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Kindness is the Parent of Kindness: Reciprocity in the UK Call Centre Workplace

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ABSTRACT

This research developed, proposed and tested an integrated psychological process to performance model. The model utilized the overarching theory of social exchange to incorporate the climate perceptions and affective reactions of 3,012 employees across 88 UK call centres. In the pursuit of parsimony, a review of the applied psychology literature gave rise to a model where the path between global service climate and contextual performance was fully mediated by, first, perceived organizational support, second, job satisfaction, and third, affective commitment. The resulting integrated and parsimonious model was tested via SEM and the mediation hypotheses were tested via a series of nested competing models. A moderate fit and partial, rather than full, mediation were reported. Nested Competing Model 4 proved to be the most parsimonious and to have the best fit. It is important to recognize, however, that Nested Competing Model 4 is not intended to be the most comprehensive model (which would include all significant paths), but a more practically useful one (i.e. parsimonious), that focuses on the main relationships.
CHAPTER 1: INTRODUCTION

This research examines the opinions, feelings and attitudes of employees and how they might influence the performance of work tasks. A well established and growing body of research evidence has identified links between employee opinions or climate perceptions and work performance (e.g., Schneider and Bowen, 1985; Johnson 1996; Schneider et al., 1998; Borucki and Burke, 1999). There is, however, another well established and growing body of research evidence that suggests that performance is not just a matter of employee opinion. That is to say that employee feelings or affective reactions have also been found to have a direct impact on work performance (e.g., Judge et al., 2001; Luchak and Gellatly, 2007; Riketta, 2008). While these two bodies of research evidence are not mutually exclusive their co-existence suggests that the ‘direct link’ argument is an oversimplification of the apparent relationship between psychological processes and performance. Indeed, recent research (e.g., Patterson et al., 2004; Parker et al., 2003; Carr et al., 2003; Suliman 2002) suggests that affective reactions mediate the link between climate and performance. That is to say that there is evidence to suggest that employee opinions influence job attitudes such as job satisfaction and affective commitment and, in so doing, influence performance. Furthermore, research conducted by Eisenberger and his colleagues (1997, 2001) suggests that perceived organizational support mediates the relationship between climate perceptions and affective reactions. Thus, although psychological processes appear to influence performance there is still much debate about how they do so.
The psychological processes to performance pathway is, therefore, a puzzle. To solve this puzzle, this research will argue that a more holistic approach is required. To this end, a parsimonious model that integrates climate perceptions, affective reactions and perceived organizational support will be built and tested. In order to achieve this task an overarching theory will be required to ‘hold’ or ‘glue’ the disparate bodies of research together. That is to say that a theory capable of explaining why climate, perceived organizational support, job satisfaction and affective commitment influence each other and performance is needed.

Significant clues to solving this puzzle are provided by: the work of Crede and his colleagues (2007) that investigated the links between climate and job satisfaction; and the work Eisenberger and his colleagues (2001) that investigated the links between perceived organizational support and affective commitment and performance. Both investigations explicitly identified ‘reciprocity’ as the key linking or explanatory mechanism. Furthermore, the returning of favourable treatment is also implicit in the work of Meyer and Allen (1997) that investigated the links between affective commitment and performance. There is, then, evidence to suggest that reciprocity could play a key role with regard to linking one psychological process to another. Reciprocity is, therefore, the clue and, as reciprocity is one of the most important (if not the most important) rules of social exchange (Cropanzano & Mitchell, 2005), it points to the potential of social exchange theory to be that overarching theory; the theory capable of providing a common ‘missing link’.
Social Exchange Theory

Social exchange involves a ‘series of interactions’ that generate obligations (Emerson, 1976) and they are seen as being interdependent and contingent upon the actions of another person (Blau, 1964). One of the basic tenets of social exchange theory is that relationships evolve over time into trusting and mutual commitments where the parties involved in the exchange relationship abide by certain ‘rules of exchange’ (Cropanzano & Mitchell, 2005). Rules of exchange form a “normative definition of the situation that forms among or is adopted by the participants in an exchange relation” (Emerson, 1976: 351). In this sense, the rules and norms of exchange are ‘the guidelines’ of exchange processes. Cropanzano and Mitchell (2005), however, have made the point that, while social exchange theory has the potential to provide a unitary framework for much of organizational behaviour, it has not, as yet, received empirical support.

The Reciprocity Rule

Reciprocity is probably the best known social exchange rule. The ‘norm of reciprocity’ requires individuals to respond positively to favourable treatment received from others (Blau, 1964). As Gouldner (1960) has pointed out, when one person treats another well, the ‘norm of reciprocity’ obliges the return of favourable treatment. In his ‘The Theory of Moral Sentiments’ Adam Smith (1790) described the process, motives and benefits of reciprocation as follows:

“of all the persons, however, whom nature points out for our peculiar beneficence, there are none to whom it seems more properly directed than to those whose beneficence we have ourselves already experienced. Nature, which formed men for that mutual kindness, so necessary for their happiness, renders every man the peculiar object of kindness, to the persons to whom he himself has been kind. Though their gratitude should not always correspond to his beneficence, yet the sense of his merit, the sympathetic gratitude of the impartial spectator, will always correspond to it. The general indignation of other people, against the baseness of their ingratitude,
will even, sometimes, increase the general sense of his merit. No benevolent man ever lost altogether the fruits of his benevolence. If he does not always gather them from the persons from whom he ought to have gathered them, he seldom fails to gather them, and with a tenfold increase, from other people. Kindness is the parent of kindness; and if to be beloved by our brethren be the great object of our ambition, the surest way of obtaining it is, by our conduct to show that we really love them.” (VI.II.22)

According to Adam Smith, then, beneficence and kindness towards others not only begets beneficence and kindness but also social merit and gratitude. Furthermore, the benevolent giver will not merely benefit from those receiving the gift or favour but from other people as well. Reciprocity can, therefore, be seen as a powerfully beneficial social force. Indeed, Georg Simmel has pointed out that, “social equilibrium and cohesion could not exist without the reciprocity of service and return service. All contacts among men rest on the scheme of giving and returning the equivalents” (quoted in Kolm, 2008, p.1).

It is important to recognize, however, that reciprocity is not a transactional fulfilment of a contract. Reciprocity does not stem from an ‘eye for an eye’ clause or from an ‘I’ll scratch your back if you’ll scratch mine’ agreement. Rather, it “is treating other people as other people treat you, voluntarily and not as a result of a binding exchange agreement. It concerns acts, attitudes or sentiments and the tradition of social science restricts the term to favourable items (Kolm, 2008, p.1).

Kolm (2008) has identified three categories of motives of reciprocity. In ‘balance’ or ‘matching’ reciprocity, the return gift is given with the aim of restoring balance to the initial situation disrupted by the initial gift. This equality is sometimes related to a sentiment of fairness and can be seen as ‘rewarding justice’ (providing a reward to the initial giver) or ‘compensatory justice’ (compensating the initial gift). The motive stems from a sense of duty where the obeying of moral and social norms promotes the
return of favours. In such situations failure to return a favour often arouses a sentiment of guilt, shame or moral indebtedness, all of which can induce a sentiment of inferiority with respect to the giver. Furthermore, others that share these moral and social norms may exert social pressure for return giving and the redemption of moral indebtedness. While these obligations are sometimes oppressive that is not always the case and the concepts of balance or fairness that often accompany benevolent giving are favourable to good social relations.

