rotation Method: Varimax with Kaiser Normalization.

KMO: .81

These findings are congruent with the type of service provided by these two service organisations where employees' assistance to customers is mainly in the form of consulting or problem solving where new ways of providing solutions to customers needs are frequently sought. In the other organisations included in the study a considerable difference was detected between the frequency of helping behaviours and participation in continuous improvement efforts. Employees were much more likely to engage in helping behaviours and the factor analysis clearly suggested two separate factors.

These findings suggest a possible impact of the type of service provided on the nature of COBEH. A gas station service provider and a flight attendant

perform specific tasks routinely and provide most customers with the same or very similar services. However, the job of technical service staff is not only to sell or deliver a product or service. Their job is also to analyse to a much greater extent the customers' needs for the equipment he or she wishes to purchase, provide advice regarding the equipment best suited to the customers' needs, and in many cases demonstrate the equipment to the customer and train them in its use. In order to perform their job well they are *forced* to ask questions and evaluate continuously on the basis of the answers what are optimal solutions for the customer's needs. Therefore, a clear distinction between helping behaviours and continuous improvement is perhaps not as apparent in these jobs as in more routine service jobs.

Furthermore, various demographic characteristics of the service staff involved could also impact the factor structure. That is to say, it may not be the job itself, but the education of the employees, for example, which is causing the difference in the factor structure. In other words, perhaps people with technical training and higher education were less likely to distinguish between the factors. However, when the background and education of the participating employees in the companies were examined, the level of education is not likely to be an explanation in this case. Employee education in the telecommunication company was more similar to the educational level

in the insurance company than to that of the software developers. The remaining common denominator of the two companies where the factor analysis did not produce two factors was the type of consulting-related services they provide to their customers. Further research is needed involving a wider variety of service industries in different national and organisational cultures to examine the possible impact of jobs and services on the COBEH construct.

#### **4.4 COBEH – a separate construct**

The results of this study have suggested that the COBEH construct is a function of two sub-dimensions, both suggested to be important for organisational service success and competitive advantage. Furthermore, the results indicate a possible impact of the service context (types of service) on employee customer-oriented behaviours. However, the third question posed at the beginning of the chapter still remains, namely COBEH's relation to related constructs.

Customer-oriented behaviour has been defined as a form of organisational pro-social behaviour. However, a wide variety of such behaviours have already been defined and operationalised in the literature. How does COBEH relate or differ from those behaviours? To what extent is COBEH

measuring unique or distinct behaviours not already captured by a related construct designed to measure helping or pro-social behaviours in an organisational context. In an attempt to answer these questions a series of statistical tests were conducted to examine the relation between customer-oriented behaviours and organisational citizenship behaviour. Data from all of the seven participating companies were used, but first the results from the initial Shell study are presented, followed by results from the larger cross-sectional sample.

#### **4.4.1 The Shell study: COBEH and OCB compared**

Graham's (1991) global definition of organisational citizenship behaviour includes all positive organisationally relevant behaviours of individual organisational members. OCB is a multidimensional construct (Van Dyne et al., 1994), and in a service context the definition could easily include customer-oriented behaviour. Thus, an examination of the OCB-COBEH relation is necessary to determine if COBEH is a sub-dimension of OCB or a separate construct measuring other behaviours relevant to organisational service success.

Drawing on the number of diverse operational definitions employed by researchers in regards to OCB (*e.g.* Bateman & Organ, 1983; George, 1991; Van Dyne, Graham, & Dienesch, 1991) specific OCB items were selected for this study. In order to minimise the discriminant validity between the two constructs the items adapted from Organ's (1988) OCB scales were the ones theoretically closest to the applied definition of customer-oriented behaviour. If items from existing OCB scales which are theoretically only distantly related to customer service behaviour are compared with the COBEH items one would run the risk of missing subtle differences or similarities between the two constructs. Thus, the low discriminant validity between the OCB and COBEH items used in the present study was important for identification of COBEH as either a sub-dimension of the multi-dimensional OCB construct or as a separate construct.

Four items adapted from Organ's (1988) OCB scale were used to measure organisational citizenship behaviour among respondents in the Shell study as well as in the additional six participating organisations. As shown in table 7, most employees reported frequent OCB behaviours and in particular behaviours related to helping co-workers. However, employees did not as frequently volunteer for activities that were not directly required as a part of their jobs.

**Table 7 Shell OCB items**

Item	Mean	SD
I often do more than required of me in my job	4.11	.70
I am very involved in solving the problems of my department	4.05	.67
I often volunteer for things that are not required a a part of my job	3.97	.74
If a co-worker is busy, I often pitch in to help	4.48	.70

Table 8 presents the factor analysis results from the Shell study at time one. The four items included measures of pro-social behaviours as well as continuous improvement efforts that are not directed or explicitly linked to customers. As can be seen when factor analysed together the four OCB items yielded a single factor in the Shell study (time 1).

**Table 8 OCB Factor Analysis at Shell**

	Factor 1
I often do more than required of me in my job.....	.83
I am very involved in solving the problems of my department.....	.77
I often volunteer for things that are not required as a part of my job.....	.79
If a co-worker is busy, I often pitch in to help.....	.79
Percent of variance explained	63.5
Eigen values	2.54

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO .80



The alpha coefficient for the four-item construct was .79. The second employee survey at Shell yielded similar results with one factor emerging (alpha coefficient .75) as was the case at time one.

#### **4.4.2 The Shell study: Joint analysis of OCB and COBEH**

The factor structure of the two constructs, OCB and COBEH has been examined separately above. The next step was to examine the constructs together. This was done first by using the data from the Shell study and then again with data from the conjoint data file from all the participating companies in the research. First the results from the Shell study are presented. Factor analysis of the COBEH six-item construct and the OCB four-item construct, at Shell, yielded two factors (see table 9): Helping behaviour (alpha coefficient .85) and continuous improvement (alpha coefficient .80). The factor loading of the items clearly categorises them into two separate factors except for two items. The first, "I am always working to improve the quality of service I give to customers", has a higher loading on the second factor (continuous improvement) but scored above .30 on both factors and thus was not decisively placed. The second item, "I am very involved in solving the problems of my department", also has a higher loading on the continuous improvement factor, but not clearly enough for it to be unambiguously assigned to either factor. However, theoretical

arguments place both items in the second factor along with the other two items representing continuous improvement.

**Table 9 OCB and COBEH Factor Matrix at Shell**

	<b>Factor 1</b> Helping beh.	<b>Factor 2</b> Cont.imp.
I am always working to improve the quality of service I give to customers.....	<b>.43</b>	<b>.61</b>
I have specific ideas about how to improve service.....	<b>.18</b>	<b>.81</b>
I often make suggestions about how to improve the service I give to customers..	<b>.46</b>	<b>.86</b>
I put a lot of effort into job to try to satisfy customers.....	<b>.81</b>	<b>.28</b>
No matter how I feel, I always put myself out for every customer I serve.....	<b>.75</b>	<b>.28</b>
I often go out of my way to help customers.....	<b>.77</b>	<b>.18</b>
I often do more than is required of me in my job*.....	<b>.71</b>	<b>.34</b>
I am very involved in solving the problems of my department*.....	<b>.50</b>	<b>.57</b>
I often volunteer for things that are not required as a part of my job*.....	<b>.67</b>	<b>.16</b>
If a co-worker is busy, I often pitch in to help*.....	<b>.76</b>	<b>.10</b>
Percent of variance explained:	48.5	13.1
Eigen values:	4.85	1.31

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO .83  
 \*OCB items

In sum, these results show that commonalities exist between COBEH and the four items measuring OCB. The factor analysis revealed the constructs' overlap and confirms their low discriminant validity. To further examine the relation of the two constructs and the extent of their discriminant validity a

closer look was taken at the constructs' inter-correlation which is introduced below.

#### **4.4.3 The Shell study: Interrelation between OCB and COBEH**

A bivariate analysis was conducted to examine the correlation between the two constructs and their separate factors (see table 10) using the Shell data. The correlation between COBEH and OCB was high (.70,  $p < .001$ ), but lower than the correlation between COBEH and its two sub-dimensions (helping behaviour and continuous improvement). The correlation between the two sub-dimensions, helping behaviour and continuous improvement, and OCB was moderate to high. The inter-correlation of COBEH helping behaviours and OCB was .64,  $p < .01$  and between COBEH continuous improvement efforts and OCB the correlation was .55,  $p < .01$  (see table 10).

These results confirm the overlap of the two constructs (OCB and COBEH) previously suggested in the factor analysis presented above. To examine the apparent low discriminant validity and overlap of the constructs further the same analysis was conducted again with a much bigger sample from employee surveys in all of the participating companies.

**Table 10 OCB and COBEH Correlations**

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	COBEH	OCB	Pro-soc.	Cont.imp.
COBEH (6 items)	1.00			
OCB (4 items)	.70**	1.00		
COBEH Helping (3 items)	.84**	.64**	1.00	
COBEH Con.imp. (3 items)	.88**	.55**	.47**	1.00

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\*\*Correlation significant at the 0.01 level (2-tailed)

#### 4.5 Cross-sectional data

The Shell results suggested a high correlation between the customer-oriented behaviours of employees and their general organisational helping behaviours. But is that also the case in other service contexts?

Data from all of the participating organisations were used to answer this question. First, the levels of customer-oriented behaviour and organisational citizenship behaviour in the participating companies was examined. Second, the factor structure of the conjoint OCB and COBEH scales were tested as had been done previously using the Shell data, as discussed above. Finally, the inter-correlation of the constructs was tested, first by using the overall sample and then in a separate analysis for each company. The results are presented below.

#### **4.5.1 Cross-sectional data: OCB and COBEH statistics**

For the sample as a whole, no statistical difference was found between the customer-oriented behaviour and citizenship behaviour of respondents ( $t=.07, p>.05$ ). In other words, in the overall sample, employees were not more likely to engage in one type of behaviour than the other. However, when the participating companies were examined separately a considerable difference was noted regarding the levels of OCB and COBEH within the companies. For example in all the companies where the extent of employees' customer oriented behaviours was relatively limited (employees scored below the COBEH average in the study) the employees were more likely to engage in organisational citizenship behaviour than they were to exert effort on behalf of customers (COBEH). In other words, in those companies employees were more likely to engage in organisational citizenship behaviours than in customer-oriented behaviours (see table 11). The companies where t-tests showed a significant difference between the extent of customer-oriented behaviours and organisational citizenship behaviours were Shell ( $t=3.84, p<.05$ ) and the car dealership ( $t=2.52, p<.05$ ). Furthermore, in the telecommunication and software development companies employees also reported lower levels of COBEH than of OCB, but the difference was not statistically significant ( $t=.94, p>.05$ ). A statistically significant difference was not detected among the flight attendants' organisational citizenship

behaviours and their effort towards customers ( $t=.98$ ,  $p>.05$ ), but the insurance personnel exhibited significantly lower OCB scores than COBEH scores ( $t=4.48$ ,  $p<.05$ ).

**Table 11 COBEH and OCB in all participating companies**

	COBEH		Helping beh.		Con-imp		OCB	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Overall	4.09	.53	4.32	.58	3.86	.64	4.03	.68
Airline	4.18	.57	4.55	.59	3.80	.94	4.20	.75
Insurance	4.14	.64	4.41	.77	3.87	.92	3.86	.84
Retail	4.12	.59	4.39	.65	3.86	.91	3.90	.65
Car dealership	4.02	.48	4.15	.52	3.89	.55	4.16	.50
Shell gas station	4.02	.61	4.27	.65	3.73	.66	4.20	.62
Telecommunication	3.89	.85	4.20	.77	3.58	1.09	3.90	1.30
Software developers	3.89	.55	4.22	.86	3.56	1.06	4.06	.63

#### 4.5.2 Cross-sectional data: Joint analysis of OCB and COBEH

To further test the previous finding from the Shell study with a larger sample, a factor analysis of the OCB and COBEH items was repeated by using the conjoint data file from all of the participating companies (see table 12). As in the Shell study, the six-item COBEH scale and the four-item OCB scale were tested. As seen in table 12, the factor analysis of data from a sample of 2693 participants from a variety of service sectors suggests three

factors: OCB, and the two previously identified sub-dimensions of COBEH, namely continuous improvement and helping behaviours directed at customers.

**Table 12 Cross-sectional sample: COBEH and OCB Factor Matrix**

	Factor 1 Pro-soc	Factor 2 OCB	Factor 3 Con-imp
I put a lot of effort into my job to try to satisfy customers	.75	.20	.27
No matter how I feel, I always put myself out for every customer I serve	.83	.09	.05
I often go out of my way to help customers	.73	.29	.13
I often do more than is required of me in my job	.44	.51	.24
I am very involved in solving the problems of my department	-.05	.64	.42
I often volunteer for things that are not required as a part of my job	.20	.75	.03
If a co-worker is busy, I often pitch in to help	.31	.73	-.11
I am always working to improve the quality of service I give to customers	.24	-.03	.77
I have specific ideas about how to improve the service I give to customers	.08	.14	.84
I often make suggestions about how to impr. customer service in my department	.36	.40	.43
Eigen values:	3.94	1.29	1.04
Percent of variance explained:	39.5	12.9	10.4

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO .84

The results suggest even more strongly than the Shell findings reported above that OCB and COBEH should not be regarded as one and the same construct. The same procedure was also performed on data from each of the participating companies separately, producing the same results.

In all but one of the participating companies the factor analysis suggested three separate factors. Only in the data from the car dealership did the factor analysis suggest two factors instead of three (see table 13). The two factors represent helping or pro-social behaviours (factor 1) and continuous improvement efforts (factor 2). As in the results from the Shell study, the four OCB items loaded onto each factor respectively according to their content. However, two of the four OCB items did not load clearly enough to be unambiguously assigned to one of the three factors.

**Table 13 COBEH and OCB at the car dealership**

	<b>Factor 1</b> Helping beh.	<b>Factor 2</b> Cont.imp.
I often go out of my way to help customers.....	<b>.81</b>	.03
I often do more than is required of me in my job.....	<b>.73</b>	.21
I am very involved in solving the problems of my department.....	<b>.72</b>	.09
I put a lot of effort into my job to try to satisfy customers .....	<b>.59</b>	.26
No matter how I feel, I always put myself out for every customer I serve.....	<b>.59</b>	.46
I often volunteer for things that are not required as a part of my job.....	.41	.54
If a co-worker is busy, I often pitch in to help.....	.50	.51
I am always working to improve the quality of service I give to customers.....	.10	<b>.81</b>
I have specific ideas about how to improve service.....	.02	<b>.76</b>
I often make suggestions about how to improve the service I give to customers..	.25	<b>.71</b>
Percent of variance explained:	42.2	12.1
Eigen values:	4.53	1.33

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO .82



Various reasons can be suggested for this inconsistency in the results of the factor analysis across the various service organisations. Further research is needed, but these results may be suggesting that a possible explanation may lie in the extent to which employees engage in the relevant behaviours. In both of the companies where the factor analysis suggested only two factors the employees reported being more likely to engage in organisational citizenship behaviour within the organisation than in customer-oriented behaviours directed at customers. Furthermore, in both of the companies the levels of organisational citizenship behaviour were far above the average mean of the participating companies in the study (see table 11), but the extent of the employees' customer-oriented behaviours was just below the average of the companies.

In the other companies that reported average or low levels of COBEH the factor analysis yielded three separate factors. Hence, these results indicate an impact of the extent of organisational citizenship behaviours on the factor structure of the two related constructs (OCB and COBEH). With increased levels of citizenship behaviours within companies the discriminant validity of the constructs diminishes and employees seem to be less likely to distinguish between general helping behaviours and helping behaviours towards customers.

### 4.5.3 Cross-sectional sample: Interrelation between OCB and COBEH

The Shell study suggested a high correlation between the customer-oriented behaviour and organisational citizenship behaviour of employees. The results of a repeated bivariate analysis using data from all the participating companies indicated a slightly lower correlation between OCB and the COBEH constructs than in the Shell study (see table 14). The correlation between OCB and COBEH was .58 ( $p < .001$ ) compared to .70 ( $p < .001$ ) for the Shell study.

**Table 14** Cross-sectional sample: OCB and COBEH correlation

	COBEH	CONIMP	PROSOC	OCB
COBEH	1.00			
CONIMP	.87	1.00		
PROSOC	.84	.47	1.00	
OCB	.58	.42	.58	1.00

All numbers in the table are significant at the .001 level.

The correlation of the organisational citizenship behaviour construct was lowest, with continuous improvement efforts (.42,  $p < .001$ ), but slightly higher with helping behaviours (.58,  $p < .001$ ). Furthermore, separate bivariate analyses were also conducted for each of the six additional participating companies. The results from these separate analyses confirmed previous findings reported in this thesis. The two constructs were quite

strongly correlated in all the companies, with the highest correlation reported at Shell (.58) and the car dealership (.56). Also, these findings support previously reported results of the factor analysis, discussed above, regarding the constructs overlap. The highest correlation of OCB and COBEH was found, in fact, in the same two companies where the factor analysis suggested only two factors instead of three in the other participating companies with lower levels of OCB.

These results confirm the findings of the Shell study that COBEH and OCB are closely related constructs but do not measure exactly the same employee behaviours. Therefore it can be argued that COBEH is a separate construct, measuring specific behaviours of employees. However, the key question is: Do general helping behaviours in organisational settings, measured by OCB, translate into helping behaviours directed at customers? Furthermore, do the items measured by the COBEH scale actually translate into behaviours positively *perceived* by customers? In the following chapter, a closer look will be taken at the discriminant validity of the COBEH and OCB scales.

## **4.6 Summary**

In the applied and academic literatures, COBEH has been defined as the propensity of individuals to engage in continuous improvement and to exert effort on the job for the benefit of customers (Peccei & Rosenthal, 1997). The aim of the analysis discussed in this chapter was to examine whether the theoretical construction of COBEH is reflected in an empirical test of the construct. In addition, core elements in the COBEH definition overlap with aspects of the way in which organisational citizenship behaviour has been conceptualised in the literature. Thus, statistical analysis was needed to determine if the COBEH construct is a sub-dimension of the multi-dimensional OCB construct representing general helping behaviours in organisational settings or a separate construct measuring behaviours designed to specifically benefit customers.

### **4.6.1 COBEH operationalisation and stability**

In the beginning of the chapter, two questions were posed relating to the operationalisation of customer-oriented behaviour in a service context and to the stability of the COBEH construct over time and across service industries. The results of factor analysis suggest that COBEH consists of two related factors or sub-dimensions - helping behaviours and continuous

improvement efforts. These findings were congruent in all the participating companies with the exception of the two companies where employees tasks were highly complex and included problem solving and technical consulting to customers. Hence, the results presented in this chapter suggested possible differences in the way customer-oriented behaviour might need to be operationalised in different the service contexts. Also, the repeated measures at Shell (with a nine month interval), suggested that the factor structure of the COBEH construct appears to be stable over time.

Furthermore, the results presented in this chapter showed that although both sets of behaviours (helping behaviour and continuous improvement efforts) are believed to be important to an organisation they may not necessarily be simultaneously exercised by an individual. A person can exert effort directed at customers (i.e., personalised service, being friendly and polite), but not actively work *within* the organisation to protect it and contribute to its development by engaging in continuous improvement efforts (and vice versa).

#### **4.6.2 COBEH and OCB – separate or related constructs**

The third issue discussed in this chapter concerned the operationalisation of COBEH as a separate construct or as a part of a broader notion of organisational citizenship behaviour. The discriminant validity was low between the two constructs used in the study (OCB and COBEH) and the items were theoretically closely related. An examination of the constructs inter-correlation, in all the participating companies, suggested an overlap between the constructs and did not provide clear evidence of COBEH being separate from more general pro-social behaviours usually associated with the notion of OCB. However, a factor analysis of data from the seven participating service organisations suggested a possible impact of the level of OCB on the overlap of the constructs. With increased levels of citizenship behaviours within companies the discriminant validity of the OCB and COBEH constructs diminishes and employees seem to be less likely to distinguish between general helping behaviours and helping behaviours towards customers.

The results presented above underline the high correlation and low discriminant validity of the OCB and COBEH constructs. Hence, one of the three questions posted at the beginning of the chapter still remains unanswered: Does COBEH measure specific employee behaviours not

detected by OCB items or is the low discriminant validity between the COBEH and OCB scales an indication of the fact that COBEH is not an independent construct in its own right, but rather a part of a broader multi-dimensional OCB construct? Thus, further analysis was needed regarding the convergent validity of the two COBEH construct? To this end, in the following chapter, a systematic analysis of employee, customer, and supervisor perceptions of employees' customer-oriented behaviour and service outcomes will be presented.

## **5.0 Validation of the COBEH Construct**

In this study, customer-oriented behaviour has been shown to comprise two separate but closely related factors, each exhibiting good internal reliability when scaled. But the question still remains whether customer-oriented behaviour should be regarded as an integral part of organisational citizenship behaviour or as a separate construct. In addition, it still remains to be seen if the various COBEH scales are valid predictors of customers' perceptions of the service provided.

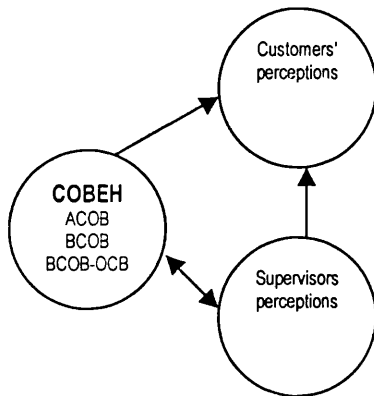
To answer these questions, measurement of customer perceptions at Shell in Iceland was an integral part of the research design. Furthermore, to add yet another dimension to the research design and to examine how robust the construct is, supervisors' evaluations of their employees' customer-oriented behaviours were also measured as part of the study (see figure 2). In the previous chapters, results from measures of employees' self-reported customer-oriented behaviours in seven different service organisations have been presented. However, only the Royal Shell Group provided the opportunity to link employees' self-reports to customer perceptions of the service provided as well as to supervisors' evaluations of employee service performance. Therefore, in this chapter, customer service measures and



supervisors' evaluations, at Shell, will be discussed and results of statistical tests measuring the relation between employees' self-reported behaviours and customers' and supervisors' perceptions of those behaviours, within Shell, presented.

**Figure 2 Three- dimensional Bivariate Analysis**

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The analysis investigates the relations between employee self-report data on customer-oriented behaviour (COBEH), customer perceptions of the service provided, and supervisors' evaluations of their employees' customer orientation. In addition, the validity of supervisors' evaluations is tested in relation to customer and employee perceptions of service.

Drawing on the results of the three-dimensional research design the COBEH constructs will be evaluated in relation to customer perceptions of service outcomes and supervisors' evaluations of employees customer-oriented behaviours to examine the constructs' capacity to predict how the customer orientation of front-line service workers translates into and involves behaviours positively perceived by customers. First however,

methodological and statistical implications of establishing validity for the COBEH constructs will be discussed.

## **5.1 Establishing Validity**

Reliability and validity are two different characteristics of measurement at two ends of a continuum. A valid measure is one that captures the construct intended to be captured and a reliable measure is a consistent measure of a single construct (Kidder & Judd, 1997). High reliability and consistent factor structures across independent samples provides support for validity (Campbell 1960; Peter 1981). Although, reliability and internal consistency are essential to a scale's construct validity they are not sufficient to fully and unambiguously capture the underlying construct intended to be measured (Churchill, 1979). A scale must also satisfy certain other conceptual and empirical criteria (Parasuraman et al., 1988).

First, the basic conceptual criterion is face or content validity. Does the scale appear to measure what it is supposed to measure and capture key facets under investigation? Following procedures suggested by Parasuraman, et al. (1988) COBEH's content validity was examined as a part of this study (see chapter 2). Results of a qualitative examination of the scale suggested that

the content and name of the scale accurately and thoroughly represented the phenomenon to be measured. Second, face validity or content validity is a form of convergent validation based on an assessment of how much one method of measuring a construct agrees with other methods of measuring the same construct (Kidder & Judd, 1986, 1997). In this study, the COBEH constructs were assessed empirically by examining their convergent validity, i.e., the association between employee self-rated customer service orientation (COBEH scores) and the customers' rating of the service they were provided with. However, customers' perception of the service provided played a key role in the validation of the COBEH constructs. A comparison of customer perceptions and employee self-reported customer orientation provides an opportunity to examine if and to what extent COBEH translates into behaviour designed to satisfy customers. In addition, supervisors evaluated their employees' customer orientation, providing yet another dimension to the validation and examination of the COBEH constructs.