In ‘liking’ reciprocity, the returning of gifts or favours is motivated by a positive affective sentiment towards the initial giver. That is benevolent favours arouse positive affective sentiments which attach themselves to the giver. It may also result from a direct reciprocity of sentiments in the sense that people tend to like people who have demonstrated a liking towards them. In liking reciprocity both sentiments can induce altruistic gift giving. In ‘sequential exchange’ reciprocity people respond to gifts with a return gift in order to receive another gift and so on. The motive of this form of reciprocity, therefore, can be purely self interest. As Kolm (2008) has pointed out, “the transfers or services are then no longer gifts proper but simply parts of an exchange which are de facto yielded under the threat that later parts are not provided” (p.4). It is important to recognize, however, that sequences of favours commonly mix motives of interest, balance, fairness and liking. Two other phenomena may intervene in reciprocities: gratitude, which is favourable to liking and has an aspect of balance; and imitation, where mirror-image imitation (mimesis) gives rise to a ‘contagion’ of sentiments that can induce reciprocal liking.
In similar vein, Gouldner (1960) identified two different types of reciprocity relevant to this research: first, reciprocity as a transactional pattern of interdependent exchanges and, second, reciprocity as a moral norm. Interdependence requires a bi-directional transaction; something has to be given and then something has to be returned. For this reason, Molm (1994) contends that interdependence, which involves mutual and complementary arrangements, is a defining characteristic of social exchange. A “reciprocal exchange”, however, does not include explicit bargaining (Molm, 2000, 2003) due to the fact that one party’s actions are contingent on the other’s behaviour. Molm (1994), therefore, concludes that interdependence reduces risk and encourages co-operation.

Reciprocity has also been considered a moral norm or cultural mandate, in which those who do not comply are punished (Mauss, 1967). That is to say that a norm is a standard that describes how one should behave, and those who follow these norms are obligated to behave reciprocally. This led Gouldner (1960), Tsui & Wang (2002) and Wang and his colleagues (2003) to speculate that a norm of reciprocity is a universal principle. This is not to suggest, however, that everyone reciprocates. Indeed, there is strong evidence supporting the existence of cultural and individual differences (Parker, 1998; Rousseau & Schalk, 2000; Shore & Coyle-Shapiro, 2003). For example, Clark and Mills (1979) suggest that individuals differ in the degree they endorse reciprocity. Those high in ‘exchange orientation’ carefully track obligations while those low in exchange orientation are less concerned about obligations and are, therefore, less likely to care if exchanges are not reciprocated.
Social Exchange in the Workplace

Social exchange relationships in the workplace evolve where employers ‘take care of employees’, and, in so doing, engender beneficial consequences (Cropanzano & Mitchell, 2005). In other words, the social exchange relationship is a mediator or intervening variable. The theory is that beneficial and fair transactions between employers and employees produce robust relationships, and these relationships produce positive employee attitudes and effective work behaviour. This line of reasoning is derived from Blau’s (1964) framework. Blau maintained that “the basic and most crucial distinction is that social exchange entails unspecified obligations” (1964: 93). He further argued that “only social exchange tends to engender feelings of personal obligations, gratitude, and trust; purely economic exchange as such does not” (p. 94). Furthermore, Blau also argued that “the benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange” (p. 94). As Cropanzano and Mitchell (2005) point out, the implication here is that social exchange creates enduring and positive social patterns.

Social exchanges theorists have proposed that employees are prone to exchange their commitment for an employer’s support (Eisenberger et al., 1986; Eisenberger et al., 1990). Hence, perceived organizational support, defined as the extent to which employees perceive that their organization values their contributions and cares about their well-being, has been a widely examined antecedent of organizational commitment (e.g., Cropanzano et al., 1997; Eisenberger et al., 2001; Masterson et al., 2000; Randall et al., 1999; Settoon et al., 1996; Wayne et al., 1997). Further, a meta-analysis by Rhoades and Eisenberger (2002) estimated the overall association between perceived organizational support and organizational commitment to be $r = .60$. 

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Furthermore, Rhoades and her colleagues (2001) investigated the interrelationships of work experience, perceived organizational support, affective commitment, and employee turnover in a longitudinal design. Their findings demonstrated that perceived support increases employee commitment and positively influences performance.

In their investigations of perceived organizational support and absenteeism, Eisenberger and his colleagues (1986) found that the relationship was stronger for individuals with high exchange orientation or 'exchange ideology' than those with a low exchange ideology. Similarly, exchange ideology has been found to strengthen the relationship between perceived organizational support and: felt obligation (Eisenberger et al., 2001); citizenship behaviour (Witt, 1991b); and effort and performance (Opren, 1994). It is important to recognize, however, that the effects of exchange ideology are not limited to perceived organizational support. Exchange beliefs have also been found to: moderate the relationship between participative decision making and acceptance of group norms and satisfaction with promotion opportunities (Witt, 1992); increase satisfaction with training (Witt & Broach, 1993); increase manager-rated commitment (Witt et al., 2001); increase job satisfaction and procedural justice (Witt, 1991a); increase individual sensitivity to organizational politics and intention to stay with the organization (Andrews, Witt, & Kacmar, 2003); and strengthen the relationship between perceptions of income sufficiency and employee attitudes in terms of job satisfaction and organizational commitment (Witt & Wilson, 1999). Eisenberger and his colleagues (2004), however, have also reported results that suggest that a negative reciprocity orientation gives rise to situations where negative treatment begets negative treatment. Furthermore, their findings show
individuals with high negative reciprocity viewed others more malevolence and anger. Thus, there is disparate empirical evidence to suggest that the norm of reciprocity forms links between climate perceptions, perceived organizational support, job satisfaction, affective commitment and performance.

The question is, however, in what order should the psychological process variables appear in the integrated and parsimonious model to be proposed by this research? In order to forefront the proposed model, brief reference to relevant studies will now be made. It important to recognize, however, that detailed reviews of these studies will be provided later in this thesis. To this end, there is evidence to suggest that:

- Climate influences performance (Schenider et al., 1998)
- Perceived organizational support (Eisenberger et al., 1997), job satisfaction (Patterson et al., 2004) and affective commitment (Carr et al., 2003) mediate the relationship between climate and performance.
- Perceived organizational support is an antecedent of affective reactions (Eisenberger, 2001)
- Job satisfaction mediates the relationship between perceived organizational support and performance (Muse & Stamper, 2007).
- Job satisfaction and performance is mediated by affective commitment (Brown & Peterson, 1993).

In the light of the above referenced studies, this research will suggest that the relationship between a climate for service and performance is mediated first, by perceived organizational support, second, by job satisfaction, and third, by affective
commitment. Figure 1 below depicts the proposed integrated psychological process to performance model.