## **5.2 Measuring Service Quality**

Glynn and Barnes (1995) have argued that service quality is the single most researched area in service marketing to date and parallels the focus on quality, total quality management, and the customer. Service quality research

builds on early conceptual work by Grönroos (1983), Lehtinen and Lehtinen (1982) and on customer satisfaction theory (Oliver, 1980). However, most of the recent work on service quality draws on the conceptual framework and measurement instruments by Parasuraman et al., (1985).

Service quality is an abstract and elusive construct because of three unique features of services: intangibility, heterogeneity, and inseparability of production and consumption (Parasuraman et al., 1985). Scholars have emphasised the need for the development of scales measuring service quality (Boller, 1992; Boulding, Kalra et al., 1993; Brown et al., 1993; Parasuraman et al., 1985). However, the results have been mixed and the numerous debates have yet to reach a consensus regarding a scale measuring service quality.

One fact remains consistent in the service quality debate and that is that perceived quality differs from objective quality. Garvin (1983) and Anderson (1984) defined quality as a form of attitude, related but not equivalent to satisfaction resulting from a comparison of expectations and perceptions of performance (Halbrook & Corfaman, 1985). Consistent with this distinction between attitude and satisfaction “perceived service quality is a global judgement, or attitude, relating to superiority of the service, whereas satisfaction is related to a specific transaction” (Parasuraman, Zeithaml &

Berry, 1988). In the absence of objective measures of overall service quality, researchers have suggested the measurement of customer perceptions of the provided service as an alternative method (Boulding et al., 1993; Parasuraman et al., 1985; Zeithmal 1988).

Customers' quality assessments of service are not uni-dimensional and contain multiple abstract dimensions (Anderson, 1984; Gavin, 1987; Holbrook & Corfman 1985; Maynes 1976; Parasuraman, Zeithamal & Berry 1985; Zeithmal 1988). In this study, the conceptual framework of the classical service literature is utilised by including five previously identified service dimensions (Parasuraman, Zeithamal & Berry 1985; Zeithmal 1988).

The five service dimensions are shown in table 15 and include measures of employee behaviour as well as tangible items regarding the overall appearance of the stations and staff. The service questionnaire (see Appendix) was constructed using 18 items designed to measure customer perceptions of the five service dimensions based on and adapted from the initial work of Parasuraman et al., (1988).

**Table 15 Service questionnaire items**

Item	Description of Items
ASSURANCE	Knowledge and courtesy of employees and their ability to inspire trust and confidence.
EMPATHY	Caring, individualized attention the firm provides its customers.
RELIABILITY	Ability to perform the promised service dependably and accurately.
RESPONSIVENESS	Willingness to help customers and provide prompt service.
TANGIBLES	Physical facilities, equipment, and appearance of personnel.

Source: Parasuraman, Zeithaml & Berry (1988).

### 5.2.1 Customers' service measures

Customers' perceptions play a key role in answering the question of whether or not COBEH constitutes a valid measure of employee behaviour towards customers. Two surveys were conducted to measure customer perceptions of the service provided, matching the two employee surveys measuring the self-reported customer orientation of employees (COBEH). Telephone interviews were conducted with 900 customers each time containing 23 questions based on the five dimensions of the conceptual framework: reliability, assurance, responsiveness, empathy, and tangibles (see Appendix). Data were collected from each location where the employee surveys had been conducted. The response rate was 81 percent for the first customer survey and 75 percent for the second survey.

Also, four focus groups were conducted with participation of customers (N=32) to customise the questionnaire translations and terminology to best capture customers' perceptions of the service provided. In the focus groups, the discussion was directed at the five service dimensions (reliability, assurance, responsiveness, empathy, and tangible items in the stations). Participants were asked to describe the Shell service process (in their own words) and asked to reflect on the service performance of the Shell employees. They were also asked to identify key behaviours of gas station service staff, that in their view were important to customer satisfaction. The information from the focus groups was used in the translation and adaptation of the service questionnaires to the national language of the participating customers and as valuable information for the service training programme initiated by Shell.

In order to allow for an accurate match of employee and customer data the time of the customer-employee contact was logged to match the customers' perceptions of the service with individual employee self-reported behaviour on duty at the particular time of the transaction. Prior to the customer data collection (via telephone) the customer sample had been selected on location and from the Shell customer database. However, employees were kept unaware of the customer surveys in progress to minimise the possible impact

of that knowledge on their behaviour at the time of the customer survey. T-tests did not reveal a significant difference between the responses of customers in the sample drawn from the stations' customer files and these in the sample collected on location ( $t = .87, p > .05$ ).

Employees' answer sheets in the employee survey were pre-coded with individual ID numbers. This procedure was necessary to link the data files from the customer surveys to the self-rated customer oriented behaviour data (COBEH) obtained in the employee surveys. The employees included in the survey were Shell's front-line service workers at the gas stations. The response rates were over 85 percent in both surveys. However, when the individual self-reported COBEH data was matched with customer responses and the logged time of the employee-customer contact only 43 cases could be matched. In other words, 51% of employees participating in the two employee surveys were on duty and had direct contact with customers in both of the customer surveys.

The customer service and employee files were merged by the employee identification numbers and the time of the employee-customer contact. This, allowed for individual comparisons to be made between employees' self-reported customer orientation and customers' perceptions of how and if the



orientation was translated into behaviour. To test the relationship between the COBEH variables and customer perceptions a bivariate analysis was conducted. The analysis included *matched* cases only to ensure valid comparisons of self-reported COBEH and customer perceptions (N=43 at time one and two). Levene's Test for Equality of Variance performed on the data from the employee surveys on customer orientation did not reveal a significant difference between data from employees on duty at the time of the customer-employee contact and those employees who were not working at the particular time ( $F=.24, p<.05$ ).

### **5.2.2 Customer service descriptive results**

Customers were asked to evaluate the service performance of employees at the last station they visited. Overall, the customers reported being satisfied with the service at the station. In Table 16 the means for the five service categories (assurance, empathy, reliability, response, and tangibles) are shown. In all cases, the means are based on five-point Likert scales (1= very dissatisfied, 5= very satisfied with the item in question). The customers' overall perceptions of the service did not change significantly between the two service measures and the service was seen as homogeneous across the 18 stations.

**Table 16 Customer perceptions of the service at Shell**

	Time 1	SD	Time 2	SD
Assurance	4.41	.11	4.66	.12
Empathy	3.92	.29	4.04	.21
Reliability	4.59	.25	4.35	.14
Response	4.78	.15	4.79	.15
Tangibles	4.35	.20	4.67	.15

The mean overall satisfaction of customers with the service of the petrol stations was 4.62 ("How satisfied or dissatisfied were you with the service provided at the station last time you were there?"). The highest mean for a station was 4.75 and the lowest 4.44 on a five point scale. Nearly 70 percent of the customers reported they were very satisfied with how courteous and polite employees were and about one third of the customers perceived the service to be personalised. Only one percent of customers believed the service to be unreliable and three of every four customers were very satisfied with the response rate of employees. In sum, the customers were in general very satisfied with the service provided at the stations, the service was almost identical at all 18 stations and perceived as reliable and quick. However, the service was perceived by about one third of customers as being impersonal.

The high means and low standard deviations raise an interesting question about possible improvement in such a system and about the potential effectiveness of organisational interventions, such as training, designed to further enhance the service provision. Based on the results of the first service measure Shell designed a training programme to specifically target these issues. The training programme will be described in detail in chapter seven, along with an evaluation of the effectiveness of the organisational intervention involved.

### **5.3 Relation of COBEH and OCB to customer perceptions**

Theoretically, COBEH contains both continuous improvement variables and pro-social variables, as previously reported in chapter four. As discussed in the last chapter, factor analysis of the original six-item COBEH construct produced two correlated factors. A factor analysis of the COBEH and OCB constructs revealed the same results in organisations where the level of organisational citizenship behaviours was high. In the other participating companies, the factor analysis revealed three factors: service-related helping behaviours, continuous improvement and OCB behaviours.

Drawing on the results of the factor analysis in chapter four, six constructs were tested as predictors of customers' perception on the service provided by employees:

- COBEH six - item original construct.
- OCB four - item original construct.
- HELPING - three helping or pro-social items from COBEH.
- CONT.IMP - three continuous improvement items from COBEH.
- OCB-HELPING - six pro-social items from OCB and COBEH that loaded together in the factor analysis in chapter four (three from COBEH and three from OCB)
- OCB-CONT.IMP - four continuous improvement items from COBEH and OCB that loaded together in the factor analysis in chapter four (three from COBEH and one from OCB).

To answer the question whether COBEH is a valid predictor of customer orientation translated into behaviour designed to satisfy customers the five COBEH constructs were correlated with a set of questions from the first Shell customer surveys (see table 17). Due to the relatively low discriminant validity between the OCB and the COBEH variables, the correlation of the OCB scale with the customer service data was also tested. As seen in table 17, the correlation coefficients for the customer service measures and the six

COBEH constructs are low to moderately high suggesting that the customer orientation of employees is indeed linked to customers' perceptions of the provided service.

**Table 17 COBEH - Customer Service Correlation Matrix**

	Assurance	Empathy	Reliability	Response	Tangibles
COBEH	.12	.30*	.42*	.27	-.22
OCB	.16	-.10	.31	.42*	-.05
Helping (three items)	.34*	.43*	.53**	.25	-.08
Helping (six items)	.21	.30*	.38*	.10	-.06
Cont.imp. ( three items)	-.05	.12	.20	.21	-.30
Cont.imp. ( four items)	-.01	.13	.19	.13	.06

\*\* Correlation is significant at the 0.01 level (1-tailed).

\* Correlation is significant at the 0.05 level (1-tailed).

### 5.3.1 COBEH relation to customers' perceptions

The original six-item COBEH construct (alpha coefficient .81) correlated positively and significantly with EMPATHY, in other words, with how personalised the customers perceived the provided service to be (.30,  $p < .05$ ). Thus, the higher the self-reported customer orientation of employees the more the service was perceived by customers to be personalised (as opposed to standardised). Also, COBEH correlated significantly with how reliable the customers perceived the service to be (.42,  $p < .05$ ) – the higher the self-reported customer orientation of employees, the more reliable the customers

reported the service to be. The COBEH construct did not correlate significantly with RESPONSE (.27,  $p > 0.5$ ), ASSURANCE (.12,  $p > 0.5$ ) or with TANGIBLES (-.22,  $p > .05$ ). In other words, employees' self-reported customer-oriented behaviour was positively correlated to how quick the service was perceived to be by customers and how well customers trusted employees not to make mistakes, but not significantly so. However, the correlation with the appearance of the station (how clean and attractive the interior and exterior of the station was perceived to be) was negative, but also not significant. Similar results were obtained in the second employee and customer surveys, but with slightly lower correlations. Thus, the COBEH construct seems to be a reliable predictor of the level of personalisation of the service and of how reliable the service is perceived to be by customers.

### **5.3.2 OCB relation to customers' perceptions**

An important test for the validation of COBEH as a separate construct was to test the relation between organisational citizenship behaviour or general helping behaviour in organisational settings and customer perceptions. The issue was whether OCB could predict customer perceptions just as well as COBEH. However, a low and even negative correlation was detected between OCB and the customer service data. The only significant correlation

was found in the case of customers' perceived employee responsiveness (.42,  $p < .05$ ). The greater the extent of self-reported levels of employee citizenship behaviour the quicker the customers' perceived the service to be. No other significant correlations were found between OCB and the customer service data. In addition, in the second surveys OCB correlated negatively with all the customer service factors (see Appendix), thus excluding the OCB construct as a valid predictor of customer perceptions. In other words, general pro-social or helping behaviour within an organisation does not necessarily appear to translate into efforts that are perceived by customer as beneficial.

### **5.3.3 The relation of the helping construct to customer perceptions**

As discussed in earlier chapters, COBEH consists of two correlated factors, helping behaviour and continuous improvement efforts. The relation between the three original pro-social items and the customer service data was tested using bivariate analysis (see table 17). The results showed a moderate to high positive correlation with three of the five customer perception variables (assurance, empathy and reliability). Helping behaviour correlated most strongly with the RELIABILITY .53 ( $p < .05$ ) and EMPATHY .43 ( $p < .05$ ) factors. However, the correlation with ASSURANCE was .33 ( $p < .05$ ) and with RESPONSE .25 ( $p > .05$ ). In other words, the higher the reported

customer helping or pro-social behaviours of employees, the more customers perceived employees to be courteous and polite, the service to be more personalised, and the service to be more reliable. However, as with the six-item COBEH construct, the COBEH helping construct failed to correlate significantly with how quick the service was perceived to be by customers (RESPONSE) and the physical appearance of the stations (TANGIBLES).

Theoretically, OCB and COBEH are closely related, and as discussed in chapter four, a statistical analysis of the two constructs revealed them to be highly inter-correlated. A factor analysis of the OCB and COBEH constructs suggested that three of the four OCB items loaded onto the COBEH helping construct thus creating a new six-item pro-social construct (alpha coefficient .85). However, what remained to be seen was whether the new pro-social construct correlated better with customer perceptions of the service provided than did the original three-item helping factor from COBEH.

A bivariate analysis of the relation between the new pro-social factor and the customer service data (see table 17) showed that it moderately correlated with two of the five service factors, namely EMPATHY (.30,  $p < .05$ ) and RELIABILITY (.38,  $p < .05$ ). When compared with the original three-item helping construct the new six-item construct failed to improve the



correlations with the customer service data. The original three-item helping construct had a stronger correlation with customer perceptions, as well as correlating with a range of service factors.

The results discussed above were confirmed in the second employee and customer surveys. The correlations were lower but in the same general directions as those from time one (see Appendix).

#### **5.3.4 The relation of the continuous improvement construct to customer perceptions**

The second core component of the COBEH construct is continuous improvement effort by employees. The three-item continuous improvement factor (discussed in chapter four) was examined to investigate whether employees' self-reports on this dimension could be predictive of customers' perceptions of the service provided. The results of the bivariate analysis showed a low non-significant correlation between the three-item continuous improvement factor and the customer service data (see table 17).

Also, previous factor analysis (see chapter two) had suggested that one of the items from the OCB construct could be included in the COBEH continuous improvement construct creating a new four-item variable. However, the

new factor also failed to correlate significantly with the customer service data. These results suggest that the self-reported continuous improvement efforts of employees do not correlate as strongly with customer perceptions as do the self-reported helping behaviours of employees.

### **5.3.5 Helping variables reflect customer orientation behaviour**

Theoretically, COBEH has been identified as having two core elements central to both quality management and human resource management in a service context (Peccei & Rosenthal, 1997). The results of the statistical analysis reported above of these two elements indicate that only the employee self-reported pro-social efforts translate into service-oriented behaviours perceived by customers. The continuous improvement efforts (suggestions, ideas and other improvements) reported by employees have a lower correlation with customer perceptions than employees' self-reported helping behaviours. This suggests that employees' continuous improvement efforts do not translate into actual behaviours perceived by customers to the same extent as the pro-social efforts do.

The results above were confirmed in the second employee and customer surveys carried out at Shell, although the correlations were slightly lower

(see Appendix). Therefore together these results confirm the reliability and convergent validity of the six-item COBEH construct and of the helping behaviour construct. Of these two constructs, the three-item helping behaviour construct exhibited the strongest and the most consistent correlation with customer perceptions. However, all the COBEH dimensions failed to correlate significantly with customers' perceived responsiveness or speed of service. The COBEH and the helping dimensions had a low positive correlation with RESPONSE (.27,  $p > .05$ ), but not a statistically significant impact. Also, all the dimensions had a negative non-significant correlation with the appearance of the stations. In other words, self-reported customer-oriented behaviours and helping behaviours in particular, were predictive of the employees' manners and the level of personalised service as well as of the reliability of service as perceived by customers. But, the extent of employee customer-oriented behaviours was not predictive of how long customers had to wait at the gas stations or how clean or attractive the stations were perceived to be by the customers.

A possible explanation could be that these factors (RESPONSE and TANGIBLES) reside (at least partly) outside the employees' control. For example the period of time customers have to wait for service is largely dependent on the time of day, number of cash registers operating at the gas

stations, and so on. Also, the condition of the Shell station buildings varies in regards to renovation and location. The service provided appears to be homogeneous across stations, but the exterior and interior of the station buildings is not.

The results of the empirical examinations discussed in this chapter suggested the validity of self-reported helping behaviours designed to satisfy customers in a service context, and also discard the use of general helping or organisational citizenship behaviours (OCB) as a valid predictor of customer perceptions of provided services. But a question remains: how robust are the COBEH constructs? Can they, for example, be used by supervisors to evaluate employee performance and provide a reliable and valid prediction of customer and employee perceptions of the service provided?

#### **5.4 Supervisors' evaluation of employees' customer orientation**

To evaluate how robust the COBEH constructs are in relation to other measures of service quality and employee behaviour, the supervisors of the employees participating in the study were asked to evaluate the customer orientation of their subordinates. On the surface, supervisors' appraisals of employee performance seem simple. However, performance evaluation in

an organisational context is substantially more complex than in most situations where performance judgements are made (Mokrman et al., 1990). A number of biases can be introduced into the evaluation process leading to errors in assessment. When assessing someone else's performance supervisors (as people in general) tend to discount situational factors. On the other hand people tend to magnify such factors when assessing their own performance. This leads to assessment errors because people are seen outside their contexts and are evaluated relative to others, rather than in terms of the extent to which they fulfil their job requirements (Mohrman, Resnick-West & Lawler, 1990).

Research by Mintzberg and others on the job activities of managers and supervisors reveals many behavioural characteristics of managers that are antithetical to successful performance evaluation (see Henderson, 1989; Mintzberg, 1964). In their jobs, managers co-ordinate the activities of their human resources and perform a wide variety of brief and fragmented activities. The quality of decision-making is significantly dependent on formal and informal organisational interactions generating information that supervisors possess and rely on (Mintzberg, 1964; Mullins, 1997). Henderson (1989) has pointed out that many of supervisors' day-to-day decisions are based on brief reviews and hastily made analyses. The quality and accuracy

of the information used for the bases of supervisors' evaluation of employee performance is crucial for a reliable and valid performance assessment. Subjective errors typically contaminate the process and must be noted in any consideration of supervisors' evaluation (see table 18) .

**Table 18 Typical Rater Errors**

<b>Subjective errors</b>	<b>Supervisors behaviour</b>
<b>Halo Effect</b>	Rating employee as one quality, influencing the supervisor to give similar or higher ratings on other qualities than the employee actually deserves.
<b>Horn Effect</b>	Rating employee unsatisfactory in one quality, influencing the supervisor to give similar or lower in other qualities than the employee deserves.
<b>Central Tendency</b>	Providing a rating of average for all qualities. The most common error.
<b>Strict Rating</b>	Rating the employees' performance undeservingly lower than the normal or average employee.
<b>Lenient Rating</b>	Rating employees' performance higher than the normal or average employee.
<b>Last Behaviour</b>	Rating the employee by most recent behaviour.
<b>Initial Impression</b>	Rating employee on first impressions.
<b>Spill-Over Effect</b>	Allowing past performance rating to unjustly influence current ratings.

**Source:**  
Henderson, R. (1980). *Performance Appraisal. Theory and Practice*. Virginia:Prentice-Hall.

Subjective errors (see table 17) include, for example, the halo effect, the horn effect, central tendency, strict rating, lenient rating, effect of latest behaviour, initial impression, and the spillover effect (Henderson, 1980; Mohrman, Resnic-West & Lawler, 1990) as described in table ~~xx~~<sup>18</sup>. Objectivity is an important and difficult perspective that supervisors must maintain in the evaluation process. Facts must provide the basis for performance-related decisions to minimise the danger of rater error or subjective biases. This requires that the supervisors be familiar with the members of their work units and have knowledge of the job and of employee inputs and outputs, as well as to suppress any biases related to personality differences in the workplace and focus strictly on employee behaviour (Henderson, 1980; Marriott, 1997; Mohrman, Resnick-West & Lawler, 1996; Weaver, 1996).

A number of other factors can decrease rating quality and as suggested by Solomonson and Lance (1997), the relationship between "*rater* cognitive processes, *ratee* behaviour, and *rating* results are not yet fully understood". However, a number of studies have suggested an independent effect of both task-related performance and organisational citizenship behaviour of employees on overall performance evaluations. (*e.g.*, Boreman, White, & Dorsey, 1995; Motowidlo & Van Scoter, 1994; Orr, Sackett & Mercer, 1989; Werner, 1994).

In other words, helping or pro-social behaviour of employees in organisational settings (OCB) does influence performance judgements and is likely to influence how a ratee is categorised (Allen & Rush, 1998). "OCB influence rater cognitive processes and *impressions* of subordinates, which in turn affect performance judgements" (Allen & Rush, 1998, p. 248). Therefore, organisational citizenship behaviours which signal employees' willingness to "go above and beyond" their formal job description (Katz & Kahn, 1978; Organ, 1990) are likely to positively affect raters' impressions of the employees in question, thereby increasing the likelihood they will be categorised as a "good employee" (Cardy & Dobbins, 1994). Allen and Rush (1998) have argued that individuals who exercise helping or pro-social behaviours will "trigger" positive affect from their managers and, consequently, be better liked and receive better performance evaluations.

Rating accuracy has been thought to be a function of the accuracy of behavioural memories and raters rely on their memories of behaviours to enhance accuracy of performance evaluations (Hedge & Teachout, 1992). Feldman (1994) has suggested that organisation of information enhances raters' ability to accurately recall information regarding employee performance. However, Lichtenstein and Srull (1987) have argued that according to social cognition research there is often no correspondence



between memory of specific facts about employee behaviours and judgements that are made about the employee. Sanchez and De La Torre (1996) have pointed out that in the context of performance appraisal, researchers have also questioned the relationship between behavioural accuracy and rating accuracy (see also Murphy, 1991; Murphy & Blazer, 1986). Supervisors' evaluations and performance appraisals are a complex issue and DeNisi and Peters (1996) have argued that a large amount of the information acquired by a supervisor or a rater is unorganised, a fact that has implications for the accuracy and validity of appraisals.

In spite of these problems with supervisors' evaluations over 90 percent of businesses having performance appraisals programmes use the immediate supervisor as the *rater* or appraiser (Henderson, 1980). The widespread application of supervisors' evaluation of employee performance, in spite of known application problems, underlines the importance of an examination into what extent supervisor evaluations of employee customer orientation can be utilised to predict customer and employee perceptions of the service provided.

### 5.4.1 Supervisors' evaluation and the COBEH construct

The supervisors of the Shell employees participating in the study were asked to evaluate the customer orientation of their employees at the time of the first survey to provide another perspective to the discussion of COBEH's validity and application. The supervisors answered the same six COBEH statements as the employees, but the statements were rephrased to refer to the supervisor's evaluation of each employee's behaviour (e.g., "The employee is always working to improve the quality of service he/she gives to customers", etc.). Factor analysis of the supervisors' responses revealed two factors identical to the results from the employee data. The first factor (alpha coefficient .77) contained the helping behaviours (SUP-HELP) summarising 41.6 percent of the variance (see table 19).

**Table 19 Factor analysis of Shell supervisors evaluations of COBEH**

	Factor 1 Pro-Social	Factor 2 Cont.Impr.
The employee is always working to improve the quality of service I give to customers.....	.54	.65
The employee has specific ideas about how to improve the service I give to customers.....	.17	.89
The employee often makes suggestions about how to impr. customer service in my dept....	.00	.92
The employee puts a lot of effort into my job to try to satisfy customers.....	.74	.34
No matter how the employee feels, he or she always puts himself out for every customer..	.78	.38
The employee often goes out of his/her way to help customers.....	.71	.56
Percent of variance explained:	72.7	22.76
Eigenvalues:	3.16	1.36

Extraction Method: Principal component analysis.

Rotation Method: Varimax with Kaiser Normalization.

KMO .63

The factor analysis was conducted using data from supervisors at time one of the Shell study

The second factor, which concerned the continuous improvement effort of employees (SUP-Cont.imp. alpha coefficient .77), summarised 33.8 percent of the variance (see table 19). The items are clearly loaded on the two factors except for the first and the last items where the factor loadings are more ambiguous. The two items in question could be categorised on either factor, but theoretically the first item belongs with other continuous improvement items and the last item with the helping behaviours.

#### **5.4.2 Employees' self-reports, supervisors' evaluations and customers' perceptions**

The supervisors' evaluations of their subordinates' COBEH were correlated with the self-reported customer orientation scores from employees. Also, the supervisors' evaluations were correlated with the customer service data to establish a two-dimensional comparison (see table 20). Of the initial 26 cases in the first supervisor evaluation 12 cases could be linked with data provided by customer service measures and employee self-reported COBEH. In other words, of the 26 employees evaluated by their supervisors 12 were on duty at the time of the customer-employee interaction and had also participated in the employee survey. In the second supervisor evaluation, nine months later, the number of employees evaluated by their supervisors was increased from 26 to 47 to enlarge the sample. Of the 47 employees evaluated by their

supervisors 22 were on duty at the time of the employee-customer interaction and had also participated in both employee surveys and could therefore be linked to customers' perceptions of the service encounter and the self-reported COBEH. The small sample size puts constraints on generalisations based on the results of the statistical analysis performed. Nevertheless the comparison of the multiple perspectives provides a valuable insight into the investigation of the COBEH phenomenon.

The results of the bivariate analysis shown in table 20 indicate a low to moderately high correlation between supervisor evaluations of employee customer-oriented behaviour and customers' perceptions of the service provided. The supervisors' six-item COBEH and the three-item continuous improvement assessments correlated significantly ( $p < 1.0$  or  $p < .05$ ) with all of the customer service items or factors. However, in both cases, the strongest correlations were detected with RELIABILITY, RESPONSE and TANGIBLES. The correlation between supervisors' evaluations and customers' assessments of employee politeness and personalised service were weaker. Likewise all the correlations between the supervisors' evaluations of employee helping behaviours (three-items) and customers' perceptions of the services provided were very low and non significant.

**Table 20 Supervisors' evaluations and customer perceptions**

	Customers' Perceptions of Service Provided				
	Assurance	Empathy	Reliability	Respons	Tangibles
SUPERCOBEH	.36*	.36*	.57**	.55*	.63**
SUP-Pro-soc (three Items)	-.05	-.13	.25	.07	.14
SUP-Cont.imp. (three Items)	.45*	.44*	.58**	.67**	.74**

\*\* Correlation is significant at the 0.05 level (1-tailed).

\* Correlation is significant at the 0.10 level (1-tailed).

The more positively the supervisors evaluated employees' customer-oriented behaviour the more reliable and quick the service was perceived to be by customers and the cleaner and more agreeable the station buildings were reported to be. However, supervisors were less accurate with regard to employee behaviours directly targeted at customers, such as politeness and personal attention. In other words, supervisors were likely to pay attention to tangible items in the service provision process, such as physical appearance of the surroundings, waiting periods for customers (or queues) and customers' complaints about unreliable service. Likewise, supervisors appeared to be more aware of some of the more visible and obvious manifestations of employees' customer-oriented behaviours, such as the number of suggestions and ideas employees had on how to improve the service, than of important but perhaps less visible forms of helping behaviours directly exhibited towards customers. Conflicting results were

found in the second supervisors' evaluations. The correlations between supervisors' evaluations and the customer data were lower and non-significant except for the three-item continuous improvement measures, which remained consistent across the two time periods (see Appendix).

In brief, the results indicate that the most consistent relation between supervisors' evaluations of employee customer-oriented behaviour and customer perceptions was in terms of employees' continuous improvement efforts. In other words, various continuous improvement efforts such as the number of suggestions and ideas an employee makes catch the attention of supervisors. Other types of behaviours more directly aimed towards and visible to customers, on the other hand, were perhaps more easily overlooked by the supervisors, accounting for the failure of the pro-social supervisors' evaluations to correlate significantly with customers' perceptions. Overall the results suggest that supervisors focused more on behaviours more visible to themselves (continuous improvement and tangibles) than helping behaviours directed at customers.

### 5.4.3 Supervisors' evaluations and employee self-reports

The supervisors' evaluations of employee customer-oriented behaviours were also compared to employees' self-reported behaviours (see table 21). The correlation between supervisors' evaluations and employee self-reports for the six-item COBEH construct was positive, but not significant, both at time one and at time two. However, the correlation was moderate to high when supervisors' evaluations of employee continuous improvement efforts were compared to the employees' own evaluation of their behaviour.

Supervisors' evaluation of employees' helping behaviours correlated negatively to employees' self-reports, but the correlation was not significant. A comparison of the second supervisors' evaluations and employee self-reports revealed similar results (see table 21).

**Table 21 Shell supervisors' evaluations and employee perceptions**

	COBEH time1	Helping time1	Con-imp time1	COBEH time2	Helping time2	Con-imp time2
SUPER-COBEH	.24			.16		
SUPER-HELP		.40*			.14	
SUPER-CON-IMP			-.25			.21

\* Correlation significant at the .05 level (1-tailed)

#### **5.4.4 Supervisors' evaluations focus on continuous improvement**

Based on the results discussed above, it is evident that not all of the supervisors' COBEH evaluations of employees' customer orientation serve as adequate predictors of customer perceptions of the service provided. However, the most consistent predictor was the continuous improvement construct which correlated significantly with key service variables as well as with the self-reported employee data. In other words, supervisors appear to evaluate employee customer orientation on the basis of the number of suggestions and ideas the employees have on how to improve service and tangible items in the service process, but not on the basis of their behavioural efforts designed to satisfy customers.

To further test the relation between supervisors' evaluations of their subordinates' customer orientation and customers' perceptions of the service, another bivariate analysis was conducted. Supervisors had been asked to evaluate how successful they thought their employees were in providing quality service to all customers they served over a given period of time. A negative, but significant correlation was detected ( $-0.66, p < .05$ ). Thus, the better the supervisors reported the service success of their employees to be, the worse the customers perceived the service to be. On the other hand, when employees were asked to do the same, the result was a low positive



although not significant, correlation between the employee and the customer ratings ( .12,  $p > .05$ ).

As discussed earlier a number of different factors can affect the reliability of supervisors' evaluations. Mohrman, Resnick-West and Lawler (1990) have pointed out that people in general (supervisors not excluded) tend to discount situational factors when assessing someone else's performance. On the other hand people tend to magnify such factors when assessing their own performance. This seems to be apparent in this case when comparing the employee, the supervisor, and the customer ratings although the low number of employees evaluated somewhat limits the possibility for generalising from the present results.

Furthermore, another possible complicating factor might be noted. As discussed earlier, researchers have pointed out the possible effect of OCB on supervisors' evaluations of employee performance (Allen & Rush, 1998). A significant drop in organisational citizenship behaviour was detected between time one and time two in the employee surveys ( $t=3.94$ ,  $p < .01$ ) possibly accounting in some way for discrepancies in the two supervisors' evaluations, and in particular, in supervisors' evaluations and employee self-reports with respect to helping behaviour (see table 21). In other words, the

decline in helping or organisational citizenship behaviour at the stations could have negatively affected the supervisors' perceptions of employee behaviours in general, resulting in less favourable evaluations.

## **5.5 Summary**

The reliability of COBEH as a separate construct has been established by statistical analysis conducted in this study. Repeated measures and internal-consistency of factor structures contributed to the construct validity. However, the main purpose of the analysis discussed in this chapter was to examine COBEH's convergent validity.

First, COBEH's correlation with customer perceptions at Shell revealed a positive and significant relation between employees' self-reported helping behaviours and customers' perception of the service provided. Second, Shell supervisors' evaluations of their subordinates' customer orientation provided conflicting results, both in relation to the self-reported employee data and the supervisors' evaluations at time two.

The results of the analysis are important for further application and operationalisation of the COBEH constructs for two reasons. The results show that:

- Supervisors evaluate employees' customer orientation based on the number of suggestions and ideas employees have on how to improve service.
- Employees evaluate their own customer orientation on efforts designed to serve customers, the extent of their helping behaviour in particular, and not on their continuous improvement efforts (number of service suggestions or ideas).

Supervisors and employees do not share a common understanding of what customer orientation involves and how it translates in the employee-customer contact. This difference highlights the variability in employees' and supervisors' perceptions of performance and particular problems involved in performance evaluations in practice. What employees perceive to be customer-oriented behaviour is the extra effort they put into their jobs to try to satisfy customer needs. However, supervisors underestimate or overlook the extra effort directed to customers and base their evaluations on more tangible items in the service provision process and on the visibility of the suggestions and ideas put forth by employees.

The supervisors' evaluations at time one correlated more strongly with customer perception than did the employee self-reported data. On the other

hand, the employee COBEH constructs have higher reliability (Alpha coefficient .81 vs. .77) and are more consistent in the series of measurements undertaken in this study (between time one and time two). Thus, the results suggest that employees' self-reported helping behaviours towards customers may serve as valid and reliable predictors of customers' perceptions of the service received. But, further testing is needed to establish the validity of the SUPERCUBEH constructs due to the known problems associated with supervisors' evaluations.

In this thesis the nature and impact of customer oriented behaviour in a service context has been discussed and the results of statistical tests designed to examine the construct factor structure, consistency and impact on customers' perceptions presented. However, the third aim of the study was to examine the antecedents and the development of customer-oriented behaviours. How can organisations enhance their employees' helping behaviours towards customers and develop employee participation in continuous improvement efforts? In the next chapters, the suggested antecedents of COBEH and the impact of an organisational service initiative designed to enhance service delivery will be examined using Shell and the other Icelandic service organisations that participated in the research as the basis for the analysis.

## **6.0 The antecedents of customer oriented behaviour**

Employees' customer orientation is the topic of this thesis, a topic that has been a centre of debate in the service and management literature. A core element of different approaches to customer orientation is a concern for customer needs, but this concern only relates to improved service performance if and when it translates into behaviour positively perceived by customers. The COBEH perspective which is an explicit behavioural approach to customer orientation provided an opportunity for this study to examine the link between employee individual service performance and service outcomes which has been suggested in the literature but has not been empirically tested until now.

In the first part of the thesis the conceptualisation of customer-oriented behaviour was discussed and the construct and convergent validity of the COBEH scale established. These steps were necessary due to the lack of systematic research evidence regarding the COBEH scales and its importance for research in this area. In the second part of the thesis, however, attention will be directed towards the antecedents of such behaviours and how they can be developed in organisational settings. The purpose of this chapter is mainly twofold. First, empirical evidence is lacking in the literature in about

the impact of various antecedents of COBEH across service industries. In this chapter, a core model of the antecedents of customer-oriented behaviour designed and tested by Peccei and Rosenthal (1997) is applied across a wide variety of service sectors to add to the literature on the subject.

Second, in this study two sub-dimensions of COBEH have been conceptualised (helping behaviour and continuous improvement). Empirical tests are needed to examine if the two dimensions are functions of the same antecedents or if different motivational and/or capacity variables play a distinct role in relation to the COBEH sub-dimensions. Can an organisation for example utilise the *same* HRM procedures and programmes to positively affect employee helping or pro-social behaviours and simultaneously cultivate the conditions necessary for employees to actively participate in protection and development of the organisation through continuous improvement efforts? Or must the organisation engage in a number of different HRM initiatives to specifically target the two dimensions? The following analysis is the first attempt to answer these questions. Earlier studies have examined the impact of various employee' and organisational characteristics on employee customer-oriented behaviour. However, the impact of those antecedents on the two sub-dimensions remains to be examined.

## **6.1 COBEH core model**

Individuals may in fact engage in customer-oriented behaviours for a variety or combination of reasons. The theoretical and empirical literature on the possible antecedents of such behaviours suggests the existence of various motivational and capacity factors impacting both the extent of employees' helping and continuous improvement efforts. However, the impact of the suggested antecedents on such behaviours may very well be different for the two COBEH sub-dimensions. Furthermore, the impact of the antecedents on customer-oriented behaviours can also be different depending on the organisational setting involved and the type of service provided.

Peccei and Rosenthal (1997) conceptualised and tested a core model of customer-oriented behaviours (see figure 3). The model draws on previous work particular social theory (Coleman, 1990; Etzioni, 1988), standard models of rational action (Abell, 1990; Marini, 1990), expectancy theory (Lawler, 19xx, & Mullins, 1996; Vroom, 1973), and organisational commitment theory (Cook & Wall, 1980; Mathieu & Zajac, 1990; Mowday et al., 1982;). In this study, the COBEH core model will be re-tested to examine the impact of the antecedents on the two sub-dimensions of COBEH. The analysis will cover various service organisations representing different locations, sizes, and type of services to examine the consistency of the impact cross-sectionally.

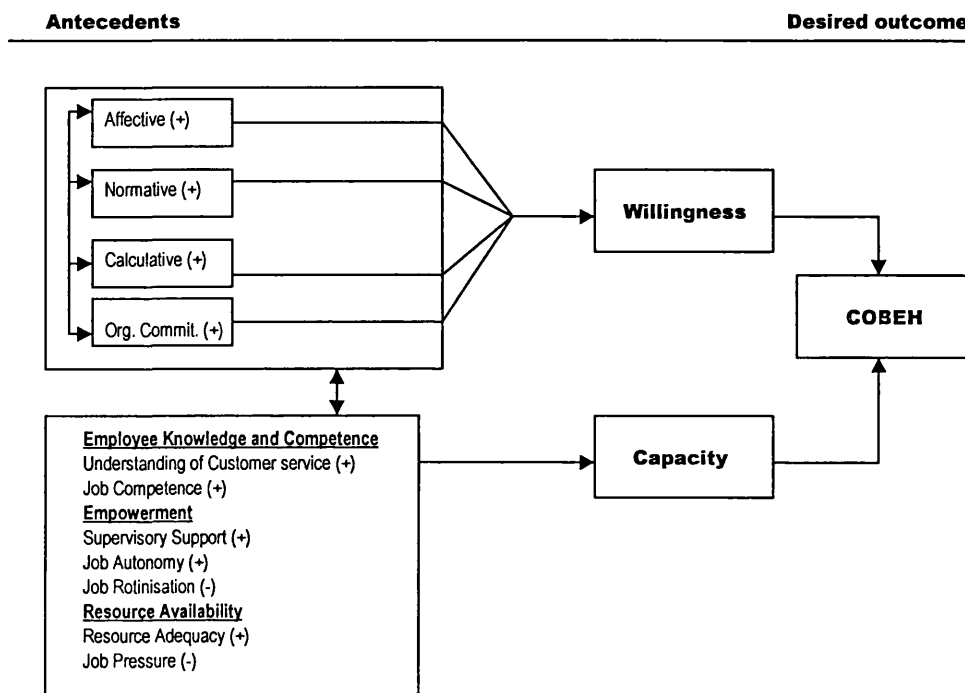
The initial test of the COBEH core model was conducted in supermarkets in Britain (Peccei & Rosenthal, 1997), but the re-testing of the model reported in this thesis was conducted in 18 Shell petrol stations in Iceland and then again in five additional Icelandic service organisations. The purpose was to re-examine the model in a new service context over a wide range of service sectors to closely examine the consistency of the impact of the suggested antecedent in different service organisations. Furthermore, the purpose was also to examine possible changes in the impact of the suggested antecedents over time, following Shell's intervention designed to enhance employee customer-oriented behaviours. This was possible by testing the model twice, using data from the Shell petrol stations collected with an interval of nine months; both before and after a customer service training programme was implemented at the stations.

The COBEH core model applied in this study, includes four motivational variables designed to capture employees' willingness to engage in customer oriented behaviour. However, the willingness or desire to provide service is not sufficient to ensure customer oriented behaviour - the capacity to provide the service is also needed. Thus, a number of capacity variables are also



included in the model, such as employee knowledge and competence, supervisors' support and resource availability (see figure 3).

**Figure 3 Core model of COBEH**



Source: Peccei & Rosenthal (1997) The antecedents of employee commitment to customer service: evidence for a UK service context. *The International Journal of Human Resource Management*, 8, 66-86.

The motivational variables include in the top of the model direct attention to the different reasons way employees might engage in customer-oriented behaviour. Specifically, it can be suggested that employees that are motivated to engage in customer-oriented behaviour for affective reasons, do so not because they think engaging in such behaviour is the right thing to do

or because of expectations of rewards but first and foremost because they derive personal satisfaction from the activity.

Employees' normative actions, on the other hand, are guided and conditioned by the internalisation and learning of service values and norms which depend on the intensity and duration of the socialisation processes and the communication of acceptable service related attitudes and behaviours to individuals (Krebs & Miller, 1985; Louis, 1980; Schein, 1992). Hence, normative customer-oriented behaviour in a service context could be defined as individual receptiveness to service values and norms conditioned by the intensity and duration of service stimuli reinforced through communication of desirable employee service attitudes and behaviours.

The third motivational variable in the model covers employees' calculative orientation. In this case, employees calculate either unconsciously or rationally the possible benefits and costs associated with a particular task. In a service context, such behaviour could be defined as the pursuit for valued rewards and/or escape from punishment, conditioned by the individual's evaluation of the costs and benefits associated with helping and continuous improvement efforts on behalf of customers.

The fourth and last motivational variable included in Peccei and Rosenthal's (1997) model was organisational commitment. Organisational commitment has been conceptualised in a number of different ways (*e.g.* Allan & Meyer, 1990; Kanter, 1968), but central is the notion of employee obligation, involvement and loyalty to the organisation. In a service context, customer-oriented behaviour based on organisational commitment could be defined as individuals' feelings of obligation or loyalty translated into service behaviours designed to benefit the organisation as a whole. The behaviour is conditioned by the relative strength of individuals' identification with the organisation and their perceptions of cost and benefits associated with the preservation and protection of the organisation.

In addition to the four motivational variables, Peccei and Rosenthal (1997) suggested seven capacity variables important to employee customer-oriented behaviour. The capacity variables underlined the notion that customer oriented behaviour is expected to be not only a function of employees' willingness to engage in customer-oriented behaviour, but also of their capacity to provide the desired services. The capacity variables in the model were job competence and understanding of customer service requirements, supervisors' support, job autonomy, job routinisation, resource adequacy and job pressure.

Job competence refers to employees' perceptions of their own knowledge and skills in relation to their performance on the job and their problem-solving abilities, but also to their understanding of customer needs and organisational service procedures and processes. Consequently, this attribute can be expected to be a fundamental condition for successful helping behaviours and continuous improvement efforts. Hence, an employee can engage in efforts on behalf of customers, but without proper knowledge, understanding and skill to perform the act he or she will not succeed in providing the service desired by the customer. Parallel is the notion of continuous improvement: employee's suggestions and ideas on how to improve service can not be expected to benefit the organisation nor individual organisational members unless they are based on relevant knowledge and understanding. However, the extent of the employees' job competence and understanding can be expected to largely depend on the effectiveness of various HRM procedures within the organisation, such as selection, training and development, reinforcement of goals and expectation as well as performance feedback.

According to Bateson (1985) employee-customer interaction in a service context is a "three-cornered fight" between the needs of the customer, needs of the employee and the needs of the organisation. This in turn places

difficult demands on supervisors and on job design in service organisations. Hence, in addition to job competency, other capacity variables included in the model were: supervisors' support and job design (job routinisation and job autonomy). A number of different issues must be considered when jobs are designed. Supervisors must take into consideration how much freedom or autonomy an employee is comfortable with, the extent of employee commitment to the service rendered and possible obstacles to productivity or performance associated with the job design (Milkovich & Boudreau, 1997). As Peccei and Rosenthal (1997) have pointed out, drawing on the TQM and service literatures, "narrowly defined, routine jobs involving standardized repetitive tasks subject to close supervision, severely limit the scope for innovation and experimentation on the job, and afford little scope for employees to exercise their initiative when dealing with customers" (p.xx; see also Hill, 1991; Bowen & Schneider, 1988, Cosby, 1979; Schlesinger & Heskett, 1991).

The final capacity variable in the model was job pressure based on the argument noted by Kanter (1983) that limited resources hamper employees' ability to perform their tasks, thus constraining their ability to exert effort and engage in innovative forms of behaviour. Thus, as suggested by Peccei and Rosenthal (1997), "employees involved in highly pressurized jobs are

less likely to be able to provide high levels of individualized care to customers, or to have the time or possibility of dealing effectively with non-routine customer demands" (p. 74).

In sum, the capacity of employees to engage in customer-oriented behaviour can be said to depend on employees' skilled competence and understanding of customer needs conditioned by their work environment's ability to meet their individual needs for autonomy and support.

## **6.2 Model testing**

In the present study, multiple regression analysis was used to test the COBEH model. The analysis first explores the relation between the suggested antecedents of customer-oriented behaviour and the COBEH construct. It then looks at the impact of the antecedents on the two sub-dimensions of COBEH, namely helping behaviours and continuous improvement efforts. Separate regressions were carried out, one for each analysis. In each case, all the variables in the model were entered together as predictors of the COBEH dimensions, controlling for a range of demographic factors, such as age, gender, and status.

In this chapter, the results of the analyses are presented (first from the Shell study and then from the five of the additional service companies included in the research). First, however, an overview of the main measures used in the analysis is presented, along with the variables use in the analysis of the Shell data.

### **6.2.1 Factor structure of model variables**

Based on the discussion presented above, both motivational and capacity variables were included in the analysis. The four independent variables designed to capture employees' motivation to engage in continuous improvement efforts and exert effort on behalf of customers were: affective, normative, and calculative orientation and organisational commitment. The purpose of the remaining independent variables in the model was to measure employee capacity to perform customer-oriented tasks or behaviours. The variables were: job competence, job autonomy, job routinisation, supervisors' support and job pressure. The dependent variables tested separately in the analysis were the overall COBEH six-item scale, the helping behaviour three-item scale and the continuous improvement effort three-item scale. Customer-oriented behaviour was measured with the six-item scale (alpha coefficient .81) designed by Peccei & Rosenthal (1997) and presented and discussed in chapter four of this thesis.

The alpha coefficients for the two sub-dimensions of COBEH (also discussed in chapter four) were .83 for helping behaviours and .77 for continuous improvement efforts.

The underlying variables in the model representing the motivational factors are presented in table 22 along with relevant factor loading. To measure employee motivation to engage in continuous improvement efforts and exert effort on behalf of customers, the respondents' affective, normative, and calculative orientations were measured using scales previously tested by Peccei and Rosenthal (1997). The affective orientation of employees was measured by means of a three-item scale designed to examine the extent to which employees enjoyed dealing with customers and experienced personal satisfaction from providing quality service (alpha coefficient .82). Their normative orientation was also measured with a three-item scale. The items (see table 22) measured the extent to which employees felt they should always have the customers and their interests at the forefront of their minds and their right to expect superior treatment from staff (alpha coefficient .75).



**Table 22 Factor matrix for motivation variables**

Factors	Affect.	OC	Calc.	Norm
	1	2	3	4
I really enjoy dealing with customers.....	.75	.37	.00	.00
I get a lot of satisfaction from giving good service to customers.....	.76	.26	.00	.00
I enjoy solving problems for customers.....	.83	.12	.00	.00
I am proud to be able to tell people that I work for this company.....	.18	.80	.25	.00
I feel myself to be a part of the company.....	.39	.57	.00	.00
I would recommend a close friend to join the company.....	.13	.87	.11	.00
I am willing to put myself out to help the company.....	.38	.58	.00	.00
I like to feel I am making some effort, not just for myself but for the comp. as well	.21	.79	.00	.00
To know that my own work had made a contribution to the good of the company would please me.....	.34	.72	.21	.00
In this company you get a lot of recognition if you give good service to cust.....	.00	.18	.80	.00
*In this comp. nobody really notices whether or not you give good service to cust..00	.00	.00	.60	.16
At Shell, employees are well rewarded for good customer service.....	.16	.12	.83	-.15
In doing their job, staff should always have the customers' best interest in mind	.16	.00	.00	.74
Customers have the right to expect superior treatment from all staff.....	.00	.10	.00	.73
In doing their job, staff should always have customers at the forefr. of their mind	.41	.00	.19	.60
Percent of variance explained.....	33.90	11.64	9.54	7.88
Eigenvalues.....	3.60	2.46	1.86	1.51

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO= .76  
 \*Reversed

Calculative orientation was measured by using a three-item scale that tapped employee perceptions of the availability of rewards for service provision (see table 22). For example the extent of recognition employees' might receive for giving good service to customers, on the attention given to those who engage in behaviours designed to benefit customers (alpha coefficient .77). The final motivational variable, organisational commitment, was measured by using Cook and Wall's (1980) organisational commitment six-items scale. The items in the scale related to identification with the organisation and the

motivation to exert an effort on behalf of organisation (see table 22). The scale included items, such as pride associated with working for the company, the extent to which employees feel a part of the organisation, how willing they are to put themselves out for the organisation, and the extent of their desire to contribute to the good of the company (alpha coefficient .82).

To measure the capacity or opportunity of employees to exert effort on behalf of customers, the first capacity variable, job competence, was measured by means of a six-item scale adapted from Peccei and Rosenthal's (1997) job competence (three items) and understanding of customer service (three-items) scales. Factor analysis conducted for this study of the items suggested only one factor comprising all six items (see table 23). Thus, the scale measure not only employees' perceived ability to deal with problems on the job, their perceptions of their skills and how comfortable they are in dealing with customers, but also their perceptions of their understanding of customer needs and their perceived knowledge of what quality service is all about (alpha coefficient .85).