\textit{Figure 1}

\begin{center}
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\textbf{Extending the Knowledge Base}

Having briefly outlined and fore grounded the overarching theory (social exchange) and the integrated and parsimonious psychological process to performance model, it is now necessary to identify extensions to the knowledge base and identify the gaps in the literature. As the majority of work performance studies in the applied psychology literature have been located outside of the service sector and have focused on productivity, profitability, quality, absenteeism, staff turnover and wellbeing, this research will add to the knowledge base by adopting a service industry location (88 UK call centres) and by utilizing the new and under-researched Organizational Member Proficiency and Organizational Member Adaptivity self-rating of contextual performance measures developed by Griffin and his colleagues (2007). Furthermore,
this research will also add to the knowledge base by addressing the following gaps identified in the literature:

1. Research conducted by Little and Dean (2006) investigating the links between service climate, employee commitment and performance was located in one call centre in the telecommunications industry. In the light of this fact they suggest that, “It seems likely that the type of call centre (and its corresponding service climate) will affect employees’ abilities to deliver high levels of service. Therefore the findings from the research would be strengthened by further testing and validation in different types of call centres, preferably located at different ends of the call centre quality/quantity continuum” (2006, p.471).

2. Little and Dean (2006) further contend that there is a need to gain, “a greater understanding of the factors that produce a positive service climate and help employees to feel committed” (2006, p.471).

3. Finally, Malhotra and Mukherjee state that, “there is a need to explore the antecedents of affective commitment and job satisfaction in a service context, especially in telephone call centers” and point to ‘work climate’ as a potential antecedent (2004, p.170).

Thesis Structure

In order to lay the foundations for the integrated psychological process to performance model, the rest of this chapter will define the term ‘climate’ and explore key studies to examine the empirical evidence for the direct link between the climate and performance argument. The subsequent chapters of this research will build,
develop and ultimately test the integrated psychological process to performance model by:

- Defining the term ‘affective reactions’, examining the empirical evidence for a direct link between affective reactions and performance, and exploring the empirical evidence for the ‘affective reactions mediate the relationship between climate and performance’ argument (Chapter 2)

- Defining the term ‘perceived organizational support’ and discussing the ‘perceived organizational support mediates the relationship between climate and affect’ argument (Chapter 3)

- Identifying and defining the workplace location and the performance outcomes used in this research (Chapter 4)

- Putting forward an integrative psychological process to performance model incorporating climate, perceived organizational support, job satisfaction and affective commitment (Chapter 5)

- Justifying the research methodology and detailing the validity and reliability of the research measures used (Chapter 6)

- Detailing the results of tests conducted via structural equation modelling (Chapter 7)

- Discussing the findings, exploring the implications the findings have for both future research and workplace policy and practice, and outlining the limitations of the research (Chapter 8)
Climate

What is Climate?

Climate can be defined as the shared perceptions of both formal and informal organizational policies, practices and procedures (Reichers & Schneider, 1990). According to Denison (1996), however, climate is “relatively temporary, subject to direct control, and largely limited to those aspects of the social environment that are consciously perceived by organizational members” (p.624). Climate perceptions are seen as a critical determinant of individual behaviour in organizations, mediating the relationship between objective characteristics of the work environment and the responses of individuals (Campbell et al., 1970). That is, individuals do not respond to the work environment directly, but must first perceive and interpret their environment. In methodological terms, climate research tends to use quantitative techniques and be nomothetic in that it describes work phenomena from an external point of view (Denison, 1996). Thus, climate can be seen as a means of providing an objective, summary description of work environments (Rousseau, 1988).

Climates are thought to be primarily descriptive because most climate measures ask individuals to indicate their level of agreement with statements about different aspects of their work environment (Joyce & Slocum, 1979). This last point is key with regard to distinguishing climate from affective reactions such as job satisfaction. That is to say that climate is a perceptual description of the work environment whereas job satisfaction is an affective evaluation. Thus, although both concepts refer to aspects of the work environment, the two distinct processes of describing and evaluating these aspects lead to the creation of two distinct constructs (Al-Shammari & Minwir, 1992).
Patterson and his colleagues (2004), however, provide the following words of caution: “some descriptive items in climate questionnaires have an obviously value-laden content (e.g. 'This company cares for its employees') and many others have implications about personal benefit (e.g. 'This company provides a lot of training'). Description and affect are thus likely to be combined in responses to at least some climate items” (p.194).

The climate construct has been expanded to include domain-specific foci such as a ‘climate for service’ or a ‘climate for safety’. Schneider and his colleagues (1998) defined a climate for service as “employee perceptions of the practices, procedures, and behaviours that get rewarded, supported, and expected with regard to customer service and customer service quality” (p.151) and commented that, “because multiple climates often exist simultaneously within a single organization, climate is best regarded as a specific construct having a referent—a climate must be a climate for something” (p.152). It is important to note that both employees and customers of organizations experience service climate: employees in terms of the emphasis placed on service excellence and customers in terms of the experiences they have when being served (Schneider et al., 2000). In this sense, both customers and service employees are uniquely visible in a climate for service. This uniqueness has been supported by research exploring the linkage between service employees and customers that has shown that, “the climate experiences of employees are validated by the experience of the customers they serve” (Schneider et al., 2000, p.36). Furthermore, there is emerging empirical evidence to suggest that domain specific climates are predictive of specific outcomes such as customer retention and profitability (Ostroff et al., 2003; Schneider & Bowen, 1985; Zohar, 1980).
Climate can be measured and analyzed at both the individual and organizational level. Psychological climate refers to how individual employees perceive and make sense of organizational policies, practices and procedures in psychologically meaningful terms. Although co-workers are exposed to the same work environment, it is important to recognize that such perceptions can be idiosyncratic (James & Tetrick, 1986).

Organizational climate, on the other hand, is a unit level aggregate that emerges from these idiosyncratic interpretations of the work environment when individuals within a particular unit (e.g., group, organization) share similar perceptions of the situation. It should be noted, however, that organizational climate can only be said to exist where co-workers agree on their perceptions of the work environment (James, 1982; Klein et al., 2000). Furthermore, organizational climate is an emergent property that is amplified through interactions and exchanges with other unit members to manifest as a higher-level collective phenomenon. Thus, the relationship between psychological and organizational climate can be described as compositional in that both constructs reference the same content but describe qualitatively different phenomena at the individual and unit levels of analysis (Schulte et al., 2006; James, 1982).

The central question with regard to how climates form is: how do employees faced with a vast range of organizational stimuli come to have similar perceptions? There are four approaches that attempt to explain climate formation. First, the structural approach regards climate as an attribute belonging to an organization and existing independently of the perceptions of employees. Thus, the contention is that “similar contexts give rise to similar perceptions” (Schneider & Reichers, 1983, p. 26). There are, however, two key dilemmas inherent in the structural approach. First, since structural factors are usually common throughout an organization, the structural
approach cannot account for studies where different team or departmental climates within the same organization have been found (Howe, 1977; Johnston, 1976; Moran et al., 1988; Powell & Butterfield, 1978). Second, the potentially most serious problem associated with the structural approach is its assumption that individuals are capable of perceiving structural factors with a high degree of accuracy. This approach, therefore, gives inadequate consideration to the subjective impact that structural variables have on the reactions of individuals to a given organizational situation (Bhagat & McQuaid, 1982). Second, the perceptual approach places the origin of climate within the individual and suggests that employees interpret organizational stimuli in a manner that is psychologically meaningful to them (Moran et al., 1992). Under this approach, climate is simply observed at the individual level and defined as "a perceptually-based, psychologically-processed description of the situation" (James et al., 1978, p. 784). Thus, psychological climate is a product of perceptual and cognitive processes that result in cognitive representations which reflect an interpretation of the situation in forms which are psychologically important to the individual (James and Jones, 1974; James et al., 1978; Moran et al., 1992). The perceptual approach, however, does not have a compositional theory and it does not, therefore, address the ‘similarity of perceptions’ question.