The second capacity variable, job design, was measured by four items (see table 23) designed to measure job autonomy and job routinisation (Price, Muller & Carrivan, 1992).

**Table 23 Factor matrix for capacity variables**

Factors	Job Comp. 1	Sup.sup.. 2	Job Des. 3	Press 4
I know how to deal with most problems in my job.....	.73	.00	.00	.00
I am always comfortable dealing with customers.....	.65	.00	.12	.00
I have the necessary skills to do my job well.....	.76	.00	.00	.00
I feel I have a good understanding of what quality service is all about.....	.74	.29	.28	-.15
I have a good understanding of written company policies of first class service.....	.76	.00	.00	-.27
I have good knowledge of written company policies of first class service.....	.68	.30	.12	-.13
I can use my personal judgement in carrying out my job.....	.51	.00	.58	.00
I have the freedom to decide what I do on my job.....	-.23	.17	.57	-.34
My job has variety.....	.00	.18	.86	.00
I have the opportunity to do a number of different things on my job.....	.00	.24	.84	.00
My immediate boss/supervisor supports me in getting my job done.....	.28	.67	.14	.11
My immediate boss/supervisor praises me when I do a good job.....	.29	.83	.12	.17
My immediate boss/supervisor encourages me to speak up when I disagree.....	.00	.84	.10	.00
I am often under a lot of pressure in my job ( R ).....	-.17	.13	.00	.83
My workload is too heavy ( R ).....	-.17	.14	.00	.83
Percent of variance explained.....	31.34	15.85	10.30	7.98
Eigen values.....	3.69	2.45	1.98	1.70

Extraction Method: Principal component analysis.  
 Rotation Method: Varimax with Kaiser Normalization.  
 KMO= .74

However, factor analysis suggested one factor loading together the four items (alpha coefficient .68). Thus, the items were combined into a single scale representing job design and tapping the extent to which employees feel they have freedom and can use their personal judgement on the job.

Supervisors' support was the third capacity variables included in the model. An adapted scale from Price, Muller and Currivan (1992) was used (see table 23) representing employee perceptions of the extent to which supervisors encourage them and praised their performance on the job and supported

employees to get their jobs done (alpha coefficient .82). The final capacity variable was job pressure (see table 23), measured by a two-item scale adapted from Price, Muller and Currivan (1992). The items tapped employees' perceptions of the level of pressure in their job and the extent of their workload (Alpha coefficient .72). In sum, the analysis presented above, suggests the use of four motivational variables and four capacity variables in the testing of the model in this study. All items used for constructing the above variables employed a five point Likert scale measuring respondents' level of agreement or disagreement with the items in question (1=strongly disagree, 5=strongly agree)

### **6.2.2 Descriptive statistics of model variables**

In this section, descriptive statistics of the variables included in the model are presented to provide a comprehensive picture of the sample of petrol stations' attendants at Shell at time one i.e. prior to the implementation of a major customer service training programme at the company. As discussed in chapter two, customer oriented behaviour at Shell prior to the customer service training programme was reported to be 4.02 on a five point scale. In comparison with data from other Icelandic service organisations collected immediately following the Shell study in the same country (see chapter 2), the Shell COBEH score could be said to be relatively low. Shell employees

reported frequent helping behaviours (90 percent), but less than half reported that having frequently made suggestions regarding improvements.

As seen in table 24 the mean for the affective orientation variable was 4.35 with over 90 percent of the front-line employees reporting they enjoyed dealing with customers. Three out of every four employees reported getting a lot of satisfaction from giving good service and about 60 percent enjoyed solving problems for customers. Thus, the affective orientation of the Shell front line can be categorised as rather high. Similarly, the mean for the normative orientation was 4.37 and a vast majority of employees agreed with the statements referring to the rights of customers to superior treatment and employee obligation to have the customer's best interest and needs at the forefront of their minds. However, the mean for the calculative orientation variable was much lower (2.85) with just about one of every five employees believing that they would get a lot of recognition in the company if they gave good service to customers. In addition, only about 30 percent of employees believed that in the company somebody really noticed whether or not they gave good service to customers. The mean for organisational commitment at Shell was 3.92. About half the staff reported being proud of working for the company, but one of every ten employees reported not being proud to tell people they worked for Shell.

**Table 24 Description of model variables**

Model variables	N	Mean	Std. Deviation
Affective	101	4.35	.83
Normative	102	4.37	.59
Calculative	101	2.85	1.20
OC	96	3.92	.60
Job Competence	99	4.32	.77
Job Design	101	3.27	1.03
Supervisors' support	102	3.42	1.08
Job Pressure	99	2.47	.97

The means refer to a scale one to five where one is the lowest and five the highest

The figures in the table refer to the first of two employee surveys and include only cases for individuals used in the regression analysis, *i.e.* those employees who participated in both surveys and could be matched to customer service data.

Similarly, half of the staff reported feeling a part of it and being willing to put themselves out for the company. The overwhelming majority of employees reported wanting to feel that they were making some effort, not just for themselves, but for the company as well, and that to know that their own work had made a contribution to the good of the company would please them (over 90 percent).

As seen in table 24, employees believed in their own capacity to provide service (mean 4.32). Only four percent suggested they did not know how to deal with most problems in their jobs and even fewer believed they did not have the necessary skill to do the job well. Over 80 percent reported being comfortable dealing with customers and that they had a good understanding of what good service was all about. However, the other three capacity

variables scored considerably lower. The mean for the job design variable was 3.27 with only about half of the employees reporting that they were able to use their personal judgement on the job, and only, one of every three employees believing that they had the freedom to decide what they did on the job. The jobs were perceived by employees to be fairly repetitive and half of the staff reported having the opportunity to do a number of different things on their job.

About one third of the staff believed their supervisor did not particularly support them in doing their jobs. Also, half of the staff reported being praised by their supervisors when performing well and being encouraged by them to speak up when they disagreed with a decision. One third of employees reported being under a lot of pressure in their job and 20 percent believed their workload to be too heavy.

In sum, employees according to their own perceptions enjoyed dealing with customers and believed they should always make the customers' interests and needs a priority. They were fairly committed to the organisation but perceived that providing good service to customers would not be well rewarded or recognised by the organisation. In other words, their affective and normative orientations were higher than their calculative orientation and

organisational commitment. Employee capacity to provide service was perceived to be high, but their freedom and opportunity to use their own judgement on the job were perceived to be more limited, as was their perception of supervisors' support. Job pressure was perceived to be rather high at the company.

### **6.3 Results of the regression analysis for the Shell COBEH model**

Three separate regressions were conducted to examine the suggested antecedents of customer-oriented behaviour, helping behaviour and continuous improvement efforts at Shell prior to the implementation of the service training programme. All the suggested antecedents were entered in each of the regressions as independent variables together with the demographic control variables. The dependent variables used were first the COBEH six-item construct and then the two sub-dimensions (helping behaviour and continuous improvement). The number of cases included in the regression was 73 (i.e., all employees who participated in employee surveys that were carried out both before (time 1) and after (time 2) the implementation of the customer service training programme at Shell.



### **6.3.1 Intercorrelations of model variables**

The intercorrelations of the variables in the model were low to moderate (see table 16) and thus gave no call for concern about multicollinearity, which could produce changes in coefficients, inflated standard errors, and lack of statistical significance for some of the variables in the model (Aaker, Kumar & Day, 1997).

As seen in table 25, the highest intercorrelations in the model were between affective orientation and job competence and organisational commitment respectively (.60,  $p < .01$ ). The normative construct did not correlate significantly with any of the variables in the model. Calculative orientation had a very low correlation with other variables except with organisational commitment (.25,  $p < .05$ ) and supervisor support (.20,  $p < .05$ ). However, organisational commitment correlated significantly with all variables except normative orientation and job pressure.

The significant correlations were low to moderate (see table 17). The intercorrelation of the capacity variables was also low to moderate. Job competence had the highest correlations with other variables in the model, but did not exceed .56,  $p < .001$  in any case. The other capacity variables had

intercorrelations ranging from .07,  $p > .05$  to .48,  $p < .001$ , hence not causing a concern for multicollinearity (see table 23).

**Table 25 Intercorrelations of model variables**

	Affective	Normative	Calculative	OC	Job Comp.	Job Design	Sup.sup.	Job press
Affective	1.00							
Normative	.07	1.00						
Calculative	.04	.09	1.00					
OC	.60***	.12	.25*	1.00				
Job Comp.	.60***	.07	-.09	.56***	1.00			
Job design	.43***	-.07	.19	.44***	.44***	1.00		
Sup.sup.	.38**	.07	.20*	.23*	.48***	.35**	1.00	
Job press	-.07	-.07	-.05	-.11	-.27**	-.29**	.09	1.00

The figures in the table show intercorrelations of variables included in the COBEH model

\*=  $p < .05$  (2-tailed)

\*\*=  $p < .01$  (2-tailed)

\*\*\*=  $p < .001$  (2-tailed)

### 6.3.2 Antecedents of COBEH at Shell

Previous studies had suggested the eight antecedents included in this study as predictors of employee customer-oriented behaviour. In reference to the results presented in this study it can be argued that the COBEH dimensions are functions of these antecedents. However, there are some distinctions to be made. The results from the regression analysis confirm previous findings regarding the original COBEH six-item construct (Peccei and Rosenthal, 1997). Peccei and Rosenthal (1997) had found that three of the four willingness variables had a significant impact on COBEH (affective,

normative and organisational commitment). Calculative orientation failed to be significant in the regression analysis. The results of this study confirm these findings and, as the initial study, the strongest antecedent of COBEH was the affective orientation of employees (see table 26).

**Table 26 Regression results for COBEH factors at Shell**

	COBEH	Helping behaviours	Continuous Improvement
Age	.10	.08	.09
Gender	.06	.07	.05
Status	.16	.10	.11
<b>Motivation</b>			
Affective	.32**	.43**	.28*
Normative	.17*	.02	.16*
Calculative	-.08	-.03	-.10
OC	.26*	.19*	.16*
<b>Capacity</b>			
Job Competence	.45***	.35**	.40**
Job Design	.07	.07	.14
Job Pressure	-.12	.15*	-.30**
Supervisors Support	.03	.04	-.04
Adjusted R <sup>2</sup>	.78	.73	.59

Figures in the table are standardised beta coefficients

\* =  $p < .05$

\*\* =  $p < .01$

\*\*\* =  $p < .001$

The capacity variables used in this study were constructed slightly differently from those in Peccei and Rosenthal's (1997) study carried out in Britain. In the UK study, seven capacity variables were used. However, as suggested by a factor analysis conducted for this study, the two competence variables (job competence and understanding of customer service) were

combined in one. This was also the case with the variables measuring job autonomy and job routinisation which the factor analysis identified as one factor (job design). Hence, four capacity variables were used in this thesis.

Peccei and Rosenthal (1997) found that job competence and job pressure had a significant impact on COBEH. However, supervisors' support failed to show significance in the regression analysis. These results were confirmed by this study, except in the case of job pressure, which in the Shell study had a low negative impact on COBEH (not significant), but had had a significant positive impact on COBEH in the initial study conducted in Britain by Peccei and Rosenthal (1997). Job design (job autonomy and job routinisation) also failed to have a significant impact on COBEH in this study. In the UK study, job routinisation was not significant, but job autonomy was. The difference in how the variables were constructed in the two studies does not allow for an accurate comparison for the job design construct. None of the demographic variables had a significant relation to the dependent variable in this study, confirming previous findings in the UK study.

In sum it can be argued that the context of the study and the particular organisational conditions, such as level of autonomy, job competence and perception of rewards do not appear to affect the impact of the suggested

antecedents on COBEH except in the case of job pressure. At Shell, the job pressure was more than in the initial study conducted in the UK, which suggests that the higher the job pressure the more likely the construct is to negatively impact COBEH. However, further testing is needed to investigate the relation of the antecedent of COBEH in greater detail.

### **6.3.3 Antecedents of helping behaviours at Shell**

Previous studies regarding the antecedents of customer-oriented behaviour have not included an examination of the impact of the antecedents on the two sub-dimensions of COBEH. An interesting question remains to be answered: are helping behaviours and continuous improvement efforts a function of the same antecedents? As seen in table 26, four of the willingness and capacity variables had a significant impact on helping behaviours. The affective orientation of employees had the highest beta coefficient ( $\beta=.43$ ,  $p<.001$ ) and was thus shown to be the strongest motivational predictor of helping behaviours. Neither the normative nor the calculative orientation of employees showed a significant relation to such behaviours. However, organisational commitment did ( $\beta=.19$ ,  $p<.05$ ). The regression results also show that two of the four capacity variables, job competence and job pressure, were significantly related to helping behaviours (see table 26). A

very low, non-significant relation was detected with the other two capacity variables, supervisors' support and job design.

In other words, helping behaviours in a service context appeared to be mainly a function of employees' affective orientations and their competence to provide service (knowledge, skill, and understanding). Employees who are committed to the organisation can also be expected to engage in effort on behalf of customers as a result of their feeling of obligation, involvement and loyalty to the organisation. In addition, given that helping behaviours are mainly a function of affective orientation and job competence, employees can be expected to intensify the extent of their helping behaviours in order to meet customer needs when faced with increased job pressure. These variables accounted for 73 percent of the variance in the reported level of helping behaviours in the sample.

Employees' affective orientation and job competence had the strongest impact on employees' helping behaviours towards customers. Hence, an employee with a high level of job competence is more likely to make an effort on behalf of customers than an employee with less knowledge and competence. High job competence gives an employee greater opportunity to engage in such efforts because the employee's greater knowledge of products

and services enhances his or her ability to offer additional services or recommendations to the customers. Also, a highly competent employee is likely to be more confident in his job than a less competent one, resulting in higher tolerance for job stress and a clearer overview of the company's services. Likewise, an employee with high affective orientation (enjoys dealing with customers) is likely to more consistently make an effort on behalf of his or her customers. This can be expected to be particularly true under unfavourable external conditions. If a person does not particularly enjoy employee-customer contact, in the first place, he or she is more likely to discontinue more quickly any efforts on behalf of customers when external conditions (such as job pressure or personal mood) become unfavourable in addition to his or her lack of affective orientation. Furthermore, it can be argued that the nature of helping behaviours in a service context (as defined and measured in this study) explains why the other variables in the model failed to have a significant impact on employees' helping behaviours. For example, a job can be carefully designed (job design) to promote employees' active participation in the service process, necessary supervisory support provided and service values and norms effectively communicated (normative orientation), but without employees' capacity to provide the designated services or if employees do not particularly enjoy their interactions with customers, making an effort to satisfy the customers' needs

is less likely to occur. Hence, employees' affective orientation and competence can be argued to be a prerequisite for active helping behaviours during the employee-customer contact.

#### **6.3.4 Antecedents of continuous improvement at Shell**

The results presented above underline the importance of employees' affective orientation and job competence for helping behaviours in service settings. The question remains whether the same is true for the second sub-dimension of COBEH or if organisations must rely on other factors to promote employee' participation and continuous improvement efforts. As seen in table 26, the strongest motivational force for employee engagement in continuous improvement efforts was the affective state ( $\beta=.28$ ,  $p<.05$ ). Organisational commitment ( $\beta =.16$ ,  $p<.05$ ) or employees' internalisation of organisational service values and norms (normative orientation) was also significantly related to the extent of continuous improvement efforts ( $\beta= .16$ ,  $p<.05$ ). However, job competence was the strongest predictor of continuous improvement efforts ( $\beta= .49$ ,  $p<.01$ ) and job pressure had a strong negative relation to the number of ideas and suggestions employees make regarding service improvements ( $\beta= .30$ ,  $p<.01$ ).



Previous studies of customer-oriented behaviour had shown positive relations between perceived supervisors' support and COBEH (Peccei & Rosenthal, 1996). A need for supervisors' support can be expected to be particularly important where job design is very rigid and constrained and all changes in processes and procedures tend to be regulated by supervisors or other members of management. However, where job autonomy is relatively high and jobs are flexible the importance of supervisors' support can be expected to be minimised and the employees to have more latitude to engage in continuous improvement efforts without specific supervisors' support. At Shell, 53 percent of employees reported being able to use their personal judgement in carrying out their jobs. This level of autonomy, accompanied with a very high perception of job competence (mean 4.32), might diminish the importance of supervisors' support in the context of continuous improvement efforts of employees. In other words, if employees are competent and motivated to engage in continuous improvement efforts they can be expected to do so with or without supervisors' support.

The other variable failing to be related to continuous improvement efforts was the calculative orientation of employees. The results of this study showed a low negative non-significant relation. A possible explanation for these results could be that calculative orientation is based on the notion that

employees perform a task to receive attention or recognition, but not for the enjoyment of the task, loyalty to the company or because someone told them to do so. At Shell employees did not perceive the possibility of rewards or recognition to be very likely even if they did provide quality service. The vast majority believed that nobody in the company would really notice such behaviour or that they would be rewarded for it, and this, in spite of the fact that for the previous four years Shell employees had been paid a bonus for providing quality service.

The focus groups conducted for this study revealed that employees perceived the monetary reward to be too low to motivate them to engage in effort to obtain the bonus. The monetary reward for the highest performance on regular service evaluations amounted to five percent of the employee's monthly wage before taxes. Furthermore, 41 percent of the amount is deducted for income tax. Employees who participated in the focus groups regarded the amount to be "insulting", "de-motivating" and "not worth the effort", a position confirmed by a number of studies conducted on the effectiveness of incentive systems that have suggested a minimum of 8 percent incentive pay in order for the bonus to have an appropriate affect. Thus, in line with expectancy theory (Vroom, 1973) the employees did not perceive the possibility that types of reward other than intrinsic ones would

be obtained as a result of their suggestions and ideas on how to improve service. Thus, neutralising calculative orientation as a motivational force for the Shell employees.

In sum, the purpose of this part of the study was to re-test the original COBEH model in different service contexts and also to examine for the first time the antecedents of the two COBEH sub-dimensions (helping behaviours and continuous improvement efforts). The results presented above, show that the re-test of the model in a different context confirms previous findings except in the case of job pressure that appears to have a stronger negative impact on customer oriented behaviour as the job pressure increases. Furthermore the results show that helping behaviours and continuous improvement are both functions of affective orientation, organisational commitment and job competence. The differences between the two are that job pressure is positively related to helping behaviours but negatively related to continuous improvement efforts. In other words, with increased job pressure employees intensify their helping behaviours to try to better satisfy customers, but at the same time discontinue continuous improvement efforts - more vigorously performing their routine behaviours. Also, the number of suggestions and ideas employees have on improved service is a function of internalised normative orientations in contrast to helping behaviours, but

calculative orientation, job design and supervisors' support did not have a significant impact on the two COBEH sub-dimensions.

#### **6.4 COBEH antecedents: Cross-sectional sample**

Previous findings presented in this thesis suggest that COBEH can be regarded as a construct with two sub-dimensions, especially in service organisations providing *basic* services where the service process is not very technical or complex. However, the findings also suggest that where the service involves consultation on product attributes and functions the distinction between the two sub-dimensions becomes less clear. Furthermore, the results discussed above suggest that continuous improvement efforts and helping behaviours are not impacted by the exactly same antecedents. Helping behaviours in a service context seem to be more inherent in the employees' schema, drawing on the individuals' affective orientations and job knowledge. However, service organisations interested in enhancing employees' continuous improvement efforts to build and maintain a competitive edge must take a wider variety of factors into play than those merely concerned with the helping or pro-social behaviours of their employees. In addition to affective orientation and job competence, the antecedents impacting continuous improvement efforts include

organisational commitment and the normative orientations of employees as well as job pressure.

The results presented above were based on a sample of 73 service workers at Shell. To supplement the small sample an agreement was made with the Gallup Organization in Iceland to collect additional data for this study. Data needed to test the model were collected in five service organisations representing a range of service industries. The data were merged into a conjoint data file (N=1190) and a regression analysis conducted to re-test the model with a bigger sample than that available from the Shell study.

#### **6.4.1 Model variables: Cross-sectional sample**

To repeat the testing of the COBEH model the three dependent variables (COBEH and the two sub-dimensions) were regressed on the eight independent variables previously used in the Shell study. As before, the motivational variables were affective, normative and calculative orientations of employees in addition to organisational commitment. The capacity variables were job competence, supervisory support, job pressure and job design (see Appendix). All the variables were constructed with the same items as in the Shell study with the exception of job competence and job

design, where factor analysis suggested that one of the items from each variable should be omitted: "I am always comfortable dealing with customers" (job capacity) and "I have the freedom to decide what I do in my job" (job design). The alpha coefficients for the new job capacity and job autonomy variables were .77 and .71 respectively. The alpha coefficients for the other variables in the model were above .82 except for calculative orientation (.58). In addition, the intercorrelation of the model variables was examined. The correlations were moderate - ranging from .30 to .60 with the exception of COBEH's correlation to affective orientation (.71) and organisational commitment (.70). Hence, the threat of multicollinearity can be argued not to be a concern for the findings.

#### **6.4.2 Description of model variables: Cross-sectional sample**

As tables 27 shows the means from the time 1 survey conducted at Shell and those for the overall service sample using the conjoint data file from the five additional companies, are different in several respects. First, the normative, calculative and organisational commitment scores for Shell were lower than the respective means in the databank. Also, Shell employees reported more job pressure and their job autonomy and job variety were more limited.

**Table 27 Description of model variables: Cross sectional sample**

	<b>Databank</b>	<b>SD</b>	<b>Shell time1</b>	<b>SD</b>
Affective	4.48	.82	4.49	.50
Normative	4.87	.82	4.32	.39
Calculative	2.50	.97	2.98	.83
Organisational Commitment/OC	4.31	.85	4.10	.55
Job competence	4.27	.81	4.38	.56
Supervisors' support	4.08	1.13	4.28	.76
Job design	3.80	.82	3.42	.76
Job pressure	2.04	.97	2.52	.96
COBEH	4.09	.91	4.02	.61
Helping behaviours	4.32	.99	4.27	.65
Continuous improvement	3.86	.93	3.73	.66

Furthermore, Shell employees are less likely to engage in continuous improvement efforts than the average respondents in the overall sample. The question is: Do these different conditions impact the potential antecedents of COBEH and its two sub-dimensions?

#### **6.4.3 Antecedents of COBEH: Cross-sectional sample**

Separate regression analysis were conducted to examine the impact of the independent variables on the COBEH construct and its two sub-dimensions (see table 28).

**Table 28 Regression results: Cross-sectional sample**

	COBEH	Pro-Social Behaviours	Continuous Improvement
<b>Motivation</b>			
Affective	.23***	.35***	.16**
Normative	.25***	.34***	.12**
Calculative	.01	.05	.04
OC	.11**	.03	.10
<b>Capacity</b>			
Job Competence	.14**	.15***	.12**
Job Design	.02	.06	.11*
Job Pressure	-.22***	.11**	-.28****
Supervisors Support	.03	.04	.10'
Adjusted R <sub>2</sub>	.81	.83	.64

Figures in the table are standardised beta coefficients

' =  $p < .10$

\* =  $p < .05$

\*\* =  $p < .01$

\*\*\* =  $p < .001$

As seen in table 28, these results show that for the overall COBEH six-item construct the suggested antecedents are the same as were identified in the study conducted by Peccei and Rosenthal (1997) in a supermarket chain in Britain. Also, the Shell study previously discussed in this thesis gave similar results.

The results of the regressions, using the cross-sectional sample, show that customer-oriented behaviour was impacted by the affective and normative orientation of employees as well as by their level of organisational commitment. The significant capacity factors were job competence and job pressure (which had a negative impact on employees' customer oriented



behaviour). As in the British and Shell studies, supervisors' support and job design (job autonomy and job routinisation) did not have a significant impact on the overall COBEH construct.

Helping behaviours were positively impacted by the affective and normative orientations of employees as well as by their job capacity and levels of job pressure. These findings are congruent with the results from the Shell study. However, organisational commitment did not have a significant impact on employees' helping behaviours towards customers, in contrast to the results of the Shell study. The employees' normative orientation and their organisational commitment at Shell were considerably lower than the average in the cross-sectional sample, possibly suggesting that organisational commitment has a greater impact as it declines. In other words, in organisations where commitment is low, individuals high on commitment are more likely to engage in customer-oriented behaviours than such individuals in an organisation where commitment is generally high. Another explanation could be that when the antecedents' scores are very high the variance is low and thus the particular antecedent in question is less likely to have an impact. Additional research is needed to examine the effect of the antecedents on COBEH.

When the dependent variables were regressed on the second sub-dimension (continuous improvement efforts) the results supported the previous findings reported in this thesis. All of the suggested antecedents had an impact on the construct except organisational commitment, but as previously pointed out, organisational commitment at Shell was considerably lower than the organisational commitment mean for the cross-sectional sample, thus possibly indicating a different impact of the construct depending on the strength of the commitment. As in the Shell study, job pressure had a significant negative impact on the continuous improvement effort of employees in the companies included in the Gallup databank. In addition, the remaining variable that failed to show a significant impact in the Shell study (supervisors' support) also failed to show an impact in the larger sample. However, in contrast to the Shell results, job design had a significant positive impact on employees' efforts towards continuous improvement in the sample from the five additional companies.

To examine these results further in relation to the type of service provided separate regression analyses were also conducted for five of the companies included in the databank, representing a variety of service sectors.

#### **6.4.4 Antecedents of COBEH by type of service**

The participating companies were a car dealership (N=67), an insurance company (N=146), a retailer (N=173), an airline (N=670) and a software development company (N=61). All the companies were located in Iceland and in three of the companies measures of all the items in the model were available, but in two of the companies (the airline and software developers) items were missing due to restrictions in the number of questions allowed in the company surveys. The items missing were one of the job pressure items: "my workload is too heavy" and one of the job design items: "I have the freedom to decide what I do on my job". Furthermore, one of the organisational commitment items was missing from the airline's questionnaire: "I am willing to put myself out to help the company". Nevertheless, regression analyses were conducted and the model tested in all the companies to attempt to examine how robust the COBEH model is and explore possible differences in the antecedents by service categories.

The alpha coefficients of the model variables were on the average .78 except in the case of calculative orientation where the alpha was just below .60 in all the participating companies. The intercorrelations of model variables were moderate (see Appendix), thus not causing a concern for multicollinearity.

Table 29, shows the descriptive statistics for the participating companies. The means for employees' customer-oriented behaviours were similar in all the companies, the highest value was 4.18 in the airline and lowest 3.92 for the software developer company. This was also the case with other model variables.

**Table 29 Descriptive statistics of model variables**

	Car dealer N=67		Insurance N=146		Retailer N=173		Airline N=670		Software N=61		Shell 1 N=73	
		SD		SD		SD		SD		SD		SD
COBEH	4.02	.48	4.14	.64	4.12	.59	4.18	.57	3.89	.57	4.02	.61
Helping-beh.	4.15	.52	4.41	.77	4.39	.65	4.55	.59	4.22	.86	4.27	.65
Con. Imp.	3.89	.55	3.87	.92	3.86	.94	3.80	.94	3.56	1.06	3.73	.66
Affective	4.29	.62	4.70	.47	4.53	.66	4.53	.50	4.64	.60	4.35	.83
Normative	2.94	.16	3.90	.91	4.37	.87	4.00	.92	3.52	1.02	4.37	.59
Calaculative	2.81	.82	2.60	.82	2.29	.86	2.15	1.21	2.41	.79	2.85	1.20
OC	4.15	.71	4.15	.60	4.20	.81	4.38	.58	4.42	.72	3.92	.60
Job Comp.	4.15	.51	4.26	.76	4.17	.89	4.31	.54	3.83	.77	4.32	.77
Sup.sup.	3.77	.83	4.07	.75	4.25	.71	3.71	.96	4.12	.68	3.42	1.08
Job press	3.72	.77	3.28	.48	3.80	.84	3.14	.49	2.57	.93	2.47	.97
Job design	3.62	1.05	4.02	1.12	3.93	.99	4.02	1.08	3.98	1.10	3.25	1.03

However, a few comments must be made: First, normative orientation at the car dealership was exceptionally low in comparison with the other companies (2.94). Second, supervisors' support and job design varied from company to company (the least perceived support was found at the software developers, and flight attendants and insurance personnel had the most job autonomy). Third, job pressure was considerably higher at Shell and the software developers than in the other participating companies.

As table 30 shows, the results of the test of the model in the additional companies are relatively consistent and confirmed previous findings. In all the companies, affective orientation and job capacity had the strongest impact on employees' customer-oriented behaviour. Normative orientation had a significant impact in two of the five companies (retail and software companies). In the retail company the mean for normative orientation was considerably higher than in the other companies.

Calculative orientation was only significant in one of the participating companies, the car dealership, where the calculative mean was much higher than in the others. However, employees' organisational commitment that had a significant impact on customer-oriented behaviour in all previously reported tests of the model, did not have an impact in the retail company and in the airline. In both of these companies the mean for commitment was very high and the variance relatively small (s.d. for the airline .58) possibly explaining the failure of the variable to impact the dependent variable. Also, one of the commitment items was missing from the airline data. The capacity variables that had a significant impact on employees' customer oriented behaviour in all of the five companies were job competence and job pressure.

**Table 30 Antecedents of COBEH by type of service**

	Car dealer N=67	Insurance N=146	Retailer N=173	Airline' N=670	Software' N=61	Shell 1 N=73
Affective	.29**	.30**	.44**	.34**	.42**	.32**
Normative	.00	.06	.20**	.01	.32**	.17*
Calaculative	.25**	.02	.04	.01	.02	-.08
OC	.22**	.12*	.08	.03	.26*	.26*
Job Comp.	.31**	.32**	.17**	.26**	.14*	.45**
Sup.sup.	.22*	.04	.06	.05	.07	.07
Job press	.18*	-.13*	.15*	.13**	-.29*	-.12
Job design	.20*	.41**	.16*	.05	.09	.03
Adj. R2	.57**	.37**	.30**	.37**	.24**	.78**

Dependent variable COBEH

Figures in the table are standardized Beta coefficients

\* =  $p < .05$

\*\* =  $p < .01$

' = missing items

In all the companies, job competence had a positive impact, but job pressure had both a negative and a positive impact on employees' behaviours in the companies. Job pressure had a positive impact in three of the companies: at the car dealership, the retail company and the airline, but as in the Shell study, a negative impact in the insurance and software development companies. In those three companies, the job pressure was reported to be considerably higher than in the companies where job pressure had a positive impact, possibly suggesting that as job pressure increases its impact changes. The results for the other capacity variables were not as congruent. Supervisory support was only significant at the car dealership where support was perceived to be lower than in the other companies and job autonomy

more restricted. Job design had a significant impact at three of the companies (car dealership, insurance and retail companies). However, as in the Shell study, job design failed to have a significant impact at the software developers and the airline. In these two companies, items were missing from the job design scale.

In sum, these results suggest that the impact of the suggested antecedents on employees' customer-oriented behaviour does not differ greatly by type of service provided. The results of the analysis carried out in the various participating companies in this study as well as the initial research in British supermarkets suggest that:

- COBEH is mainly impacted by employees' affective orientation, job capacity and job pressure.
- As job pressure increases the impact changes from positive to negative.
- The impact of organisational commitment is significant except when the variance in employees' responses is limited.
- Supervisory support fails to be significant except when support was perceived to be low and job autonomy to be restricted.

- Job design has an impact in *sales-related* jobs (car dealership, retail, insurance), but not in more *service-related jobs* such as at gas stations, airlines and supermarkets.

The Shell study suggested that the two sub-dimensions of COBEH are not entirely a function of the same antecedents. Hence, it is important to examine further the impact of the antecedents on employees' helping and continuous improvement efforts in different service industries.

#### **6.4.5 Antecedents of helping behaviour by type of service**

The previous results reported in this thesis suggested that employees' helping behaviour in a service context was mainly a function of their affective orientation, organisational commitment, and job capacity. Also, the results suggested that under stress-related circumstances (job pressure) employees could be expected to intensify their helping behaviours towards customers. But, is that the case across a variety of service sectors? Separate regression analysis was conducted where the employees' helping behaviours were regressed on the eight independent variables using data from the five additional service companies.



As table 31 shows, the repeated tests of the model suggested that affective orientation and job capacity had a strong significant impact on employees' helping behaviours in all the companies across the various service sectors. However, in contrast to the Shell study, organisational commitment failed to have a significant impact on employees' helping behaviours in the five companies. Organisational commitment in all the five additional companies was higher than in Shell (see table 24), which indicates the possible impact of the level of commitment. As organisational commitment declines the impact it has on helping behaviours increases. In other words, the more employees felt a part of the company, were proud of it and were more willing to "put them selves out" for the company the more likely they were to go the "extra mile" for the customer as well. Interestingly, this behaviour was only detected in organisations where employees' levels of commitment were relatively low. Normative orientation had a significant impact in three of the companies: the retail company, the airline and the software development company. The three companies operate in different service sectors and the mean for employees' normative orientations (see table 24) do not indicate a link between the level of normative orientations and its impact on customer-orientated behaviours.

**Table 31 Antecedents of helping behaviours by type of service**

	Car dealer N=69	Insurance N=146	Retailer N=173	Airline' N=670	Software' N=61	Shell1 N=73
Affective	.31**	.53**	.47**	.34**	.39**	.43**
Normative	.04	.07	.20**	.15**	.29**	.02
Calaculative	.13	.02	.01	.01	.03	-.03
OC	.17	.07	.04	.02	.06	.19*
Job Comp.	.41**	.19**	.18**	.23**	.05	.35**
Sup.sup.	.13	.08	.09	.04	.08	.07
Job press	.08	.10	.01	.06	-.11	.15*
Job design	.12	.16	.08	.01	.06	.04
R <sup>2</sup>	.48**	.37**	.42**	.20**	.16**	.73

Dependent variable helping-behaviour

Figures in the table are standardized Beta coefficients

\* = p < .05

\*\* = p < .01

' = missing items

Further research is needed to explore the consistency and possible reasons for these findings, both in regards to the impact of organisational commitment and normative orientations on employee customer oriented behaviours.

All other variables in the model failed to have a significant impact. The results are consistent across service sectors and confirm the importance of employees' affective orientation and their understanding and knowledge of their jobs.

#### **6.4.6 Antecedents of continuous improvement by type of service**

The final test of the impact of the suggested antecedents on employees' customer-oriented behaviour was conducted by regressing the second sub-dimension of COBEH, continuous improvement efforts, on the eight independent variables in the model. The Shell study had suggested that service organisations interested in enhancing their employees' participation in improvement efforts must in addition ensure their employees' affective orientation and commitment as well as enhancing their job capacity, control job pressure, and communicate and reinforce effectively service values and norms (normative orientation). As seen in table 32, the repeated tests in the five participating service organisations confirmed the impact of affective orientation and job capacity. However, both normative orientation and organisational commitment failed to have a significant impact on employees' behaviour in three of the companies. Job pressure had a negative (non-significant) impact in all companies except in Shell, where job pressure was perceived to be higher than in the other companies.

In the Shell study, job design failed to be significant, but in all the additional companies participating in the study, job design had a strong positive impact on the number of ideas and suggestions employees reported to have made on how to improve the companies' services.

**Table 32 Antecedents of continuous improvement by type of service**

	Car dealer N=69	Insurance N=146	Retailer N=173	Airline' N=670	Software' N=61	Shell1 N=73
Affective	.25*	.30**	.31**	.22**	.18*	.28**
Normative	.04	.06	.14*	.01	.27*	.16*
Calaculative	.29**	.02	.06	.02	.08	-.10
OC	.17	.12*	.11	.06	.37**	.16*
Job Comp.	.20*	.32**	.20**	.20**	.18*	.40**
Sup.sup.	.30*	.04	.11	.05	.07	.14
Job press	-.03	-.13	-.08	.05	-.16	-.30**
Job design	.27*	.41**	.22**	.15**	.29**	-.04
Adjusted R <sup>2</sup>	.45**	.74**	.30**	.20**	.15**	.59

Dependent variable continuous improvement efforts

Figures in the table are standardized Beta coefficients

\* = p < .05

\*\* = p < .01

' = missing items

In sum, these results underline the importance employees' affective orientations and job capacity and a careful design of jobs where autonomy is provided and job pressure is controlled as a basis for enhancing employees' customer-oriented behaviours.

## 6.5 Willingness and capacity interaction

The results of all the tests of the COBEH model, described above, indicate the importance of both willingness and capacity variables for employees' customer orientation. Hence, it becomes important to examine whether these two fundamental variables interact. Previous studies on customer-oriented

behaviour have not examined the interaction of the two key antecedents of COBEH, i.e., the willingness and capacity to provide service. In this section of the chapter, results of statistical tests designed to investigate the effects of the interaction of the willingness and capacity to provide service on the COBEH construct as well as on the two sub-dimensions of COBEH will be discussed.

#### **6.5.1 Interaction of the willingness and capacity to provide service**

To explore the relation of the two key drivers of customer-oriented behaviour a series of statistical analyses were conducted. Jaccard et al., (1990) have suggested the use of the multiple regression procedures developed by Cohen and Cohen (1983) to examine possible interaction effects. "It involves forming a multiplicative term  $X_1X_2$  which is said to encompass the interaction effect, and to calculate two  $R^2$  values. If an interaction effect is present, then the difference between the two  $R^2$  values should be statistically significant" (Jaccard et al., 1990, p. 21).

When analysing interaction effects three questions are raised: Is there an interaction effect and, if so, what is the strength and nature of the effect. In order to answer these questions in relation to a potential interaction between

the COBEH core antecedents a regression analysis approach was used (Cohen and Cohen, 1993). First, a new overall willingness variable was constructed by combining the four willingness variables (affective, normative, and calculative orientation and organisational commitment). The alpha coefficient for the new overall variable (WILL) was .78. Also, a new overall capacity variable was constructed (CAP) by combining the four capacity variables (alpha coefficient .77). Second, the interaction between the new overall willingness and capacity variables was captured by multiplying these two variables together. To control for multicollinearity, as suggested by Jaccard et al., (1990) the overall willingness (WILL) and capacity (CAP) variables that were used to create the new multiplicative variable ( $X_1X_2$ ) were first means centred. Table 33, shows the inter-correlation of the new variable with the original independent variables for the Shell data. The correlation is very low and not significant. Three separate regression analyses were then conducted using the Shell data (see table 34) where the three dependent COBEH dimensions were regressed separately on the three independent variables (WILL, CAP and  $X_1X_2$ ).

**Table 33 Intercorrelation of WILL - CAP and multiplicative item**

	WILL	CAP	X <sub>1</sub> X <sub>2</sub>
WILL	1.00		
CAP	.35*	1.00	
X <sub>1</sub> X <sub>2</sub>	.06	.27	1.00

Correlation significant at the .05 level (2-tailed)

The regression results presented in table 34, suggest a significant interaction between employees' willingness and capacity in regards to COBEH and one of the two sub-dimensions, helping behaviours. However, the interaction was not significant in relation to employees' continuous improvement efforts. Interaction has been detected for COBEH as a whole and for one of its dimensions, but what is the form of the interaction? For COBEH as a whole the interaction is shown in figure 4.

**Table 34 Regression results: WILL and CAP interaction**

	COBEH	Helping behaviour	Continuous improvement
(Constant)	-.171	4.50	-.11.16
WILL	.79**	1.52*	2.66**
CAP	.63**	3.57**	4.21**
X <sub>1</sub> X <sub>2</sub>	-.74*	-.94 **	-.4†

Figures in the table are unstandardised Beta coefficients

\* = p < .05

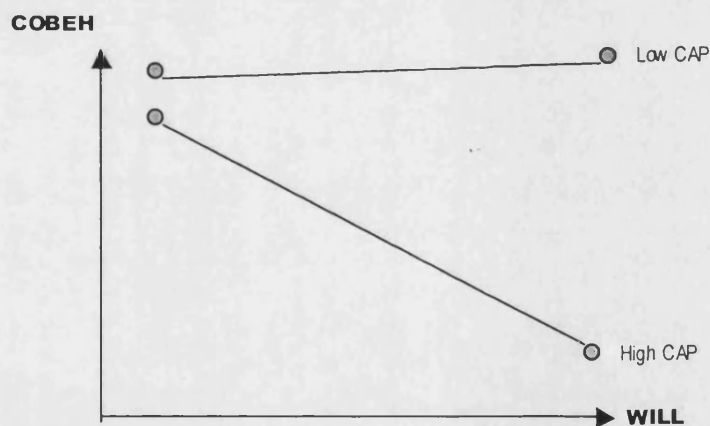
\*\* = p < .01

The results show that both willingness and capacity have a strong position in fact on customer-oriented behaviour, but as job capacity increases, the impact

of willingness on COBEH decreases. In other words, willingness to engage in customer-oriented behaviour has a greater impact among less skilled or knowledgeable employees (for example new employees) than on the more skilled ones. If there is a lack of capacity, increased will can make up for it and the employee will engage in customer-oriented behaviours in spite of his or her lack of skill or knowledge. An analysis of the interaction effect in relation to employees' helping behaviours revealed similar results.

**Figure 4** COBEH – interaction of model variables

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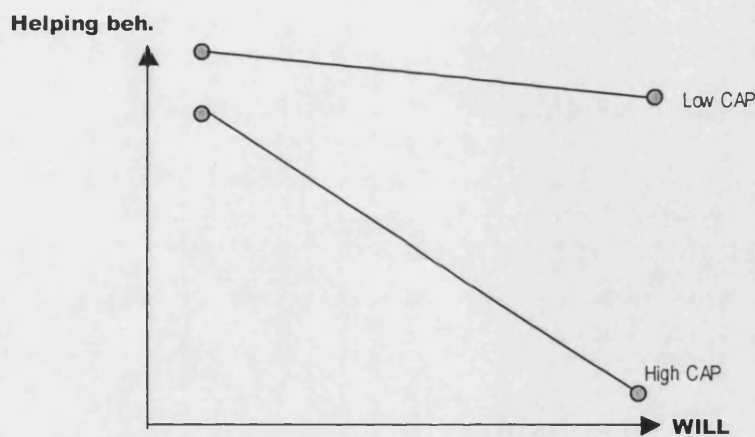


As seen in figure 5, the impact of employees' willingness to engage in helping behaviours on such behaviours decreases as their job capacity increases. These results underline the importance of the cultivation and maintenance of job capacity in service organisations. Human recourse



procedures, such as the selection and training of front-line workers and managerial and organisational practices, that insure employee participation and control job stress are important foundation for employees' capacity to engage in customer-oriented behaviours.

**Figure 5** Helping behaviours – interaction of model variables



Motivational factors are clearly very important. However, if high capacity front-line staff are selected and/or organisational socialisation processes increase or maintain the level of high capacity, motivational issues become less important in service organisations. In other words, how committed the employees are to the organisation or how well they internalise organisational service values and norms or even how much they enjoy their job, become less

important if their level of capacity is high. Hence for easy-to-learn jobs, where high levels of capacity can quickly be obtained or job capacity is already high, service organisations should emphasise the cultivation and maintenance of employees' understanding and knowledge of organisational products and services. However, in more complex jobs, where high levels of capacity can not as easily be obtained or in service organisations where job capacity for some reason is low, organisations must rely more on employee willingness to engage in effort on behalf of customers while their job capacity levels are being developed through training and socialisation processes.

## **6.6 Summary**

The purpose of the chapter was to examine the possible underlying bases of customer-oriented behaviour in a range of different service contexts and to explore, for the first time, the possible antecedents of helping behaviour and continuous improvement efforts. In addition, the results of an initial analysis relating to the interaction of the two key global variables included in the COBEH core model was discussed.

In sum, the results of this study confirm pervious findings regarding the antecedents of customer-oriented behaviour with the exception of the impact

of job pressure on COBEH. The initial study conducted in Britain by Peccei and Rosenthal (1997) had shown a positive relation between job pressure and the extent of employees' customer-oriented behaviours. In contrast, the present study showed a low non-significant relation. However, the results suggest that job pressure had a different impact on the two COBEH sub-dimensions: a positive relation to helping behaviours but a negative relation to continuous improvement efforts. Furthermore, helping behaviour and continuous improvements were not a function of exactly the same antecedents. The results suggested that helping behaviours are mainly a function of the affective orientation of employees and their capacity to do their job. But, continuous improvement efforts are also a function of other antecedents. Factors such as employees' organisational commitment and the strength of their normative orientation as well as the level of job pressure have a significant impact on employees' participation in such efforts.

In other words, employees' customer oriented behaviours are mainly impacted by employees' affective orientation, job capacity and job pressure across service industries. As the job pressure increases the impact changes from a positive to a negative one on both sub-dimensions of COBEH. Job design has an impact on COBEH in *sales-related* jobs (car dealership, retail,

insurance), but not in more *service-related jobs* such as at gas stations, airlines and supermarkets.

To further investigate the impact of the suggested antecedents the interaction of the key variables in the COBEH model was also examined. The results from the Shell study indicated that willingness to engage in customer-oriented behaviours is mediated by employees' job capacity. As job capacity increases, the impact of willingness on COBEH and helping behaviours decreases. This relation was not significant regarding employees' continuous improvement efforts. The interaction of the key variables was confirmed in the repeated test on a bigger sample (N=1190) using data collected for this thesis in collaboration with the Gallup Organization in Iceland.

Suggested explanations for the interaction can be found in the differences in impact levels of the antecedents of COBEH on the two sub-dimensions. Employees' willingness or motivation to engage in helping behaviours is mainly a function of individuals' affective orientation or the extent to which they experience intrinsic enjoyment from performing the task. Also, job pressure had been found to have a positive impact on helping behaviours. In other words, an employee who is highly motivated to exert effort on behalf of customers will do so regardless of his or her capacity level and under

intensified conditions, such as increased job pressure (possibly due to lack of capacity) will increase his or her efforts in order to satisfy the customers' needs. On the other hand, job pressure was found to have a very strong negative impact on continuous improvement efforts <sup>wich</sup> ~~which~~ were found to be a function of factors relating to individuals' normative orientation and commitment to the organisation in addition to their affective orientations. Therefore, a number of conditions other than employees' enjoyment of the task must be met before they are motivated to engage in continuous improvement efforts, possibly explaining why a mediation effect between the overall willingness and capacity variables was not detected in relation to continuous improvement efforts. In other words, increased motivation *makes up for* a lack in capacity in relation to helping behaviours, but intensified motivation is not sufficient to ensure higher levels of engagement in continuous improvement efforts among staff.

In sum, drawing on the results presented in this chapter, managerial implications for enhancing customer-oriented behaviours can be argued to direct attention primarily to such issues as selection and training, to ensure appropriate skills and motivation of employees. Drawing on the results of the interaction analysis of the COBEH model variables, HRM procedures designed to enhance and maintain job competence would appear to be

particularly important in service jobs where tasks are simple and relatively easy to learn or in organisations where the level of job capacity is high. However, in more complex service jobs that demand longer development processes or simply if workers are less capable of doing their job, service organisations must rely more on employee willingness to engage in effort on behalf of customers in addition to job capacity. In addition, to foster the necessary conditions for employees to engage in continuous improvement efforts as well as exert helping efforts, socialisation, communication, and reinforcement of organisational values and norms must be utilised to create a strong customer orientation within the organisation associated with organisational planning and HRM procedures to limit or control job stress, which negatively affects continuous improvement efforts.

## **7.0 The impact of training on COBEH**

Drawing on the results presented in this thesis it can be argued that the extent of employees' customer-oriented behaviour is an important issue for service organisations. Also, the results have shown that influencing COBEH and its sub-dimensions is a complex task due to the number of different antecedents impacting employees' behaviour.

Customer service training programmes are one of the most common ways for organisations to attempt to impact employee customer orientations to enhance organisational service performance. These programmes vary in duration and design, but commonly emphasise three important features central to service management theory and practice: the importance of service in a competitive marketplace, the key role of the front-line worker in the service delivery process, and the emphasis on introducing and reinforcing appropriate service values and norms among employees (du Gay and Salaman, 1992, Rosenthal et al., 1997). Theoretical perspectives focusing on the potential impact of such programmes suggest that participation in (or exposure to) customer care discourses or interventions will affect employees service perceptions and behaviours. The stronger the intervention, the more

proactive customer service behaviours the employee is likely to engage in (Schneider, 1990a; Heskett et al., 1997).

In spite of the widespread use of customer service training programmes to enhance employees' customer orientation, very little empirical research has been conducted relating to the suggested impact of such programmes. A lack of systematic empirical work relating to service training effectiveness is apparent in the literature (see Korczynski et al., 1996; Styrdy, 1998; Ogbonna and Harris, 1998; Peccei and Rosenthal, 2000). The little research that has been conducted is either based solely on employees' self-reports or qualitative data and, for example, relatively little is known regarding if, why, and how such programmes work. Peccei and Rosenthal (2000) have emphasised the importance of research efforts extending measurements of behaviour to other sources than employees' self-reports, such as supervisors and customers, and they suggest three main issues for empirical examination arising from an analysis of the existing literature on customer service training initiatives: First, the need for an empirical analysis regarding the types and extent of reactions employees have in relation to customer service training participation; Second, whether certain reactions are more likely than others following training; and finally the need for systematic empirical research regarding why employees react or don't react to such



training. Hence, the need for a longitudinal study with a research design including control groups and before and after evaluations of the potential impact of customer service training participation on employee customer-orientation is needed to address this apparent gap in the literature. The last part of the present study was designed to do just that by systematically examining the development of customer-oriented behaviours in the context of Shell in Iceland. The research design, at Shell, was longitudinal and included measures of employee attitudes and behaviours before and after an organisational initiative designed to enhance employees' service orientations. Furthermore, control groups were used (employees who did not participate in the training programme) to attempt to isolate the potential impact of training participation on employee attitudes and behaviours. Thus, providing a unique opportunity to evaluate a customer service training initiative in a rigorous and systematic way.