Third, the interactive approach contends that the interaction of employees gives rise to a shared agreement and that this interactive process of sharing is the source of similar climate perceptions. In one sense, the interactive approach references the interaction among individuals as they engage in the process of interpreting organizational realities. In another sense the interactive approach also references the interaction between objective conditions and subjective awareness. The interactive approach
acknowledges that individuals develop shared perceptions of their setting (Ashforth, 1985), contends that these shared perceptions evolve from the interactions of individuals, and therefore concludes that climate is 'socially constructed' (Berger & Luckman, 1967; Mumby, 1988; Wuthnow & Witten, 1988). The interactive approach, however, fails to provide an explanation of the way in which the social context shapes interaction. As Moran and his colleagues (1992) point out, interacting individuals do not form their common perceptions 'de novo'. Finally, the cultural approach suggests that groups interpret, construct, and negotiate reality through the creation of an organizational culture and that perceptions arising from a common culture will be similar. That is to say organizational cultures contain values and beliefs that help individuals to define what is important and how to make sense of their work environment (Asforth, 1985).

Climate to Performance: the Empirical Evidence

In order to assess the validity of the linkage between climate and performance three key studies will now be explored. Johnson (1996) sought to identify organizational practices that assist the delivery of quality service and made use of the Service Management Practices Inventory (SMPI). The SMPI measures employee perceptions about the performance of their organization in terms of service quality and it was applied to the following eight assessment areas: service strategy; seeking information; evaluating service performance; service training and support; service rewards and recognition; service orientation and commitment; sales and service relationship; and service systems, policies, and procedures. Due to the fact that the SMPI was designed to measure service climate dimensions that are important to service quality all dimensions were expected to be related to customer satisfaction and the following
hypothesis was put forward: most service climate dimensions would be more strongly related to personal-contact aspects of customer satisfaction (i.e., staff performance and problem solving) than to non-personal contact aspects of customer satisfaction (i.e., bank statements and convenience of hours and locations).

Survey data were obtained from employees and customers of 466 branches of a large retail and commercial bank and 4,945 were returned. The sample size, number of branches and number of employees were reduced to 2,940, 57 and 538 respectively by excluding employees that dealt with internal customers. This generated an average N per branch of 9.4 (SD = 3.7), with a minimum of 3 and a maximum of 19. 77,600 customer surveys were mailed and 31,800 were returned. This sample size was further reduced to 7,944 by selecting those customers who indicated that they considered this bank to be their primary bank and used the 57 branches on which SMPI data were available. This generated an average N per branch of 139.4 (SD = 48.2), with a minimum of 41 and a maximum of 262. The expectation that all service climate dimensions would be related to customer service satisfaction was generally supported. Eight of the service climate dimensions had significant partial correlations with overall customer satisfaction (correlations ranged from r=0.48, p<0.01 to r=0.38, p<0.01). The dimensions of information-seeking, training, and reward and recognition showed the strongest relationships; service support, management service orientation, and employee service orientation had the weakest relationships and were in fact statistically non-significant. In addition, the overall service climate variable was significantly related to all customer dimensions except bank statements.
It is important to recognize, however, that while many significant relationships were found in this study, both the employee estimate of customer satisfaction and customer satisfaction with service quality were single-item scales. The lack of response alternatives could have implications with regard to the reliability of the scales. Further, bank branches were selected on a non-random basis and, therefore, the branches, their employees and their customers may not be representative. Furthermore, selected branches tended to be larger than the average unselected branch and a post hoc analysis of small and large selected branches revealed that correlations tended to be larger in the smaller branches. Thus, the correlations found in the sample of branches used in this study may have been underestimates. This research addresses all three of these issues by using previously validated multi-item scales and by randomly selecting call centres representative of the UK call centre industry in terms of size.

Finally, the analysis in this study was done at the branch level and therefore the results cannot be generalized to the individual level. The issue here is that, while this study can conclude that bank branches in which employees receive training on service delivery tend to have more satisfied customers, it cannot conclude that training an individual leads to customers being more satisfied with the service delivered by that individual. Moreover, Johnson made the point that, individual behaviour is at the core of successful and sustainable organizational adaptation and therefore vital to viability and competitiveness. This research will address this issue by conducting analysis at the individual level.

Schneider and Bowen's (1985) study examined how employee perceptions about their workplace were related to customer perceptions of the service they received and
involved 28 bank branches, 142 employees and 968 customers. In particular, they identified a climate for service as an antecedent of performance in terms of service quality. They defined a climate for service as a combination of employee assessments of their own service orientation, beliefs about managerial service orientation, and perceptions of service-related practices. A climate for service measure divided into four sub scales (branch management, systems support, customer attention/retention and logistics support) and a customer-perceptions measure with five sub-scales (courtesy/competency, utility/security, adequate staff, employee morale and branch administration) were used. Overall results indicated that customer perceptions appear to be clearly related to the experience of employees providing the service. In particular, Schneider and Bowen suggest that employees and customers interact during the provision of service and that their experiences are interdependent. Furthermore, their results showed a strong relationship \((r=0.61, p<0.01)\) between customer views of service quality and their intention to remain with their bank or find an alternative provider. Thus, there is empirical evidence to support the link between service quality and customer retention and, therefore, service quality can be seen as an important performance outcome to measure.

Four main reasons have been put forward as to why customers and customer-facing employees share common perceptions of service performance. First, because customer-facing employees spend most of their work time interacting with customers they are often psychologically closer to customers than they are to their colleagues (Aldrich and Herker, 1977; Parkington and Schneider, 1979). That is to say that customer-facing employees form particularly close relationships with customers because employees and customers often work together in the creation of services that
are produced and consumed simultaneously (Berry, 1995). Second, because of the intangibility of services, customers often rely on the behaviours of employees to form opinions about the service offering (Gronroos, 1983; Shostack, 1977). Third, because of these two functions employees actually become part of the service in the customer's eyes (Lovelock, 1980). Thus, service organizations are transparent because the perceptions of organizational practices and procedures are visible to not only employees but also to customers. Finally, employees who deal directly with customers are likely to have a good idea of how satisfied their customers are (Schneider & Bowen, 1995) and, therefore, their ratings of customer satisfaction are likely to be related to customer ratings of actual service satisfaction (Schneider & Bowen, 1985; Schneider et al., 1980; Wiley, 1991).

*Schneider and his colleagues (1998)* further developed their climate for service measure creating the four following service climate scales: global service, customer orientation, managerial practices, and customer feedback. First, the global service climate scale focuses on: the ability to deliver superior quality work and service; the recognition and rewards employees receive for the delivery of superior work; the leadership shown by management in supporting service quality; and the tools, technology, and other resources provided to support the delivery of superior service. In short, the global service climate scale asks customer-facing employees to rate the ability of their organizations to support and deliver a high quality of service to their customers.
Second, the customer orientation scale focuses on how well organizations keep customers informed of changes and senior management plans to improve service quality. Third, the managerial practices scale focuses on how well managers recognize and appreciate quality and how committed they are to improving the quality of service provided. Finally, the customer feedback scale asks customer-facing employees if external customers evaluate the quality of service provided if they are informed about those customer evaluations. This longitudinal study involved 134 bank branches, 2,134 employees in 1990 and 2,505 in 1992 and 3,100 customers in 1990, 2,266 in 1992 and 1,900 in 1993. The key finding of Schneider and his colleagues was that the way customer-facing or boundary employees perceived their organization's ability to support and deliver service quality was related to customer perceptions of service quality. In empirical terms, the global service climate scale was significantly correlated with an overall customer perception scale \( r = .31 \). It should be noted, however, that cross-lagged analyses revealed the presence of a reciprocal effect for climate and customer perceptions.

While this study provides empirical support for the proposition that climate for service is a determinant of customer perceptions of service quality, the findings do not suggest that service quality is the only cause of customer perceptions of quality. Factors such as price, convenience and value also influence customer perceptions of service quality (Berry, 1995; Oliver, 1997; Zeithaml et al., 1990). Indeed, the modest relationships between the different service climate variables and customer perceptions of service quality in this study (only one employee variable, customer feedback, had a correlation above \( r = .30 \)) support this proposition. It further suggests that the
relationship between climate and performance is more complex than the direct link argument suggests.

**Climate to Performance: Mixed Results**

While the three key studies reviewed above have provided empirical support for the existence of a link between climate and performance it is important to recognize that disparate and sometimes conflicting results have been reported. Despite being typically and consensually theorized as a concept indicative of organizational objectives and the means to achieve those objectives (Hershberger et al., 1994), there is some debate with regard to what climate scales should include. That is to say that there is a lack of agreement in terms of what policies, procedures and practices should be measured. Indeed, as **Table 1** below demonstrates,

**Table 1**

<table>
<thead>
<tr>
<th>Studies</th>
<th>Climate Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>James et al., (1990)</strong></td>
<td>Autonomy, challenge, importance, ambiguity, conflict, overload, goal emphasis, support, upward influence, cooperation, pride, warmth.</td>
</tr>
<tr>
<td><strong>Kopelman et al., (1990)</strong></td>
<td>Goal emphasis, means emphasis, reward orientation, task support, and socio-emotional support.</td>
</tr>
<tr>
<td><strong>Ostroff (1993)</strong></td>
<td>Autonomy, participation, co-operation, warmth, innovation, growth, social, intrinsic, &amp; extrinsic rewards, achievement, hierarchy and structure.</td>
</tr>
<tr>
<td><strong>Patterson et al., (2005)</strong></td>
<td>Employee welfare, autonomy, participation, communication, emphasis on training, integration, supervisory support, formalization, tradition, flexibility, innovation, outward focus, reflexivity, clarity of organizational goals, effort, efficiency, quality, pressure to produce, and performance feedback.</td>
</tr>
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</table>

studies have utilized a wide variety of climate dimensions. Given this wide variety of common (e.g., autonomy), overlapping (e.g., various aspects of support) and unique to one measure (e.g., pressure to produce, ambiguity, hierarchy) climate dimensions, it is perhaps unsurprising that nearly 50 years of empirical research on climate constructs
has not led to firm conclusions as to the relationships between climate and performance (Carr et al., 2003). Furthermore, as Wilderom and her colleagues (2000) have pointed out, different climate aspects were found to be important in different studies. Thus, there is still much debate with regard to what should be measured and how this linkage operates.

Different Measures Beget Different Results?

In order to further explore this lack of firm conclusions, four climate-to-performance studies that have reported conflicting findings will be reviewed. The study conducted by Denison (1990) encompassing 34 large companies across 25 different industries reported the following: a significant relationship between perceived employee involvement and both short- and long-term financial success; a positive relationship between perceived consistency and short-term financial performance but a negative relationship between the same factor and long-term financial performance; and no significant relationship between the two other climate dimensions (‘adaptability’ and ‘mission’) and performance. Wilderom and her colleagues (2000), however, make the point that Denison’s study analyzed data from another research project designed for other purposes and utilized poorly-defined climate scales.

While providing support for Denison’s (1990) contention that climate strength predicts short-term performance, the study conducted by Gordon and DiTomaso (1992) involving 850 managers in eleven health sector insurance companies also provided conflicting evidence. In direct opposition to Denison, this study found a climate of ‘adaptability’ to be related to short-term performance but found no such relationship between ‘stability’ and performance. One explanation for these
apparently conflicting findings is that the climate strength measure utilized by Gordon and DiTomaso was designed to replicate Denison's but the 'adaptability' and 'stability' were not as they were based on Gordon's (1985) work indicating that companies tend to develop climates that match their environments. In other words, it could be argued that the reporting of similar results stemmed from the use of similar measures and that different results stemmed from the use of different measures.

The nature of the relationship between climate and performance was made more complicated by the findings reported by Kotter and Heskett (1992). This study involved 207 companies from 22 different industries and reported a positive, moderate relationship between climate strength and long-term performance but found no significant relationship between 'adaptability' and performance. Kotter and Heskett's explanation for these problematic findings is that the climate measures used were too imprecise. Their contention that climate strength 'overlooks too much' (quoted in Wilderom, 2000, p.200), however, suggests that the 'strength of climate is more predictive of performance than type of climate' hypothesis is an oversimplification of the relationship between climate and performance, and that the lack of conclusive findings actually stems from the use of inaccurate measures. As Denison and Mishra (1995) have commented, there is a 'healthy scepticism' about whether climate can ever be measured in a way that allows one organization to be compared with another (p.205).

The study conducted by Denison and Mishra (1995) involving 764 companies across five different industries further explored the relationship between involvement, consistency, adaptability, mission and the following performance outcomes: perceived
performance in terms of quality, employee satisfaction, and overall performance, and
objective performance in terms of return on assets and sales growth. Their
involvement hypothesis suggested that high levels of employee participation will
create a sense of ownership and that out of this ownership will grow a greater
commitment to the organization. They further argued that increasing employee input
would also increase the quality of decision-making and the subsequent
implementation of those decisions. The concept underlying Denison and Mishra’s
consistency hypothesis was that an implicit control system should be a more effective
means of achieving co-ordination and integration than external control systems
because implicit control systems can be projected by organizational members onto
ambiguous or ill-defined situations.