The aim of this chapter is to present the results of an empirical examination of employees' reaction to a customer service training programme at 18 Shell gas stations in Iceland and the impact of employees' participation in the programme on customers' perceptions of the services provided at the stations. This chapter first provides a description of the Shell service training programme and participating employees. A comprehensive training

evaluation model is then presented, followed by a description of the methods of analysis used and a presentation of the results of the statistical tests that were carried out to assess the impact of training intervention on employees' customer-oriented behaviours, helping behaviours and continuous improvement efforts. Finally, the implication of the findings presented in the chapter will be discussed.

## **7.1 Customer service training**

The objective of the training programme at Shell was to gain competitive advantage in a small, but highly competitive market. The prices, availability and quality of products of all the competitors on the market were comparable. However, research had shown a considerable difference in the quality of service provided by these competitors (Gallup, 1996, 1997; Business School Annual Survey, 1998). The major difference between the competitors was that the Shell stations were perceived to be cleaner and more attractive than those of the competitors', but the service at Shell was perceived to be slower and less personalised. Also, previous customer service audits at Shell (conducted by Gallup, 1997-1998) had indicated a need for faster and more flexible service from front-line staff. Drawing on the results from those studies, the Shell human resource and marketing teams

developed an extensive customer service training programme for front-line staff at all organisational levels to meet these new challenges.

#### **7.1.1 Training programme design and objectives**

The aim of the Shell training programme was to enhance employees' customer-oriented behaviours. In order to do so, the training curriculum emphasised employees' interpersonal skills and product knowledge as well as their participation in decision making. In addition, both Shell employee focus groups and the employee survey, conducted for this study at time one prior to the training programme had indicated a need for a discussion with employees on what management expected of front-line staff regarding the importance of the role employee's play in the quality of service provided at Shell. Employees had stated that nobody at the company really noticed employee performance. What was considered "in-role and extra-role" varied greatly among employees." Many believed the customer was entitled to superior treatment from all staff and meeting customers' needs was an "inseparable part of the job". However, others maintained that their job was first and foremost to provide designated services to customers, such as pumping gas or accepting payments. Anything else, such as continuous improvement and "selling the customer" or offering additional services (new windshield wipers, oil etc.) were "extra-role behaviours" and not a part of

their “regular job”. It demanded “extra effort” and in some stations (the larger ones) the job pressure was already perceived to be too high (according to employees). Therefore, the training programme focused on the importance of every employee-customer contact, how individual employees could and were expected to provide the customer with individualised care and participate in continuous improvement efforts. Also, the importance of “selling” and “introducing additional services” was outlined. To support employees in their efforts towards greater participation and initiative, the Shell management took action to support to a greater extent decisions made by their employees at the stations. Thus, employees’ participation in decision making was enhanced and regular meetings were scheduled at the stations to discuss employees’ suggestions regarding the working environment and the service to customers.

The first step towards enhancing employees’ initiative and customer-oriented behaviour, at Shell, was the customer service training. The goal of the training programme, presented at the start of the training sessions, was to “provide Shell front-line employees with knowledge regarding Shell products and the principles of personalised service and an understanding of the importance of customer-oriented behaviour” (Shell Training Manual, 1998, p. 1). The expected outcome of the programme was that “Shell

employees would acquire more confidence to provide additional services tailored to customer needs. And employees would show more initiative in both helping and continuous improvement efforts" (Shell Training Manual, 1998, p. 2).

The duration of the programme was eight hours (two four-hour sessions). The training was conducted in three phases. An equal amount of time was dedicated to each of the three phases of the training. First, the expectations of Shell customers were introduced based on the latest customer surveys. Although most customers reported that their main purpose for visiting the Shell stations was to purchase petrol they were very positive towards additional service offers. The most important service factors were identified as the speed of service, personalised service, and employee product knowledge. But customer trust was largely dependent on how strong they perceived the employees' product knowledge to be (Gallup, customer survey, 1998). Shell service standards were presented, emphasising the employees' role in meeting customers' expectations regarding responsiveness and personalised and reliable service. Participants in the programme discussed the service standards, customers' expectations and employee behaviour that could lead to fulfilment of those needs. Regarding the speed of service, the employees' suggestions were mainly to maintain

better queue management in addition to having an increased number of staff on duty during rush hours.

Second, the importance of employee initiative was emphasised. Role expectations and the importance of both helping behaviours and continuous improvement efforts were discussed. The use of appropriate questions, such as, “when did you last check your oil?” were introduced and practiced in the training programme to enhance employees’ confidence to offer the customer additional services. Also, exercises in communication skills (both verbal and non-verbal) and basic sales techniques were conducted.

In the third and final phase of the training programme, a series of short sessions were conducted to enhance product knowledge. Types and availability of Shell products and services were introduced and product attributes and usability of Shell products explained. In addition, various “tips to customers” regarding the maintenance of their vehicles were provided such as, how to prevent corrosion, protection of their engines, when and how to change oil and anti-freeze liquids and other valuable information to customers regarding car maintenance in winter conditions.

Trainers in the programme were Shell managers and employees from the front-line and professional trainers. Shell managers outlined the company's new approach to service provision, explained the service concept, employees' roles and authority, and communicated their expectations of employee performance. Professional trainers focused on key issues in the service delivery process and engaged employees in exercises related to providing service. Experienced Shell employees from the front-line and Shell's HRM department conducted seminars on product attributes and Shell services. Prior training had been limited to a non-standardised socialisation process for new employees and a few short seminars on product attributes.

#### **7.1.2 Participants in Shell service training**

Participating in the training programme were Shell front-line employees. Of the 71 employees included in the analysis for this study (who participated in both employee surveys) 25 did not participate in the training programme. These 25 employees served as a control group to examine the impact of training on the COBEH constructs. The employees were randomly selected for the training programme.

As table 35 shows, a comparison of the two groups (participating in training and not participating in training) revealed no statistical difference between the two groups regarding their customer-oriented behaviours ( $F= 1.02$ ,  $p> .05$ ) before the training programme.

**Table 35 The COBEH of control and contrast groups**

	TRAINED	N	NOT TRAINED	N
COBEH	3.95	31	4.09	19
Pro-social	4.23	31	4.27	19
Continuous improvement	3.72	30	3.80	19

Immediately following the conclusion of the programme employees were asked to evaluate the training effectiveness and the trainers' performance to control for the quality and relevance of the training programme. Furthermore, as recommended by Whitelaw (1972), employees were asked to repeat the evaluation of the usability of the training three months later to further examine the training effectiveness of the training.

## **7.2 Evaluation of training**

Davies (1989) has argued that without a comprehensive evaluation of training programmes it becomes difficult to explain the reasons for the success or failure of training. The research was designed to track individual



employee attitudes and performance over time to provide an opportunity to isolate a possible impact of training on customer-oriented behaviour and/or the antecedents of such behaviours. Hence, for the purpose of this study a comprehensive evaluation of the training was needed. First, an examination of the quality of the training programme and the extent of employee comprehension of the training material was conducted. Low programme quality and a lack of employee comprehensions could be expected to have a negative impact on the extent of the effect of training participation on employee behaviour. Second, given the high quality of the training and good employee comprehension, an examination of the suggested impact of training participation on employee customer-oriented behaviours was performed. Also, the potential impact of employees' perceptions of the programme on their behaviour following the training was examined. Later in this chapter a detailed training evaluation model will be introduced and the results presented.

The effectiveness of the training was evaluated at all the levels suggested by Whitelaw (1972). First, the reaction to and immediate outcome of the training was measured by a short questionnaire (see Appendix) at the end of the last training session. The intermediate level was measured by supervisory performance reports four weeks after the training had been

completed including an evaluation of employee customer-oriented behaviours. The final level was evaluated by employee and customer service surveys. The surveys which were conducted three months after completion of the programme included measures of key variables regarding customer-oriented behaviours, re-evaluations of the perceived usefulness and enjoyment associated with the training, and customers' perceptions of the services provided. However, over the duration of the study (nine months) many factors can enter into play and influence employee behaviour. Hence, an employee control group or "a group of subjects not exposed to the experimental treatment" (Aaker, et al., 1997, p. 758) were used to allow for a comparison of the reported customer-oriented behaviours of employees who participated in the training and those who did not, thereby providing an opportunity to isolate the potential impact of the training on employees' customer-oriented behaviour.

### **7.2.1 Reaction to and immediate outcome of the training**

Employee perceptions of the training programme and its potential usefulness were measured immediately following the completion of the programme. Participating employees were asked to answer 14 questions regarding the training programme and the trainers' performance (see Appendix) using a five point Likert scale (1 very dissatisfied and 5 very satisfied). The

questionnaire was based on and adapted from the work of Whitelaw (1972) and included questions regarding the structure and organisation of the training, trainers' performance, relevance of the training to participants' jobs, an overall evaluation of the training programme, and a measure of the extent of participant enjoyment related to the training. The evaluations were anonymous and returned in sealed envelopes.

The results of the training evaluation conducted immediately following the training sessions show that the overall perception of participants was that the training had been enjoyable, useful and related to front-line jobs. Employees reported having had good comprehension of the material covered and that the programme had been very well organised, the duration of the programme appropriate, and that the balance between lectures and practical exercises was perceived as very good (see table 36). A total of 84 percent of the participating employees in the programme believed the training had increased their understanding of their job, 86 percent reported having learned a lot, and 98 percent stated that the training would be useful to them. Over 95 percent of participating employees in the programme reported having had a good or very good comprehension of the training material as presented by the trainers.

**Table 36 Immediate reaction to the training**

	N	Mean	SD
The training enabled me to understand my job better.	44	4.20	.76
I enjoyed the training programme.	44	4.27	.94
What I learned will be useful in my job.	43	4.50	.50
I learned a lot in the training programme.	44	4.02	.90
I did not learn a lot that I did not already know.	44	2.25	1.12
The training related well to my job at Shell.	44	4.36	.57
The programme was well organised.	44	4.02	.95
The lectures and practical exercises ratio was good.	44	5.00	.00
The duration of the programme was appropriate.	44	4.20	.76
How well/badly did the trainer communicate the training material?	44	4.45	.59
How successful/unsuccessful was the trainer in providing useful examples?	42	4.27	.78
How good/bad was the trainer's presentation?	44	4.23	.80
How comprehensible/incomprehensible was the material?	44	4.47	.66
Overall rating of the training programme.	44	4.54	.58

The training evaluation was measured on a five-point Likert scale.

To further test the immediate outcome of the training it would have been useful to administer a test on the training material in order to evaluate how well the participating employees had understood and retained the information provided. Such a test would supplement employees' self-reports regarding understanding and comprehension. However, the training and development team at Shell decided not to undertake such a measurement. To substitute for the lack of test results, employees were asked, for the purpose of this study, to answer questions included on the training evaluation form regarding their retention and understanding of the material discussed in the training programme. As mentioned earlier, employees believed they had a good comprehension of the material and the

mean for the overall rating of the programme was 4.54 with 95 percent of participating employees reporting that they were satisfied or very satisfied with the training.

### **7.2.2 Intermediate level of training evaluation**

To measure the intermediate level of the training evaluation process, Shell supervisors were asked to evaluate the customer-oriented behaviours of their employees approximately four weeks after the training had been completed. Seven months before, the supervisors had conducted the same evaluation of employees' performance for 22 individuals who later participated in the training programme and for 7 who did not (see Appendix). As shown in table 37, a comparison of the evaluation forms shows that before the training the mean for the employees' customer-oriented behaviours (COBEH) as rated by supervisors was 3.86 for those individuals who participated in the training programme. After the training the mean for the same 22 individuals as rated by supervisors had risen to 4.04 ( $F=2.22$ ,  $p < .05$ ), thus, suggesting a significant increase in those behaviours as perceived by supervisors. In particular, a significant change was measured in supervisors' ratings of employees' continuous improvement efforts. The ratings increased from 3.65 before the training to 4.00 after the training ( $F=2.59$ ,  $p < .05$ ). No significant

difference, however, was detected in supervisors' evaluations of employees' helping behaviours.

**Table 37 Supervisors' evaluations of employee COBEH**

	Time 1				Time 2			
	TRAINED	N	NOT TRAINED	N	TRAINED	N	NOT TRAINED	N
Super - COBEH	3.86	22	3.83	7	4.04	22	4.08	7
Super - Pro-social	4.29	22	4.31	7	4.21	22	4.07	7
Super - Continuous improvement	3.65	22	3.73	7	4.00	22	3.93	7

No significant difference was found between time one and time two in supervisors' ratings of those individuals who did not participate in the training programme. However, these results must be interpreted with caution because of the very small number of employees in the control group (not trained). Nevertheless, the results reinforce the idea introduced above that training participation had an impact on supervisors' awareness and perception of employee behaviours.

### 7.2.3 Final level of the evaluation of the training

The last level of the training evaluation process was measured by employee and customer surveys three months after the completion of the training. Included in the employee surveys were measures of key variables regarding

customer-oriented behaviours and a re-evaluation of employees' perceptions of the training programme completed three months before.

A repeated evaluation of the training provided additional information regarding the usefulness of the training (see table 38). As suggested by Davies (1989), an evaluation of training effectiveness was conducted three months after the training had been completed in order to allow an appropriate amount of time for employees to put into practice what they had learned during the training sessions.

**Table 38 Repeated employee evaluation of the training**

	Immediate after TP	N	3 months after TP	N
I enjoyed the training	4.27	44	4.12	44
I learned a lot in the training programme	4.02	44	4.00	44
What I learned in the training programme has been useful in my job.	4.50	43	4.31	43

As a part of the evaluation process, employees were asked if they believed they had learned a lot from the training conducted three months before, if what they learned in the training programme had been useful in their jobs and if they had enjoyed the training. These are the same questions posed immediately after the training had been completed (see table 38). A

comparison of the employees' perceptions at these two measurement times shows that employees still believed three months after the training programme that the training had been useful, that they had learned a lot, and that the training had been enjoyable. A paired sample t-test did not reveal a statistically significant difference in employees' evaluation of the training between the immediate evaluation and the second evaluation three months later ( $t = -.35, p > .05$ ).

#### **7.2.4 The Training Impact Model**

To examine the potential impact of training participation on employees' customer-oriented behaviours a model was designed for this study to provide a rigorous systematic test of the effectiveness of service initiatives suggested in the service and management literature. The purpose was to answer the question: Did participation in the training programme change employees' reported levels of customer-oriented behaviour? And to examine the effect of employees' positive or negative evaluations of the programme itself on their reported levels of customer-oriented behaviours after the completion of the training. A repeated measure of employees' self-reported customer-oriented behaviour was necessary to examine the impact of training participation on employees' helping behaviours and their continuous improvement efforts. The repeated measures also provided an

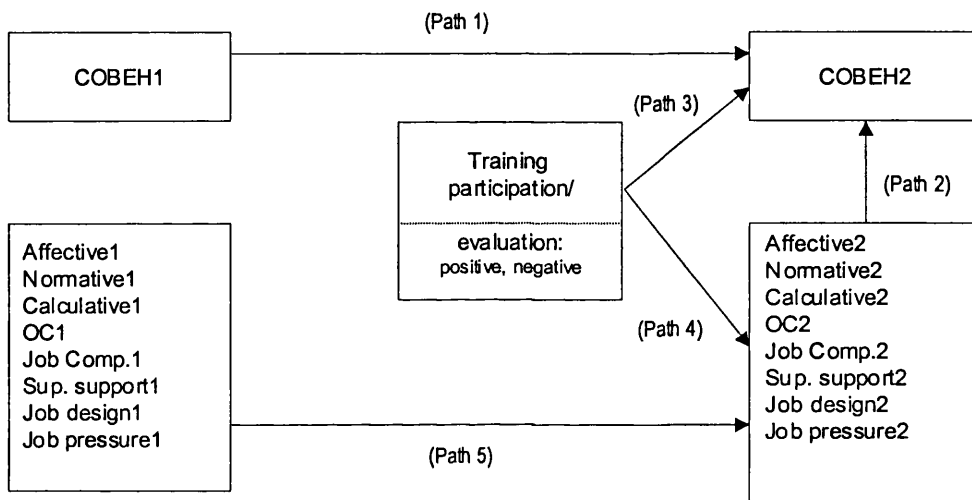


opportunity to examine if and to what extent training participation had an impact on the antecedents of customer oriented behaviour as suggested in the core COBEH model (discussed in chapter four of this thesis), such as employee motivation and capacity to engage in customer-oriented behaviour.

As seen in figure 6, the potential impact of training participation on employees' customer-oriented behaviour was examined in three ways: first, by testing the direct impact of training participation on COBEH (at time two) by controlling for employees' initial level of customer-oriented behaviours (COBEH at time one) as well as for a possible impact of the suggested antecedents at time two (paths 1, 2 and 3 in the model). Thus, controlling for factors other than training that might impact employees' customer-oriented behaviours at time 2. Second, the indirect impact of training participation on COBEH through its impact on the suggested antecedents of customer-oriented behaviour at time 2, while controlling for the antecedent variables at time 1 (path 5) was captured by paths two and four in the Training Impact Model. An examination of the potential indirect effect of employees' training participation involved looking for answers to questions, such as whether the training managed to enhance employees' job competence, normative orientations or their commitment to the organisation. Further, did the

potential impact of the training on these factors affect employee customer-oriented behaviours after the training was completed?

**Figure 6 Training Impact Model**



Training evaluation research suggests that participation in training may not, in itself, be sufficient to bring about desired changes in employees' attitudes and behaviours, but what is also important is how employees experience and evaluate the training programme in which they were involved (Tannenbaum et al., 1991). Therefore, an examination of the effect of employees' positive or negative perceptions of the training programme on their reported levels of helping behaviours and continuous improvement efforts were also included in the Training Evaluation Model as will be discussed further below.

The Training Impact Model outlines the necessary steps in the examination of the potential direct or indirect impact of training participation and training evaluation on employee customer-oriented behaviours. In order to thoroughly examine the potential impact the analysis was conducted in two main steps. First, customer-oriented behaviours at time two (COBEH2) were regressed on the same behaviours at time one (see path 1 in figure 5), on the antecedents at time two (see path 2 in figure 5), and on training participation (see path 3 in figure 5). This makes it possible to examine the potential direct impact of the training on employees' self-reported behaviour while simultaneously controlling both for such behaviours prior to the training and for the potential impact of the antecedents of COBEH at time two. Second, the indirect impact of training participation on customer-oriented behaviours was examined by regressing each of the antecedents at time two on the training participation variable and the corresponding antecedents at time one, thereby making it possible to assess path four in the model, i.e., the impact which the training had on the antecedents of COBEH while controlling for the relevant antecedent variables at time one. The results for path four were then combined (multiplied) with those from path two above to yield the indirect impact of the training on COBEH at time 2.

To further explore the impact of training, a variable measuring employees' perceptions of the training programme was substituted for the training participation variable in the Training Impact Model and the regressions repeated. For this analysis, the sample was divided into three groups: (1) employees who did not participate in the training (control group), (2) employees who participated, but had a negative perception of the training programme (rated the programme lower than the overall training evaluation mean), and (3) employees who participated and had a positive perception of the programme (rated the programme equal to or greater than the training evaluation mean). Dummy variables were then constructed on this basis, using the control group as a reference category in the analysis. The new dummy variables were labelled "NEGT" for employees who participated in the training but had a negative perception of it, and "POST" for employees who participated in the programme and evaluated it positively. COBEH2 and the two sub-dimensions (helping behaviour and continuous improvement efforts) were then regressed, in separate regressions, on the NEGT and POST variables following the same procedures as for the training participation analysis described above.

This step-by-step approach provided a rigorous and systematic way of testing the impact of training participation on customer-oriented behaviour,

one that controls for the potential impact on COBEH of important factors other than training participation itself. As such, this approach allows for a close examination of the nature and the extent of training impact on COBEH in a service context. The results of the analysis are presented below.

### **7.3 The impact of training on customer-oriented behaviour**

As described above and outlined in the Training Impact Model, the potential impact of the training on employee customer-oriented behaviour was analysed in two steps. Following are the results of the analysis. First, the direct impact of training on employee customer-orientation and its two sub-dimensions is presented. Second, the indirect effect of training participation on customer-oriented behaviour is examined and at the end of the chapter the results of tests regarding the impact of training on customers' perceptions of the provided services is discussed. But before the results are presented a brief discussion of descriptive statistics is provided to give an overview of employees' customer-oriented behaviours before and after the training as well as information on other relevant variables in the evaluation model (shown in figure 5). The variables in the Training Evaluation Model were taken from the COBEH core model discussed in chapter four of this thesis.

### **7.3.1 Descriptive statistics**

As previously discussed in chapter 4, Shell employees reported high levels of affective orientation and job competence at time one of this study, six months prior to the training. Furthermore, levels of self-reported helping behaviours were very high (mean 4.32), but at time one of the Shell employee survey the level of continuous improvement (mean 3.77) was much lower than that of helping behaviours. Before the training (time one) a comparison of means did not reveal a statistically significant difference for any of the key variables in the model between individuals who later were randomly selected to participate in the training programme and those who did not participate (the control group).

All the variables in the COBEH model were measured again at time two, nine months after the first survey (three months after the completion of the training). No significant changes were found across the sample as a whole in terms of COBEH and its sub-dimensions between times one and two. In terms of the other variables in the model the only statistically significant changes were a drop in organisational commitment and an increase in normative orientation (see table 39).

A possible explanation for the change in organisational commitment is that a few days before the second employee survey Shell management shut down one branch of the operation (distribution services), resulting in layoffs of a number of Shell employees (this service was out-sourced to a distribution company operating in the area).

**Table 39** Difference in means of Shell model variables at times 1 and 2

	Mean time 1	SD	N	Mean time 2	SD	N	Diff. mean time 1-2	SD
Affective	4.49	.50	49	4.40	.63	50	.09	.76
Normative	4.32	.39	49	4.56	.51	49	.24**	.56
Calculative	2.98	.83	49	2.92	.88	49	.06	1.03
OC	4.10	.55	48	3.56	.92	48	-.54**	.87
Job comp.	4.38	.56	49	4.28	.71	50	-.10	.77
Sup. support	4.28	.76	49	4.29	.65	50	.01	.79
Job design	3.42	.76	47	3.51	.89	49	-.09	.84
Job pressure	2.52	.96	48	2.32	.97	50	-.20	1.12
COBEH	4.04	.53	50	4.06	.50	50	.02	.58
Pro-soc	4.32	.52	50	4.37	.54	48	.05	.60
Con-imp.	3.77	.68	47	3.78	.62	47	.01	.82

\*\*p<.01

The change was expected to benefit the Shell operation financially and most of the employees were relocated with the assistance of Shell, either within the company or with other companies. However, the way the change was initially communicated and implemented was a cause of disappointment and anger among other Shell employees. In the focus groups, which were conducted as a part of this study, employees pointed out that “many employees at the stations only heard about the changes in the news the very

morning of the implementation". They believed such lack of communication was a "disregard of employees' feelings and their right to know about issues relevant to their jobs at Shell". Employees also pointed out that "due to the lack of information associated with the changes most employees at the gas stations did not know about the relocation programme launched for those employees at the oil distribution centre whose jobs were cut until much later, resulting in lack of trust and disappointment with the Shell management". Nevertheless, the change did not cause a drop in perceived level of job security among the Shell employees who participated in the second employee survey, but was reflected in a significant decline in commitment to the organisation which at time one was 4.10, but dropped to 3.56 at time two.

The second change between the two surveys was an increase in employees' normative orientation. The training programme emphasised quality customer service and the importance of the customer for the overall success of the company, tapping into the normative orientation of employees. However, at time two of the study, a statistically significant difference was not detected between the normative orientation of the employees who had participated in the training programme and those who had not ( $F .19 p > .05$ ). It would appear in fact that the change in the level of normative customer orientation was not restricted to those employees who participated in the



programme, but rather was organisation wide and affected the sample as a whole. This suggests in turn, that the attention drawn to customer service by management in initiating the programme had an impact on all employees, resulting in higher reported levels of awareness of service importance (normative orientation) among all organisational members.

### **7.3.2 The impact of training participation on customer-oriented behaviours**

As previously discussed in this chapter, a series of multiple regression analyses were needed to test the impact of training participation on the customer-oriented behaviours of employees. Self-reported employee COBEH from time two (after the training) served as a dependent variable and training participation, training evaluation and the suggested antecedents from times one and two as independent variables.

As outlined in the Training Impact Model, the first step was to examine the direct impact of training participation on COBEH. Employees' reported levels of COBEH at time two were regressed on training participation controlling for this potential impact of COBEH at time one (i.e., before the training), as well as for the impact of the antecedents of COBEH (at time two) to attempt to isolate the effects of the training intervention per se. The results

of this analysis, first for COBEH and then for the two sub-dimensions (helping behaviours and continuous improvement efforts) are shown in table 40. There are three main points to note about the results in table 39. The first point concerns the impact of COBEH and the two sub-dimensions at time one on time two.

**Table 40 Final test of the Training Impact Model**

	COBEH 2	Helping 2	Con-imp. 2
COBEH1	.14		
Pro-soc1		.19*	
Con-imp1			.12
Affective 2	.36**	.43***	.19
Normative 2	.22*	.11	.23
Calculative 2	.10	.06	.08
OC 2	.17	.17	.13
Job Competence 2	.34**	.28**	.30**
Supervisors support 2	-.18	-.14	-.17
Job design 2	.16	.05	.22
Job pressure 2	-.07	-.06	.00
<b>Training participation</b>	<b>.12</b>	<b>-.17</b>	<b>.35**</b>
Adjusted R2	.70***	.58***	.48***

\* p<.05  
 \*\*p<.01

A significant impact was not found except for helping behaviours where such behaviours at time one had a statistically significant impact on the corresponding behaviours, at time two ( $\beta = .19$ ,  $p < .05$ ). The second point concerns the impact of the antecedent variables on COBEH at time two. This

essentially represents a further test of the original explanatory model of COBEH (see chapter four) using the time two data, but at the same time control for COBEH at time one. As such, this represents a rigorous validation of the antecedents of COBEH. As can be seen in table 40, at time two employees' affective orientation and job competence remained as the strongest predictors of employees' overall customer orientation, as well as on helping behaviours. But only job competence and not affective orientation emerged as a significant predictor of continuous improvement efforts. The third and central point regarding table 40 concerns the impact of the training participation variable on COBEH. Training participation did not have a statistically significant impact on COBEH and helping behaviours at time two controlling for the impact of relevant variables at time one. However, training participation had a significant impact on continuous improvement efforts ( $\beta = .34, p < .01$ ). It would appear, therefore, that the training programme did not change employees' overall helping behaviours but resulted in enhanced employee involvement, i.e., an increased number of suggestions and ideas employees reported they had submitted on improvements regarding Shell services (see table 40). Training participation explained more of the variance of the participants' continuous improvement efforts than other variables in the model (after the impact of such behaviours and the antecedents at time one had been controlled for).

### **7.3.3 Indirect effect of training on customer-oriented behaviours**

The results presented above suggest that training participation has a positive and direct impact on continuous improvement efforts of employees, but not on helping behaviours. However, the training was designed to increase awareness of quality service and enhance job competence through increased knowledge of product attributes as well as communicating to employees management's expectations of increased employee involvement and participation in improved service at Shell. Therefore, the training might also have been expected to have an indirect effect on employees' customer-oriented behaviours through the impact of the suggested antecedents of COBEH at time two.

To examine any possible indirect effects of the training a series of multiple regression analyses were carried out. Specifically each of the antecedent variables at time two were regressed separately on the training participation variable and on the corresponding antecedent from time one. As can be seen from table 40, training participation did not have a significant impact on any of the antecedents of the COBEH construct at time 2.

The resulting beta coefficients from this analysis were then used to calculate the indirect effects of the training participation variable on COBEH. This

was done by multiplying the relevant coefficients with the previously obtained coefficients linking the time two antecedents variables with COBEH at time two (i.e., by multiplying the coefficients captured in paths four and two in the Training Impact Model shown in figure 6). The results of this analysis are presented in table 41. No statistically significant impact was found in regards to an indirect impact of training participation on employees' customer-oriented behaviour. Overall, therefore the training appears to have had no indirect impact on employees' customer-oriented behaviours through the antecedents and the results suggest that the training programme only had a direct impact on employee behaviours (see table 41).

**Table 41 Direct and indirect impact of training**

Direct Impact	Affect2	Norm2	Calc2	OC2	Job Com2	SupSup2	Job Des2	Job Press2	COBEH2	Helping2	ConImp2
Training Participation	-.27	-.20	.16	.08	.10	-.02	.00	.04	.12	-.17	.33**
Indirect Impact									-.08	-.11	-.02

\*p<.05

\*\*p<.01

The figures in the table are standardised Beta coefficients

#### **7.3.4 The impact of training evaluation on customer-oriented behaviours**

To further explore the impact of training a variable measuring employees' perceptions of the training programme was substituted for the training participation variable in the Training Impact Model to examine if and/or to what extent employees' reported levels of COBEH varied in relation to how positively or negatively they perceived the training programme to have been.

Factor analysis of the questions used to evaluate the training programme (see Appendix) produced one factor with an alpha coefficient of .82 ("TE" or training evaluation). Based on how favourably or unfavourably the participating employees perceived the training, two dummy variables ("NEGT" and "POST") were constructed using a control group (employees not participating in the training programme) as the reference category. COBEH2 and the two sub-dimensions of COBEH (helping behaviours and continuous improvement efforts) were then regressed, in separate regressions, on NEG and POST variables following the same procedures as for the training participation analysis described above.

As table 41 shows, the training evaluation variables (NEGT and POST) only had a statistically significant impact on continuous improvement efforts, as was the case with the training participation variables. Participants' positive

perception of the training programme had a positive impact on continuous improvement efforts ( $\beta = 38, p < .01$ ), as did a negative perception, although in the latter case the impact was weaker ( $\beta = 20, p < .05$ ). However, the training evaluation did not significantly impact either reported levels of helping behaviours or the overall COBEH construct (see table 42). In other words, irrespective of whether the employees' evaluated the training positively or negatively they were more likely to engage in continuous improvement efforts after they participated in the training programme than were their colleagues who did not take part in the training. On balance though, the participants who were more positive about the training showed a stronger tendency to engage in continuous improvement efforts than the participants who evaluated the training negatively.

In sum, together with the results of the previous regressions, these results indicate that training participation had a significant impact on continuous improvement efforts and that the impact was even stronger if employees perceived the training to be useful to their jobs and enjoyable.

**Table 42 Impact of training evaluation on customer-oriented behaviour**

	COBEH 2	Helping 2	Con-imp 2
COBEH1	.14		
Pro-soc1		.19'	
Con-imp1			.11
Affective 2	.36**	.44**	.18
Normative 2	.22*	.11	.23
Calculative 2	.10	.06	.09
OC 2	.16	.18	.30**
Job competence 2	.34**	.28*	.30**
Supervisors support 2	-.18	-.14	-.17
Job design 2	.16	.05	.21
Job pressure 2	-.08	.17	-.03
NEGT	.08	-.14	.27*
POST	.14	.17	.38**
Adjusted R <sup>2</sup>	.70***	.59***	.38***

\* p<.05

\*\* p<.01

The figures in the table are standardized Beta coefficients

However, the impact was only detected in relation to increased improvement efforts and not regarding employee willingness to engage in helping behaviours towards customers or in terms of the overall COBEH construct.

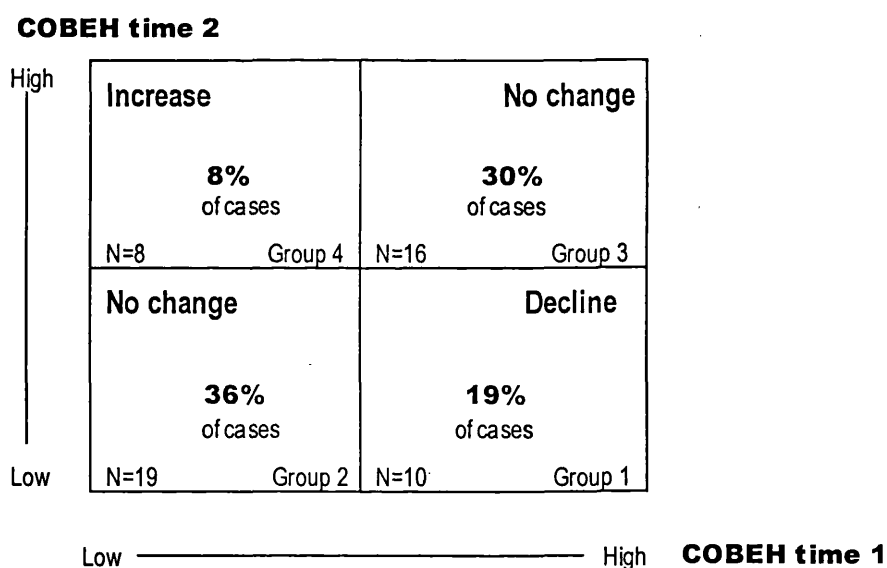
#### 7.4 Changes in reported levels of customer-oriented behaviour

The purpose of the training programme was to enhance employees' customer orientation. As figure 6 shows, the change between time one and time two of the study concerned mainly continuous improvement efforts. But, although



a statistically significant difference was not detected in the COBEH means from time one to time two, the figures in table 39 indicate a difference in employees' COBEH scores between the measurement times. The specific nature of these changes still remains to be explored. To examine this change following the training the sample was divided into four groups (see figure 7).

**Figure 7 Crosstabulation of sample groups: COBEH**



The first group consisted of individuals who had reported high levels of customer-oriented behaviour at time one (equal to or above the COBEH, pro-social, and continuous improvement means), but at time two reported low levels of such behaviours (less than the means). In other words, their

customer-oriented behaviour had declined. Group two contained employees who had reported low levels of customer-oriented behaviours at time one and continued to report low levels of such behaviour at time two. The third group contained employees who reported high scores at time one and continued to report high levels of customer-oriented behaviours at time two. The fourth and final group contained employees who had at time two increased their reported levels of customer-oriented behaviours from the time of the first survey. As shown in figure 7, eight percent of employees reported increased levels of customer-oriented behaviour between the two periods of measurement. However, 19 percent reported a decline in such behaviours. Over 60 percent of employees continued to show either low or high COBEH scores from time one to time two, thus reporting no change in customer-oriented behaviours.

From figure 8 it is apparent that a large number of employees (70%) reported very high levels of helping behaviours at time one and continued to report high levels at time two. Ten percent of employees reported increased levels of helping behaviours between the two surveys and eight percent reported a decline. Twelve percent of employees showed low levels of helping behaviours at time one and continued to do so at time two.

**Figure 8 Crosstabulation of sample groups: Helping behaviour**

**Helping behaviours time 2**

High	<b>Increase</b>  10% of cases N=5                  Group 4	<b>No change</b>  70% of cases N=35                  Group 3
	<b>No change</b>  12% of cases N=6                  Group 2	<b>Decline</b>  8% of cases N=4                  Group 1
Low	Low	High

**Helping behaviours time 1**

As can be seen from figure 9, the distribution of scores was more even regarding continuous improvement efforts as 23 percent of employees reported increased levels of such effort, 29 percent reported high levels at time one and continued to do so at time two, and 21 percent reported lower levels of continuous improvement efforts between the two time periods. 27% of the group reported no change in continuous improvement efforts between time one and two. Of those who reported increased levels of such efforts 73 percent had participated in the training programme, whereas more than half of those employees who reported a decline had not participated in the programme.



#### **7.4.1 The link between COBEH and customer perceptions**

The training programme aimed at positively affecting customer service at Shell by improving employees' knowledge of product attributes, providing more personalised and flexible service, and focusing employee attention on the importance of quality service. As discussed above, the training had a direct effect on the extent of employees' self-reported continuous improvement efforts but not on the extent to which their helping behaviours were directed towards customers. Thus, an interesting final question remains. Did this change in employee' behaviour translate into more positive customer perceptions of the service provided at the Shell stations?

A comprehensive customer survey (N=900) was conducted three months after the training programme had been completed to allow enough time for employees to put into practice what they had learned (Davies, 1989). The survey included measures of the five dimensions of service quality: assurance, empathy, responsiveness, reliability and tangibles, as previously discussed in chapters two and four of the thesis (also see Appendix). Employee and customer responses had been paired in a conjoint data file to allow for an accurate comparison of employee self-reports and customer perceptions of the service (see chapter two).

A multiple regression analysis where training participation was regressed on the five service dimensions showed that training participation was positively linked to customers' perceptions of tangible items at the gas stations ( $\beta=.44$ ,  $p<.05$ ). In other words, how clean and attractive the interior and exterior of the stations were perceived to be by customers was directly linked to employees' training participation. Also, the training was positively associated with customers' perceptions of the speed of service at the stations ( $\beta=.35$ ,  $p<.10$ ) (see table 43).

**Table 43      The link between service training and customer perceptions**

	Assurance 2	Empathy 2	Reliability 2	Respons 2	Tangibles 2	Overall quality
Training participation	-.21	.26	.17	.35'	.44*	.15

$p<.10$

\*  $p<.05$

The figures in the table are standardised Beta coefficients

The results presented in earlier parts of this chapter suggested that the training only had a significant impact on continuous improvement efforts but not on helping behaviours of employees. The results from the regression exploring the link between training participation and customer perceptions support these findings. In other words, the training had successfully focused employee attention on continuous improvement efforts that translated into

an enhanced employee effort to fulfil Shell *written service standards* that mainly stressed the appearance of tangible items in the stations.

## **7.5 Summary**

The purpose of this chapter was to examine the impact of a customer service training programme on the customer-oriented behaviours of employees. The repeated measures with an interval of nine months and a research design including these before and after measurements and control groups provided an opportunity to systematically and rigorously examine the effectiveness of such programme in service settings.

The results show that the training had a direct impact on customer-oriented behaviour at Shell, though an indirect effect through the suggested antecedents of such behaviours was not detected. Furthermore, the training failed to affect employees' helping behaviours, but a significant positive impact was measured regarding employees' continuous improvement efforts. This was also the case with respect to the impact of the training evaluation variable. Employees' positive evaluations of the training programme had a positive impact on the extent of employees' continuous

improvement efforts, but a non-statistically significant impact on their helping behaviours.

Further testing is needed regarding the impact of customer service training on customer-oriented behaviour. However, the main managerial implications from these results are that customer service training has a direct impact on employees' customer-oriented behaviours, but does not manage to affect employees' fundamental attitudes and orientations that underlie such behaviours. However, the suggested antecedents covering various aspects of employee willingness and capacity to provide service, are important driving forces of COBEH and can be developed through selection, socialisation, rewards, training and other relevant managerial practices. Customer service training is only one part of the puzzle. The results suggest that other managerial actions also play an important role in building up a strong customer-orientation among front-line staff. Customer-service training may be quite effective in reminding employees or drawing their attention to important aspects of front-line jobs which may be forgotten or ignored in the day-to-day operations of the workplace.

Various explanations can be found in relation to these results. First, the training programme may not have had an impact on any of the antecedents



because it failed to reinforce training materials in a way that employees understood, retained and later implemented what they had learned. The duration and balance between lecturing and practical exercises may not have been sufficient to achieve the set objective. However, training evaluation both immediately after the training and repeated evaluation three months later suggested that employees both believed they understood the material and used what they had learned in the training programme in carrying out their jobs. A total of 88 percent reported using what had been taught in the training programme and 86 percent believed the organisation of the programme was good. Therefore, the results of the training evaluation indicate that the programme was properly designed and implemented.

Second, the training programme was designed to impact both the helping behaviours and continuous improvement efforts of employees. The results of the study have shown that the programme failed to significantly impact helping behaviours. However, before the training employees had reported very high levels of such behaviours (mean 4.32), much higher than their level of continuous improvement efforts (mean 3.77); 94 percent of front-line employees reported that they put a lot of effort into their jobs to satisfy customers; and 82 percent reported that they went out of their way to help

customers. When the level of behaviour has become so high the opportunities to further increase such behaviours are more limited.

Third, employees may have better retained the part of the training where their role in continuous improvement efforts was emphasised or the programme simply focused employees' attention or reminded them of this part of their jobs. In the employee surveys, employees reported being familiar with what was expected of them in their job. However, no measure was designed as a part of this study to test what employees' perceptions of these expectations were. Further research in the field of customer-oriented behaviours should include a content analysis of perceived role expectations (in-role and extra-roles) to examine further how front-line service workers perceive and categorise their tasks. For example, employees may not have been aware of the fact that continuous improvement was expected of them (is not a part of a formal front-line employees' job descriptions at Shell) or they may have been very well aware of the fact, but prioritised their tasks with a stronger emphasis on helping behaviours towards customers. Therefore, an analysis of perceived role expectations could provide valuable information for further research on customer-oriented behaviour.

Fourth, the training design (duration, organisation, content) may not have been sufficient to cause fundamental changes in employees' willingness or capacity to engage in customer-oriented behaviour through the suggested antecedents. Employees' training participation did not, for example, result in changes in their affective orientation or job competence but appeared only to manage to draw attention to a variety of job expectations and the overall importance of service.

Further research is needed involving a larger samples and a wider variety of training programmes (content, duration, structure) to enhance the generalizability of these results and provide insight into the effective design of customer service training programmes. But importantly, the results of this study suggest that customer service training had an impact on employee customer-oriented behaviours (continuous improvement efforts) that in return had a statistically significant impact on the *corresponding* customers' perceptions of these behaviours (tangible items). Such a relation between training and outcomes can be argued to be the ultimate objective of customer service training in any service setting.

## **8.0 Discussion and Conclusion**

For the past 30 years, the importance of a strong customer orientation on the part of employees has been emphasised in the management, quality and customer care literature. While the importance of customer orientation remains relatively beyond dispute, scholars have presented various approaches to how the phenomenon should be defined, operationalised and applied.

Previous research regarding customer orientation suggested that the COBEH perspective could be useful in research efforts designed to examine the link between the extent of employees' service-related behaviours directed towards customers and customer service perceptions, a link missing in the literature, but a focus of this thesis. However, little research has been conducted in relation to the initial scales designed by Peccei and Rosenthal (1997) to measure customer-oriented behaviour and the relation of such behaviour to other related types of pro-social behaviours, such as organisational citizenship behaviour. Therefore, due to a lack of empirical research on the conceptualisation of employees' customer-oriented behaviour and the lack of systematic efforts to examine the validity and reliability of scales used to capture such behaviours, the first aim of this

thesis was to empirically re-examine the phenomenon over a range of service industries before the COBEH construct could be used throughout this study.

The second aim of the thesis was to use the COBEH scales to examine the impact of customer-oriented behaviour on service outcomes. The impact was tested to determine if and to what extent employees' efforts on behalf of customers and engagement in continuous improvement efforts actually affected customers' evaluation of the service provided. Then the third and final aim of the thesis was to examine the antecedents of COBEH and its development in service settings.

The research design included a series of qualitative and quantitative phases of data collection over a period of nine months. The first step involved the administration of customer and employee surveys designed to collect data on employees self-reported customer-oriented behaviours and customers' perceptions on the service performance of the corresponding front-line employees at 18 petrol stations in the Shell group in Iceland. A service training programme followed the first survey six months later, where 73 employees who had participated in the employee survey were randomly split into control and contrast groups (employees who participated in the programme and those who did not). Three months after the training, a

second set of employee and customer surveys was conducted at Shell to allow for a comparison of changes in employees' orientations and behaviours after the training had been completed as well as to collect information regarding customers' current evaluation of the service.

Many service organisations use supervisors' evaluations of employee performance as a part of their career development plans and performance assessments; therefore supervisors' evaluation of employees' customer oriented behaviours were conducted before and after the training programme to add yet another dimension to the analysis of the COBEH phenomenon.

Over the duration of the Shell study, additional data on the nature and antecedents of the COBEH construct were collected from a sample of over 2500 employees working in six different service organisations in Iceland to enhance the generalisability of the results (through a bigger sample) and to examine the construct in a variety of service settings. The large cross-sectional sample, the number of participating companies, and the test-re-test of the COBEH and Training Impact Model at Shell provided wide ranging and rigorous tests of the nature, impact and development of customer-oriented behaviour in service settings. This chapter provides a summary of

findings emerging from the study, together with a discussion of the main theoretical and managerial implications.

### **8.1 The Nature of the COBEH phenomenon**

The research findings suggest various theoretical implications in relation to the COBEH phenomenon. Drawing on the initial definition of customer oriented behaviour by Peccei and Rosenthal (1997), previous studies conducted in British supermarkets have regarded the phenomenon as one construct capturing a set of helping and improvement-related behaviours. The aim of this study was to re-examine the constructs' factor structure across a variety of service industries to investigate its dimensionality and whether its structure was consistent regardless of the type of service being provided. Furthermore, the aim of this study was to compare and contrast COBEH with another closely related set of behaviours - organisational citizenship behaviour (OCB). The purpose was to examine the nature of COBEH beyond that of previous studies and to try to determine the usability of the scale for the growing service literature.

### **8.1.1 COBEH dimensionality**

In this study, a number of factor analyses were conducted on samples from a variety of service sectors. Overall, these analyses confirmed results from the initial study conducted for the thesis where data from an Icelandic affiliate of the Royal Shell Group were used. The results indicate that the COBEH phenomenon is made up of two separate, but closely related sub-dimensions (helping behaviours and continuous improvement efforts). The results showed that individuals do not necessarily engage in helping behaviours and continuous improvement efforts to an equal extent or at the same time.

Employees reported engaging in helping behaviours towards customers to a much greater extent than they initiate continuous improvement efforts. Furthermore, it is not enough for employees to be motivated to provide service or have the capacity to do so; they must engage in customer-oriented behaviours specifically in order for the behaviour to impact customer perceptions of the service provision. Moreover, the results from different service sectors examined as a part of this research indicated that the factor structure may possibly vary depending on the type of service being provided. The results from all but two of the participating organisations suggested a two-dimensional factor structure. These two organisations where COBEH emerged as a unidimensional construct (i.e., where the scale



did not split into two separate factors) were a telecommunications company and a software development organisation. The common denominator between these two organisations was the type of service their employees provided. In both organisations, a large part of employees' jobs included usability analysis and technical consulting to customers on the use and operation of the organisations' goods and services.

#### **8.1.2 The relation of COBEH and OCB**

Theoretically, customer-oriented behaviours are closely related to other pro-social behaviours and to organisational citizenship behaviours in particular. This study was the first attempt to examine the relation between the two constructs. A bivariate analysis was conducted to examine the relation between the constructs. They were found to be highly correlated. This was the case in all of the participating companies regardless of size, location or type of service. Thus further analysis was needed to determine if COBEH was measuring a different set of behaviours than the already established OCB construct.

Drawing on the COBEH definition, which emphasis behaviours designed to benefit customers, a three-pronged research design was used to examine

how predictive self-reported OCB and COBEH behaviours were of customer perceptions of the service they received. First, the OCB and COBEH constructs were correlated with customer perceptions of the service being provided to examine if and to what extent employee self-reported COBEH and OCB could be used to predict customer perceptions. A low and even negative correlation was detected between OCB and the customer perception data. However, the tests revealed a much higher and positive correlation between COBEH and customers' perceptions. In other words, the results of this study have shown a close relationship between OCB and COBEH, but confirm the use of self-reported COBEH constructs and discard the use of general helping or OCB constructs as valid predictors of customers' perceptions in a service context. The extent to which employees reported engaging in customer-oriented behaviours designed to benefit customers can be used by managers to predict customers' perceptions of the service. However, the level of organisational citizenship behaviour reported by employees, which is generally directed inward within the organisation, cannot be used to predict customer reactions to the service they received from front-line staff.

A series of tests were conducted to examine in greater detail the link between COBEH and customer perceptions as well as the more specific impact of the

two sub-dimensions on customers' reactions. The overall COBEH construct is predictive of customer perceptions. In other words, employees who report high levels of COBEH are also likely to be helpful to customers, but the two sub-dimensions do not contribute to the impact to the same extent. Helping behaviours have a strong impact on customer perceptions, in particular on customers' assumptions of the service providers' empathy, reliability and assurance (trust and product knowledge). Employees' self-reported helping behaviours were not found to be significantly related to customers' perceptions of tangible items, such as how clean and attractive the stations were perceived to be. On the other hand, continuous improvement efforts do not have an impact on customer perceptions except regarding customers' views on the appearance of tangible items, such as cleanliness. Possible explanations could be that the appearances of tangible items are only partly under the employees' direct control and they have limited opportunities to influence these factors. The service provision at all the stations seemed to be homogeneous, but the stations' exterior and interior are not (some stations are new or newly renovated while others are older and require more effort by employees to keep them looking clean and attractive).