Their adaptability hypothesis asserted that in order to be effective organizations must
develop norms that support the capacity to receive and interpret signals from its
environment and translate these into internal cognitive, behavioural, and structural
changes (Kanter 1983). The argument here is that, where the foundations of normative
integration become detached from the external environment, they frequently develop
into insular bureaucracies incapable of adapting to changing external circumstances.
In support of this Calori and Sarnin (1991) found that organizations which valued
adaptability were more likely to give priority to the satisfaction of clients and be
willing to try new ideas. Denison and Mishra’s mission hypothesis is based on two
precepts: first, a mission provides purpose, meaning, and many non-economic reasons
why an organization’s work is important; and second, it defines the most appropriate
course of action for the organization and its members to follow.
Denison and Mishra's results indicated that all four climate dimensions were strongly related to the subjective performance measures. The results for the objective measures of performance, however, were more problematic. For organizations with more than 100 employees, return on assets was most strongly related to the mission and consistency dimensions. Sales growth, on the other hand, was found to be more strongly related to the involvement and adaptability dimensions. The results for the subjective and objective performance criteria also revealed that while the correlation between the four dimensions and the objective performance criteria were dependent on the size of the organization, the correlations between the four dimensions and the subjective performance criteria were not. The authors put forward three possible explanations for these discrepancies. First, climate and effectiveness are more closely linked in larger organizations because the co-ordinating effects of shared perceptions are more important in larger and more complex groups. It is also possible to argue that the way in which organizational climates emerge in large and small organizations is likely to be very different. In large organizations employees will probably only interact with a small proportion of other employees on a regular basis whereas in small organizations it is very likely that employees will interact with most, if not all, of the other members. Thus, climate formation in a large organization is probably a slower, more random process than it is in a small organization (Dawson et al, 2008). Second, subjective measures of effectiveness are better suited for the comparison of a disparate set of organizations than objective measures of effectiveness. Third, the simultaneous use of multiple performance outcomes within one study (and indeed the use of different performance measures across different studies) points to the fact that the concept of effectiveness also presents a challenging set of measurement problems.

As Denison and Mishra point out, "the multidimensional nature of the concept
requires that effectiveness be defined by a complex of stakeholders, who may hold differing, incompatible, and changing criteria” (1995, p.205).

The Intervening Processes Between Climate & Performance

While the diffuse pattern of results reported by climate-to-performance studies is likely to arise in part from the use of different climate measures and different performance measures across different industries by different researchers, the intervening affective processes which are thought to translate climate perceptions into performance must also be of particular importance. In order to explore these intervening processes, three key studies will now be reviewed. Kopelman and his colleagues (1990) presented a model that suggests that climate influences performance (in this case productivity) through ‘cognitive and affective states’ and ‘salient organisational behaviours’. They viewed employee affect as consisting of work motivation and job satisfaction and cognitive aspects of climate relating to specific elements of the work experience. This study further suggests that climate perceptions involve the following five key areas: first, goal emphasis and clarity of communication; second, operating procedures and performance expectations; third, performance contingent reward; fourth, task support in terms of equipment, tools and resources; and finally, perceptions of welfare. The contention is that positive climate perceptions of the above five key areas give rise to positive evaluations of job satisfaction and that these positive evaluations of job satisfaction in turn give rise to salient organisational behaviours that relate to and engender attachment (low voluntary staff turnover and low absenteeism), role-prescribed behaviours (task completion) and citizenship behaviours (the willing contribution of extra-role behaviours).
Building on the work of Kopelman and his colleagues, Sparrow (2001) identified a series of mental, emotional and attitudinal processes through which salient organisational behaviours linked to climate perceptions are thought to influence performance. Trust, an effective psychological contract, perceived organizational support, fairness, justice, work motivation, job satisfaction and job involvement are identified as the most important of these mental, emotional and attitudinal states. It is Sparrow’s contention that organisational climate (or culture) is incorporated in the psychological contracts of employees and that they are attracted to specific organisational climates that act as a ‘stabilizer of individual behaviour’. In his words, “once these mental, emotional and attitudinal states are established in a positive direction, then employees begin to exhibit a series of salient organizational behaviours, i.e. the behaviours that actually generate effective performance” (Sparrow, 2001, p.99). In simple terms, positive climate perceptions lead to positive attitudinal states which in turn lead to salient organizational behaviours that give rise to effective performance.

James and James’s (1989) model argues that climate perceptions and affective reactions “should be highly correlated because emotionally relevant cognitions and the emotions (or feeling states) are components of reciprocally interacting, interdependent, nonrecursive, fused processes” (p. 749). That is to say that while the concepts of climate and affect are conceptually distinct, climate perceptions frequently carry some degree of latent affect or emotional loading (Patterson et al., 2004). Moreover, the perception of whether the work environment is personally beneficial or detrimental is hypothesized to be the primary cause of a feeling state (Ison, 1984) that reflects satisfaction or dissatisfaction. To illustrate this point, James
and James suggest that individuals with high negative affectivity will tend to interpret situations in a manner that is consistent with their experienced emotions. The argument being made here is that if individuals tend to interpret the work environment in a manner that is consistent with existing levels of affect they will be predisposed towards either satisfaction of dissatisfaction and, as a consequence, perceive their work environment to be either beneficial or harmful to their well-being. Thus, it is suggested that emotional loading will give rise to the possibility that climate is reflected in performance because of associated job-related feelings.

In order to test their argument, James and James sampled employees and work environments from: aircraft maintenance personnel from two Navy Air Training Commands (N = 422); systems analysts and programmers from an information-systems department of a large private health care programme (N = 128); front-line fire-fighters from a large metropolitan fire department (N = 288); and production-line personnel from four plants of a paper-product manufacturing organization (N = 208). The psychological climate inventory developed by James, Jones, and colleagues containing the first order factors of Role Stress and Lack of Harmony, Job Challenge and Autonomy, Leadership Facilitation and Support, and Workgroup Cooperation, Friendliness, and Warmth was used to measure perceived work environment variables. The overall job satisfaction variable was based on the Minnesota Satisfaction Questionnaire (Weiss et al., 1967). The finding of the this study provided strong support for the contention that emotionally-loaded climate factors are related to evaluations of job satisfaction by reporting an average correlation over all four samples of .89 (p<.01) between the two constructs. It is important to recognize,
however, that the correlation of .89 could also indicate that the two constructs are indistinct.

Summary

There is, then, a body of empirical evidence to support a link between domain specific climates and performance. Furthermore, there is also empirical evidence to support the proposition that the perceptions of customer-facing employees are predictive of customer evaluations of service performance. It is important to recognize, however, that the use of divergent climate measures across different studies has given rise to divergent results. In an attempt to account for this lack of consistency Patterson and his colleagues have argued that, “in general terms, perception on its own generates no impulse for action; that comes from processes that are affective” (2004, p.197). In other words, climate does not influence performance directly but does so through the mediating agency of affect. It would, therefore, be reasonable to expect studies that focus solely on climate and performance to report inaccurate or misleading results because they are not taking into account the vital agency of affect in the ‘psychological process to performance’ equation. Thus, performance is clearly more than just a matter of employee opinion. In order to take the next step towards developing a robust, parsimonious and integrative ‘psychological process to performance’ model, the next chapter will begin by defining the term ‘affective reactions’ and then go on to explore the ‘affect mediates the performance /climate linkage’ contention by: first, examining studies that provide empirical evidence to suggest that affective reactions are directly related to performance; and second, reviewing the studies that suggest that affective reactions mediate the relationship between climate and performance.
CHAPTER 2: AFFECT & PERFORMANCE

On the basis of the contention that the impulse for action comes not from perception but from processes that are affective, this chapter will: first, define the terms job satisfaction and affective commitment; second, describe the theories that seek to explain how job satisfaction and affective commitment influence performance; third, examine key studies that have empirically tested the ‘affective reactions influence performance’ hypothesis; and finally, explore the proposition that climate is an antecedent of affective reactions and that affective reactions mediate the relationship between climate and performance.