These results show that employees' customer-oriented behaviour is an important factor for service organisations. For organisations willing to

enhance employees' customer-oriented behaviour, accurate and reliable information on employee service performance is crucial to ensure timely and appropriate development of organisational interventions designed to impact such behaviours. A vast number of service organisations use supervisors as the sole source of information on employee service performance. Thus, as a part of this study, supervisors at the Shell group were asked to evaluate their employees' customer-oriented behaviour both before and after the service training initiative.

The results provided conflicting results between the supervisors' data and the employee and customer data. Supervisors tended to perceive more positively those employees who engaged in tangible internal improvement efforts (i.e., those employees who had suggestions or ideas on how to improve the gas stations service performance and cleanliness and who could provide customers with fast service) than those employees who actually reported exerting an effort on behalf of customers. Supervisors overlooked employees' efforts directed towards customers and based their evaluations on the appearance of more *tangible items* (i.e., cleanliness and number of service improvement suggestions employees made).

In sum, the results indicate that the better the supervisors evaluated the employees' performance the more reliable and quick the service was perceived by customers to be and the more the stations' appearance was judged as agreeable. However, the supervisors were less perceptive of behaviours directed towards customers themselves, such as employees' politeness and personal attention provided during the employee-customer contact.

Possible explanations of the supervisors' *bias* could be that cleanliness and queues at the register and the number of suggestions employees make are more easily noticeable than helping behaviours towards customers. They are therefore more likely to catch supervisors' attention. Hence, the implication regarding the application of supervisors' evaluation of customer-oriented behaviours in service settings are that the supervisors tend to overlook the behaviours most visible to customers. As previously reported in this thesis, customers are likely to evaluate the service based on their perceptions of employees' politeness and helpfulness (the same behaviours supervisors tend to overlook). Therefore, in order to use supervisors evaluations as accurate and reliable predictors of customers' perceptions of the service, organisations must make an effort to pay closer attention to employees'

helping behaviours towards customers, in addition to the more easily detected signs of employees' customer-oriented behaviour.

In sum, empirical tests conducted for this study show that customer-oriented behaviour (COBEH) can be defined as a two-dimensional construct predictive of customers' perceptions of employee willingness and capacity to engage in effort on behalf of customers. The results have confirmed the usability of COBEH as a predictor of customer service perceptions and established the usability of the COBEH scale for future research.

## **8.2 Managerial Implications**

Drawing on the results presented in this thesis, it can be argued that employees' customer-oriented behaviours have an impact on customer perceptions and are therefore an important factor for organisational service performance. But, how can those wishing to utilise the construct, develop and strengthen these desired behaviours to increase service performance? In order to answer the question, an analysis of the constructs' antecedents had to be conducted. An adapted version of Peccei & Rosenthal's (1997) COBEH model was used to re-test the impact of the suggested antecedents of COBEH across service industries. Furthermore, the model was re-tested to examine

for the first time whether the two COBEH sub-dimensions were a function of the same antecedents.

### **8.2.1 The drivers of COBEH**

The results from this study support previous findings suggesting that both motivational and capacity factors explain a large portion of COBEH's variance and positively impact such behaviours. In the repeated measures of the COBEH model across different service sectors, three of the four suggested motivational variables in the model had a significant impact on employees' customer-oriented behaviours (affective and normative orientations and organisational commitment). A difference was not detected in terms of the motivational variables across different types of service. Of the capacity variables in the model, job capacity and job pressure had the strongest impact, but the importance of job design varied depending on the service industry involved. The impact was greater in sales-related jobs, such as car dealerships, retail and insurance organisations, than in more service-related jobs, such as petrol stations, airlines and supermarkets. The results of the study indicated a slight difference in the impact of the suggested antecedents of customer-oriented behaviour depending on the type of service being provided by employees.

The two sub-dimensions of COBEH are not the function of the exact same antecedents. Employees' helping behaviours are mainly driven by the individuals' affective orientation or intrinsic satisfaction provided from service performance as well as the individuals' job capacity (knowledge and skills on the job). Furthermore, the overall analysis suggested that the normative orientation of employees also plays a significant role in employee motivation to engage in customer-oriented behaviour, as well as job pressure which negatively impacted such behaviours. Moreover, results from this study show that the extent of job pressure can make a difference in terms of its impact on COBEH. Once job pressure reaches a certain level the impact turns from a low positive one to a strong negative one.

From a practical point of view, the overall implication of the above results is that organisation interested in positively impacting employee helping behaviours can emphasis careful selection, socialisation and skill development of employees. The selection process and recruiting efforts can also be focused on detection of intrinsic affective orientations of applicants for front-line service work. The socialisation processes must be designed to enhance the new recruits' job capacity to positively impact the extent to which they engage in helping behaviours to benefit customers. And organisations should create an environment fostering a strong awareness



regarding “how things are done around here” by having clear service mission statements and expectations towards employee behaviours and performance to foster a strong normative orientation among their service staff.

The results of this study showed that, in order to impact the extent of employees’ continuous improvement efforts, organisations must, in addition to selection, socialisation and skill development, foster a strong normative orientation and commitment within the organisation. Also, organisations might want to take action to control job pressure, which in all cases has a strong negative impact on continuous improvement efforts, although, the extent of job pressure did not have a significant effect on employees’ helping behaviour. Furthermore, the results showed that job design has an impact on the extent of employees’ participation in continuous improvement efforts. Job autonomy and job variety has a positive effect on such behaviours. If jobs are designed to include a greater variety of tasks the variety provides more leeway for employees to try new ways of handling their day-to-day jobs. But in order to do so organisations must also provide employees with the necessary autonomy. Furthermore, supervisors’ support, such as trust, assistance and an open door policy, were shown to enhance employee involvement and encourage them to make suggestions on service and their

working environment, thus providing the necessary conditions for continuous improvement efforts. Without supervisors' support many innovative improvement efforts are not likely to be launched and supervisors' resistance to employee autonomous decision making in daily routine jobs creates an overpowering barrier to employees' improvement behaviours.

More generally, the results of the present analysis suggest that an organisation willing to enhance customers' service perceptions must primarily focus on employees' enhanced helping behaviours directed towards customers through careful recruitment, selection and socialisation of service staff. However, organisations wishing to maintain a competitive advantage based on customers' service perceptions must not only emphasising employee helping behaviours but must also create the necessary conditions for continuous improvement efforts to flourish.

In sum, the results of the re-tested COBEH model confirmed previous findings regarding the suggested antecedents of COBEH. In addition, the result gave a valuable insight into managerial implications for core HRM processes within service organisations based on different approaches needed to positively impact the two sub-dimensions.

### **8.2.2 The Impact of Service Training on COBEH**

The nature and impact of COBEH was one of the major emphases of this thesis, but the purpose was also to make a first attempt to examine the impact of organisational initiatives on employees' customer-oriented behaviours. Customer service training programmes are widely used to enhance service delivery. However, the effectiveness of such programmes has not been systematically examined in the literature. In this study, it has been established that customer-oriented behaviour impacts customer perceptions of the service. The more frequently employees report that they exert effort on behalf of customers, the more positively the customers evaluate the service. But can general service training programmes enhance such employee behaviours? A training impact model was designed to empirically examine the possible impact of a service training programme implemented at Shell in Iceland.

The model included training participation and training evaluation variables together with the suggested antecedents of COBEH. Repeated measures and control and contrast groups provided an opportunity to examine whether the training had had a direct and/or indirect effect on employee behaviours. To assess the quality of the training programme, training evaluations were carried out by the employees who participated in the programme

immediately after each training session as well as three months after the training had taken place. The evaluation of the training suggested that the participants thought that the training had been useful, well organised and enjoyable. Thus it can be argued that the training participation variable could be used to examine the possible impact on COBEH in this study.

The results of the study showed that the training did have a direct impact on continuous improvement efforts but not on employees' helping behaviours towards customers. No indirect impact through the antecedents was detected. Various explanations can be suggested for these results including, for example factors related to the design, duration and/or content of the training programme, as well as to the extent to which employees engaged in the behaviours before the training took place. Further testing is needed to examine these issues, but the study clearly suggests that service training can impact employees' customer-oriented behaviours although it did not manage to impact the underlying antecedents.

In sum, what implication do the thesis findings have for management? How might they be applied in service settings? First, COBEH is valuable for both the applied and academic literature because, as has been shown in this research, it is a separate construct from organisational citizenship behaviour

and can be used to predict customers' perceptions of the service. OCB is more inward-directed to general helping behaviours in the workplace and can not be used to predict customers' perceptions of service. Second, organisations wishing to improve the level of customer service can focus their efforts on beginning to enhance customer-oriented behaviours among their front-line workers because COBEH (helping behaviour in particular) does, in fact, appear to positively impact customers' perceptions. Third, if organisations want to increase the level of COBEH exercised by the front-line they must be aware that they may need to use different means to enhance helping behaviours and continuous improvement efforts. Specifically, if they want to enhance helping behaviours (short-term focus on improvement) they must do so through selection (affective orientation), socialisation processes and training designed to enhance job capacity (understanding and skills related to the job). Fourth, if organisations decide they only need to have an impact on their current customers' perceptions they might do well to emphasise in particular increased levels of helping behaviours. But, if they want to enhance continuous improvement efforts (longer term focus to create a competitive edge) they might do well to focus not only on selection and job capacity, but also set strong service norms and organise management efforts so as to enhance organisational commitment and control job pressure. Fifth, if organisations decide they need to create sustained competitive advantage

it might not be sufficient to emphasise helping behaviour exclusively. They also need to focus on continuous improvement or the organisation that today may be fulfilling customers' needs by providing excellent helping behaviours will in time lose the competitive advantage due to changes in customers' needs or expectations. Therefore, continuous improvement efforts are just as important to organisations as helping behaviours directed towards customers. Finally, training is only a part of the puzzle and does not ensure better service by itself. It can be useful to remind the employees and to draw attention to important issues in the day-to-day operations. But further research is needed to examine the impact of various training programmes on COBEH.

### **8.3 Step-by-step approach to the development of COBEH**

Drawing on the results relating to the antecedents of COBEH, developmental process to enhance customer-oriented behaviours can be described in three phases: first, specific HRM processes are necessary to develop and enhance employees' motivation to engage in customer oriented behaviours, such as their affective orientation and organisational commitment. This, in addition to, trying to enhance their job competence through careful processes of selection, training and socialisation. Service organisations, in other words, can benefit if they carefully plan their recruitment efforts, selection and

socialisation of their front-line staff with an eye on service orientation, job competence and commitment in order to enhance employee customer-oriented behaviours.

The second phase involves management's role in the application of COBEH. The results of this study show that organisations need to foster employees' normative orientations as well as practice careful selection of service-oriented and committed staff. Management plays a key role in communicating and reinforcing the *appropriate* service norms within the organisation. All managerial actions, such as guidance, support, praise, constructive criticisms, performance appraisals, promotions and so on must take COBEH into consideration and emphasise such behaviours within the organisation. Furthermore, organisational documents, such as memos, posters and newsletters can help communicate these service norms and reinforce them. But, management cannot enhance service delivery by itself. In order for the organisation to be successful employees must actively engage in the service processes.

Current research on service delivery suggests that standardisation of the delivery process can be useful only to enhance the speed and reliability of service (Bowen & Lawler, 1992). When customers expect more from the

service delivery (personalised service and accurate information regarding goods and services) employees must be able to go beyond the constraints of service standards to ensure customer satisfaction. In a way, one can talk about *service inflation* in reference to the development of service delivery processes. As in other industries, the initial application of standards in service led to a breakthrough for many service organisations and enhanced customer satisfaction. However, with increased competition and an opportunity for most organisations to provide equal access to goods and services, competitive prices and technology, the demand for more flexibility and initiative has become apparent. In today's competitive marketplace, most service organisations now strive for this flexibility through utilisation of their human resources. Only through empowerment of the front-line service staff through mutual trust and delegation of responsibility can this flexibility be successfully achieved. The results of the study show that supervisors' support and job autonomy enhance the willingness and the ability of employees to engage in COBEH (continuous improvement efforts in particular) creating the conditions for an empowered service work force. Also, researchers have suggested these same antecedents for organisational commitment - another important motivation factor for COBEH (Peccei & Rosenthal, 1997). In addition to the importance of the active participation of front-line staff, the results from the testing of the Training Impact Model



indicate the need for communication of role expectations and enhanced task clarity. In other words, management must actively remind and communicate what is expected of the service staff to reinforce and expand employees' understanding of *in-role* behaviours to include continuous improvement efforts in employees' daily activities.

The third phase refers to the organisation of work. The results of the study show that job design has an impact on the extent of COBEH behaviours. Jobs must be designed with variety and employee-perceived job control and autonomy. Furthermore, working conditions can hinder employee capacity to engage in both helping and continuous improvement behaviours in the workplace. Work must be planned and shifts scheduled in a manner that minimises job pressure, especially if management wants to enhance employees' participation in continuous improvement efforts. Also, the results indicate that perceived job security can impact organisational commitment which, in turn, impacts the extent of employees' customer-oriented behaviours. Finally, a lack of resource availability, such as necessary tools, knowledge or information, can hinder the motivation and capacity of front-line staff to engage in COBEH.

Feedback from employees and customers regarding the service delivery process and employee behaviours is fundamental for organisations interested in developing a strong COBEH orientation or climate at their workplace. The results of the study show that organisations can use self-reported employee COBEH data to predict to a certain degree customers' perception of the service delivery process. They can use this data to aid their decision making regarding the nature and extent of training and HR development required by their front-line staff. Also, drawing on this information organisations can adjust their own policies and actions in accordance with the results of the self-reported COBEH data. For example, if the organisational goals are to continuously improve perceived customer perceptions of delivered services and results from the self-reports indicate few employee improvement efforts, organisations can take appropriate steps focusing on the suggested antecedents of COBEH. Through the development of these antecedents employee participation in continuous improvement efforts and or helping behaviours might successfully be enhanced.

#### **8.4. Final conclusion**

The results of this study have contributed to an enhanced understanding of the nature and importance of COBEH for the service delivery process. At a

more practical level they have also helped to highlight and direct attention to specific steps that organisations can take to enhance customer-oriented behaviours in service settings. Moreover, customer-oriented behaviour is an important construct for service organisations. It is a valid and reliable measure and can be used to enhance service delivery and to create and maintain a competitive edge in organisations across service sectors.

## **8.5 Recommendations for Future Research**

The aim of this study was to answer some of the compelling questions still surrounding the concept of customer-oriented behaviour. Still there are many stones left unturned. First, this study has indicated a difference in the factor structure of the COBEH construct in relation, for example, to the type of service provided. Further research is needed to explore these issues both across organisational settings and possibly also cross-culturally.

Second, this study confirmed previous findings regarding the antecedents of COBEH and provided additional information regarding the impact on the two sub-dimensions of COBEH. These findings suggest various practical implications, which call for continued research efforts, designed to further examine the impact of various human resource and management practices

on COBEH. This would include, for example, research on the usability of various recruitment, selection and socialisation tools and techniques for the development of customer-oriented behaviours. In addition to research on the impact of empowerment and various aspects of job designs on COBEH. Research on the effectiveness of HRM practices in relation to customer-oriented behaviours and service delivery is largely missing in the literature and would provide a valuable understanding and insight into the development of such behaviours in the workplace.

Third, drawing on the results of this study further research is needed regarding the impact of training and other organisational initiatives designed to enhance customer orientations among front-line staff. Each year, organisations spend an enormous amount of resources on service related initiatives. Still, there have been few attempts to evaluate the usability and effectiveness of such initiatives. This study has given an indication of the fact that training does impact COBEH. However, future research efforts designed to examine the appropriate content, duration and design of such training programmes would provide valuable information as to the application and development of such behaviour in service organisations. Also, further research on training designed to impact the COBEH antecedents would greatly add to our understanding of the subject.

Although, this study has attempted to evaluate the impact of training over a period of time, other more longitudinal studies are needed to determine the long-term impact of training on COBEH.

Fourth, organisations around the globe have long been using payment incentive systems to enhance service delivery. The results of this study suggest that employees' calculative orientation (evaluation of cost and rewards) does not have an impact on the extent to which they engage in customer-oriented behaviour. However, the extent of the use of such systems in service organisations calls for an investigation into the impact of such systems on employee service performance.

In the future, the importance of service delivery is likely to become even greater than today as organisations continuously search for competitive advantage in globalised market. Hence, the concept of customer-oriented behaviours calls for continuous research efforts in the coming years to aid organisations in their quest for enhanced service delivery. The COBEH construct and its sub-dimensions are and will be a challenging and important topic worth pursuing in the new decade.

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## **Appendix**

## **Employee questionnaire at Shell**

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### **Customer-oriented behaviours**

I am always working to improve the quality of service I give to customers.  
I have specific ideas about how to improve customer service I give to customers.  
I often make suggestions about how to improve customer service in my department.

I put a lot of effort into my job to try to satisfy customers.  
No matter how I feel, I always put myself out for every customer I serve.  
I often go out of my way to help customers.

### **Affective orientation**

I really enjoy dealing with customers.  
I get a lot of satisfaction from giving good service to customers.  
I enjoy solving problems for customers.

### **Normative orientation**

In doing their job, staff should always have the customers' best interests in mind.  
Customers have a right to expect superior treatment from all staff.  
In doing their job, staff should always have customers at the forefront of their mind.

### **Calculative orientation**

In this company you get a lot of recognition if you give good service to customers.  
In this company nobody really notices whether or not you give good service to customers (reversed).  
In this company, employees are well rewarded for good customer service.

### **Organisational commitment**

I am proud to be able to tell people that I work for this company.  
I feel myself to be a part of the company.  
I would recommend a close friend to join the company.  
I am willing to put myself out to help the company.  
To know that my own work had made a contribution to the good of the company would please me.

### **Job Competence**

I know how to deal with most problems in my job.  
I am always comfortable dealing with customers.  
I have the necessary skills to do my job well.  
  
I feel I have a good understanding of what first class service is all about.  
I have a good understanding of my customers' needs.  
I have good knowledge of written company policies on first class service.

**Supervisory support**

My immediate supervisor supports me in getting my job done.

My immediate supervisor praises me when I do a good job.

My immediate supervisor encourages me to speak up when I disagree with a decision.

**Job pressure**

I have to work very fast on my job (reversed).

I am often under a lot of pressure in my job (reversed).

My workload is too heavy (reversed).

**Job autonomy**

I can use my personal judgement in carrying out my job.

I have freedom to decide what I do on my job.

**Job routinisation**

My job has variety.

My job is repetitive.

I have the opportunity to do a number of different things on my job.

**Resource adequacy**

In my department there are not enough people to enable us to do the job well.

I have the necessary equipment to do my job well.

**Organisational citizenship behaviour**

I often help my immediate boss/supervisor by doing things that are not really part of my job.

I often do more than is required of me in my job.

I am very involved in solving the problems of my department.

I often volunteer for things that are not required as a part of my job.

If a co-worker is busy, I often pitch in to help.

**Job satisfaction**

Overall, I am satisfied in my job at Shell.

I enjoy my job.

Most days I am enthusiastic about my job.

**Satisfaction with organisation**

Overall, I am satisfied with Shell as an employer.

All in all I have been disappointed with the company (reversed)

The company has lived up to the expectations I have had.

**Extrinsic well-being of employees**

Overall, my job conditions are good.

I am rewarded fairly considering the responsibilities I have.

I have a good chance to get ahead in this company.

My job in this company is secure.

**Satisfaction with co-workers**

I am very friendly with one or more of my co-workers.

I rarely discuss important personal problems with my co-workers (reversed).

If I have problems at work I know my co-workers would try and help.

**Role clarity**

I know whom to talk to if I cannot fulfil the customers' needs.

Written company policies about First Class Service represent well how things are done at Shell.

I know what is expected of me in my job.

## **Employee questionnaire at other participating companies**

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### **Customer-oriented behaviours**

I am always working to improve the quality of service I give to customers.  
I have specific ideas about how to improve customer service I give to customers.  
I often make suggestions about how to improve customer service in my department.

I put a lot of effort into my job to try to satisfy customers.  
No matter how I feel, I always put myself out for every customer I serve.  
I often go out of my way to help customers.

### **Affective orientation**

I really enjoy dealing with customers.  
I get a lot of satisfaction from giving good service to customers.  
I enjoy solving problems for customers.

### **Normative orientation**

In doing their job, staff should always have the customers' best interests in mind.  
Customers have a right to expect superior treatment from all staff.  
In doing their job, staff should always have customers at the forefront of their mind.

### **Calculative orientation**

In this company you get a lot of recognition if you give good service to customers.  
In this company nobody really notices whether or not you give good service to customers (reversed).  
In this company, employees are well rewarded for good customer service.

### **Organisational commitment**

I am proud to be able to tell people that I work for this company.  
I feel myself to be a part of the company.  
I would recommend a close friend to join the company.  
I am willing to put myself out to help the company.  
To know that my own work had made a contribution to the good of the company would please me.

### **Job Competence**

I know how to deal with most problems in my job.  
I am always comfortable dealing with customers.  
I have the necessary skills to do my job well.  
  
I feel I have a good understanding of what first class service is all about.  
I have a good understanding of my customers' needs.  
I have good knowledge of written company policies on first class service.

**Supervisory support**

My immediate supervisor supports me in getting my job done.

My immediate supervisor praises me when I do a good job.

My immediate supervisor encourages me to speak up when I disagree with a decision.

**Job pressure**

I am often under a lot of pressure in my job (reversed).

My workload is too heavy (reversed).

**Job design**

I can use my personal judgement in carrying out my job.

I have freedom to decide what I do on my job.

My job has variety.

I have the opportunity to do a number of different things on my job.

**Organisational citizenship behaviour**

I often help my immediate boss/supervisor by doing things that are not really part of my job.

I often do more than is required of me in my job.

I am very involved in solving the problems of my department.

I often volunteer for things that are not required as a part of my job.

If a co-worker is busy, I often pitch in to help.

## Questionnaire for customer surveys at Shell

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### Satisfaction

Overall, how satisfied or dissatisfied are you with the service at the Shell petrol station you used last?

*Based on your experience last time you visited this Shell station:*

### Assurance

How much or little was the *outside* staff's product knowledge?

How much or little was the *inside* staff's product knowledge?

How likely or unlikely do you think it is that the *outside* staff at the Shell station makes mistakes?

How likely or unlikely do you think it is that the *inside* staff at the Shell station makes mistakes?

### Empathy

How pleasant or unpleasant was the *outside* staff?

How pleasant or unpleasant was the *inside* staff?

How much or little was the *outside* staff interested in trying to satisfy you as a customer?

How much or little was the *inside* staff interested in trying to satisfy you as a customer?

How personal or standardised (un-personal) was the service provided by the *outside* staff?

How personal or standardised (un-personal) was the service provided by the *inside* staff?

### Reliability

Overall, how reliable or unreliable do you perceive the service of the *outside* staff to be?

Overall, how reliable or unreliable do you perceive the service of the *inside* staff to be?

How dependable or undependable do you perceive the service of the *outside* staff to be?

How dependable or undependable do you perceive the service of the *inside* staff to be?



**Response**

How long or short was the waiting period at the *gas pump* before a member of the staff came to assist you?

How long or short was the waiting period at the *cash register* before a member of the staff came to assist you?

**Tangible items**

How agreeable or disagreeable was the petrol station's *exterior* to you?

How agreeable or disagreeable was the petrol station's *interior* to you?

How clean or unclean was the petrol station's exterior surrounding the last time you were there?

How clean or unclean was the petrol station's interior surrounding the last time you were there?

## **Supervisors' evaluations of employee customer-oriented behaviours at Shell**

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The employee is always working to improve the quality of service he/she gives to customers.

The employee has specific ideas about how to improve customer service given to customers.

The employee often makes suggestions about how to improve customer service in my department.

The employee puts a lot of effort into his/her job to try to satisfy customers.

No matter how he/she feels, he or she always puts him/herself out for every customer served.

The employee often goes out of his/her way to help customers.

## Shell training evaluation questionnaire at Time 1

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The training enabled me to understand my job better.

I enjoyed the training programme.

What I learned will be useful in my job.

I learned a lot in the training programme.

I did not learn a lot that I did not already know.

The training related well to my job at Shell.

The programme was well organised.

The ratio of lectures and practical exercises was good.

The duration of the programme was appropriate.

How well or badly did the trainers communicate the training material?

How successful or unsuccessful was the trainer in providing useful examples?

How good or bad were the trainers' presentations?

How comprehensible or incomprehensible was the training material?

Overall rating of the training programme.

## **Shell training evaluation questionnaire at Time 2**

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I enjoyed the training programme.

I learned a lot in the training programme.

What I learned in the training programme has been useful in my job.