Job Satisfaction

Affective reactions in this research equate to the two most frequently investigated job attitudes in the applied psychology literature: job satisfaction and affective commitment (Riketta, 2008). Hoppock (1935) argued for the term, job satisfaction, and defined it as the subjective, spontaneous satisfaction response of an employee in a work situation. Vroom (1964) added to the definition by describing it as an evaluation of feelings of ease by employees in the context of their role and responsibility. Smith and his colleagues (1969) simply defined it as “the feelings a worker has about his job” (p. 6).

The above definitions refer to extrinsic or situational job satisfaction rather than the intrinsic or dispositional variety. This research makes use of the situational job satisfaction survey (JSS) measure developed by Spector (1994) because it seeks to examine the impact that employee evaluations about their jobs and work
environments have upon subsequent levels of performance. Furthermore, this research controls for dispositional factors such as positive and negative affectivity by using an affect scale developed by Burke and his colleagues (1989).

There are two approaches that seek to explain the antecedents of situational job satisfaction. First, the objective characteristics model identifies five specific descriptors that are likely to be satisfying: skill variety, task significance, task identity, autonomy, and feedback (Hackman and Oldham, 1976). Meta-analysis conducted by Fried and Ferris (1987) summarized almost 200 studies and reported corrected correlations for the objective characteristics model with job satisfaction to be .45 (skill variety), .35 (task significance), .26 (task identity), .48 (autonomy), and .43 (feedback). These meta-analytic findings indicate that objective job characteristics account for a substantial proportion of the variance in job satisfaction. Crede and his colleagues (2007) suggest that the manner in which desirable job features are translated into higher levels of job satisfaction could be explained by the theory of perceived organizational support, where employees are thought to personify the organization (Rhoades & Eisenberger, 2002). That is, jobs with desirable characteristics could be interpreted by employees as organizational concern for their well-being and, as a consequence, lead to the reporting of higher levels of job satisfaction (Crede et al., 2007).

The second approach focuses on reduced levels of job satisfaction stemming from negative workplace events that employees may experience such as unfair procedures (Schmitt & Doerfel, 1999) or unfair outcomes (McFarlin & Sweeney, 1992). This link is supported by meta-analysis conducted by Colquit and his colleagues (2001).
which reported correlations between job satisfaction and distributive, procedural, interpersonal and informational justice of .56, .62, .35, and .43, respectively. As was the case for the objective characteristics model, the effect of negative events on job satisfaction can also be understood from a perceived organizational support perspective. That is to say that employees are likely to blame their organization for negative events that occur, perceive that the organization does not care about their welfare and therefore report lower levels of job satisfaction (Crede et al, 2007).

Satisfaction and Affect

While the most basic assumption of Affective Events Theory (AET) is that job satisfaction should be conceptualized as an evaluative judgement about one’s job, AET also states that such evaluative judgements should not be confused with real emotions that employees experience at work, because emotions have causes and consequences that are distinguishable from the causes of evaluative judgements (Weiss & Cropanzano, 1996). More specifically, AET suggests, on the one hand, that affective states like moods and emotions typically comprise physiological components that can have many effects at the time they occur. On the other hand, evaluative judgements about objects are often influenced by general beliefs about these objects and by contextual or situational influences that are not necessarily involved in the arousal of emotions (Weiss, 2002). Furthermore, positive and negative emotions such as anger or pride have substantially different causes and effects (Basch and Fisher, 2000; Payne and Cooper, 2001) so that positive and negative affective reactions at work are typically only weakly correlated. The implication here is that some information has to be lost if general job satisfaction is regarded as an umbrella measure of positive and negative affect at work. Thus, as Weiss (2002) points out,
although emotions at work and job satisfaction are related, job satisfaction and affect at work are separate constructs that should not be treated interchangeably. In support of this proposition, some longitudinal studies have shown that the prior experience of positive emotions or moods at work fosters job satisfaction, whereas the prior experience of negative emotions or moods yields low job satisfaction (Fisher, 2002; Grandey, et al, 2002; Ilies and Judge, 2002, 2004; Weiss et al., 1999). However, it is important to recognize that sample size in these studies was rather small (e.g. 27 employees in the study by Ilies and Judge, 2002, 33 employees in the study by Ilies and Judge, 2004; and 24 workers in the study by Weiss et al., 1999). In order to address this issue, Wegge and his colleagues (2006) decided to test the following assumption of AET in a large sample of call centre employees: positive emotions at work, negative emotions at work and job satisfaction are related but at the same time also distinguishable constructs.

Wegge and his colleagues found that while positive emotions, negative emotions and general job satisfaction were related they were also clearly separable constructs.

Positive emotions at work correlated with high job satisfaction \( (r=0.29) \); negative emotions were associated with low job satisfaction \( (r = -0.10) \) and positive emotions experienced in call centre work were negatively correlated with negative emotions \( (r = -0.09) \). Although the direction of these relationships was not surprising, the observed strength of these correlations was far from trivial. Thus, criticism emphasizing the limited validity of using general job satisfaction measures as indicators of affective experiences at work is strongly supported by the findings of this study. Moreover, as these results were obtained in large and small call centres as well as in in-house call centres and outsourced call centres (that significantly differ in
mean levels of job satisfaction as might be expected from prior work), there is some confidence that these findings hold across different types of call centres and across different levels of job satisfaction.

**Affective Commitment**

Meyer and Herscovitch (2001) define commitment in behavioural terms as, "a force that binds an individual to a course of action of relevance to one or more aims" (p. 301). Other definitions include: ‘psychological state’ (Allen & Meyer, 1990, p. 14), ‘psychological attachment’ (O’Reilly & Chatman, 1986, p. 493) or ‘psychological bond’ (Mathieu & Zajac, 1990, p. 171). Furthermore, commitment can also be attitudinal in the sense that attachments can be formed to entities such as occupations or organizations (Meyer & Allen, 1997). The attitudinal variety is, therefore, the most appropriate form of commitment for this research. It is important to recognize, however, that attitudinal or organizational commitment is itself a multi-dimensional construct. One of its earliest definitions was provided by Becker (1960) who sought to explain attachment in terms of how much employees would lose if they left their organization. Underpinning this assertion is the concept that employees accumulate ‘investment’ during periods of tenure and they, therefore, have something to lose if they leave. In contrast, Porter and his colleagues (1974) defined it as the relative strength of an employee's identification with their organization. In more detail, this equated to the belief in, and acceptance of, organizational goals and objectives; the willingness to work hard on behalf of the organization; and definite intentions to remain in the organization.
Meyer and Allen (1984) have used the terms ‘affective commitment’ to characterize the construct of Porter and his colleagues and ‘continuance commitment’ to characterize Becker’s construct. While both constructs denote feelings of commitment towards an organization the motivations behind the attachments are very different. That is to say employees with affective commitment wish to remain with their organizations because they like working there, where as those with continuance commitment have to remain with their organizations due to external circumstances. In short, employees with affective commitment stay because they want to and employees with continuance commitment stay because they need to (Meyer et al., 1989). Thus, the two different types of commitment are likely to lead to different behaviours: while affectively committed employees might make extra effort to achieve organizational goals (Mowday et al., 1982) those with continuance commitment might only be motivated to do the bare minimum.

How does Job Satisfaction Influence Performance?
The early impetus behind research into the job satisfaction/performance relationship came from the assumption that high morale would lead to high performance (Iaffaldano & Muchinsky, 1985; Judge et al., 2001). Elements of social psychology such as the premise that attitudes lead to behaviour would appear to be relevant here. For instance, attitude has been defined as a, “learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object” (Fishbein & Ajzen, 1975, p. 6). Furthermore, it has also been noted that attitude measures, “should be consistently related to the pattern of behaviors that the individual engages in with respect to the attitude object” (Fishbein, 1973, p. 22). In similar vein, Eagly and Chaiken (1993) argued that, “people who evaluate an attitude
object favorably tend to engage in behaviors that foster or support it, and people who evaluate an attitude object unfavorably tend to engage in behaviors that hinder or oppose it” (p. 12). Thus, as Judge and his colleagues (2001) conclude, work attitudes should be related to work behaviours in general and work performance in particular.

Thus, the proposition is that satisfied service employees will make for satisfied customers (Zeithaml & Bitner, 2000). Support for this proposition has been provided by Hoffman and Ingram (1992) when they identified job satisfaction to be an antecedent of customer-oriented behaviour. Hoffman and Ingram selected the home healthcare market for their study. Questionnaires were distributed to 250 representatives employed by four different home healthcare agencies located within the same competitive market. One hundred and fourteen of the 250 questionnaires were returned for a response rate of 46 percent. Service provider job satisfaction was measured via the Job Descriptive Index (JDI), a 72 item instrument designed to measure five dimensions of job satisfaction: satisfaction with the work itself (18 items), supervision (18 items), co-workers (18 items), promotion opportunities (9 items), and pay (19 items). The level of customer orientation was measured through the 24-item, 9-point SOCO scale. The SOCO scale, a self-reported measure of the service provider's perceived customer orientation, had been previously tested and validated. The results from this study indicated that overall job satisfaction (.28, p <.01), as well as satisfaction with supervision (.20, p<.05), promotion (.18, p<.05) and co-workers (.21, p<.05), were positively related to customer-orientation.

This study put forward two conceptual foundations to explain the relationship between job satisfaction and service performance. The first, derived from social
exchange theory, suggests that individuals will reciprocate favourable treatment. Thus, Hoffman and Ingram argue that service industry employees will exhibit customer-oriented behaviours because they benefit extrinsically (pay) and intrinsically (job fulfilment) from taking care of customers. The second conceptual foundation is derived from the effects of an individual’s mood on subsequent helping behaviours. The contention here is that pro-social behaviour is more likely to occur when an individual is experiencing positive affect. That is, positive affect transfers to other stimuli (i.e., service employees) in the temporal and social context.

In similar vein to Hoffman and Ingram, Motowidlo (1984) suggests that employees in a positive frame of mind are more likely to be altruistic. The contention is that although mood and job satisfaction are conceptually and operationally distinct, the two constructs are intimately related and, therefore, individuals who find their work situations satisfying should generally experience more positive moods than those who do not. Accordingly, Motowidlo argues that the affective response implicit in job satisfaction will give rise to altruistic work behaviours such as helpfulness and consideration. In support of the study conducted by Smith and his colleagues (1983) which reported a correlation of .31 (p<.01) between job satisfaction and supervisory ratings of altruism, and the study conducted by Bateman and Organ (1983) that reported a correlation of .41 (p<.01) between job satisfaction and citizenship behaviours, this study reported a correlation of .27 (p<.01) between job satisfaction and supervisor ratings of consideration. Consideration was defined in this study as ‘awareness and concern for the needs and feelings for others’. Thus, it is possible to argue that service industry
would be more likely to deliver exceptional service because they are more likely to be sensitive to the needs and feelings of their customers.

**How does Affective Commitment Influence Performance?**

It has been suggested that service performance will suffer when employees are unwilling to perform a service at the required level (Zeithaml et al., 1990; Malhotra & Mukherjee, 2004). The contention is that ‘willingness to perform’ implies ‘discretionary effort’ and that during the service interaction it is the willingness of employees to engage in discretionary effort that determines the level of service performance delivered and the satisfaction of the customer. Thus, as Boshoff and Tait (1996) have argued, the willingness of employees to accept and support organisational goals and to behave in a manner likely to promote them influences the level of service performance. In more detail, due to the high level of human involvement and, therefore, unpredictability in service interactions not all frontline employee behaviours can be specified and pre-determined by management guidelines (Mattsson, 1994). Thus, a degree of discretion has to be exercised in service interactions (Kelley, 1993). Discretionary effort will determine how well frontline employees behave and can have a significant impact on customer satisfaction and favourable evaluations of service performance (Bowen and Schneider, 1985; Philips et al., 1990).

Meyer and his colleagues (2004) suggest that affective commitment influences performance because commitment to social foci such as organizations engenders commitment to the goals of those organisations. Put simply, committed employees are thought to be more willing to work hard on behalf of their organisation and towards organisational goals. Meyer and his colleagues propose that commitment to social foci
affect goal-directed behaviours and that the effect of such commitment is indirect through goal regulation, goal choice, and goal commitment. In their words, "employees who have a strong affective commitment to a relevant social target are likely to share the target's values and experience self-set and assigned goals as autonomously regulated (integrated or identified regulation) and as ideals to be achieved" (p.998).

Meyer and Herscovitch (2001), however, argue that goal commitment can be accompanied by different mindsets (e.g., desire, obligation, cost) that have important implications for commitment-relevant behaviour and work place performance. That is, employees pursue goals because they want to, because they feel obligated, because they feel that they have to, or because of a combination of all three mindsets. It is further suggested that goal commitment interacts with goal choice to influence the goal mechanisms themselves. The argument here is that goal commitment influences the extent to which a goal actually promotes greater attention to goal-relevant activities, to exert effort, and to the development of strategies designed to facilitate goal attainment. This is consistent with Herscovitch and Meyer's (2002) argument that affective commitment is a stronger binding force than normative and continuance commitment because the latter are more likely to conflict with self-interest and are thus subject to forces that weaken the bond. In other words, an employee’s commitment to a work task is more likely to weaken if the goal they have committed themselves to out of obligation or a desire to receive financial reward turns out to be much more demanding or difficult than anticipated. Conversely, employees with high levels of affective commitment are likely to remain unaltering in the pursuit of goals.
because it protects them from the negative aspects of stress and enables them to attach direction and meaning to their work (Begley & Czajka, 1993).

In light of the above analysis, it is possible to argue that commitment to an organization and its goals gives rise to an intention to perform and, therefore, the theory of reasoned action developed by Ajzen and Fishbein (1980) may provide an insight into how affective commitment could influence performance. This theory posits that an individual’s intention to perform a particular behaviour is the immediate determinant of that action. Behavioural intention is in turn a weighted sum of two determinants: the attitude towards performing the behaviour and the subjective norms regarding the behaviour. Attitude towards a particular behaviour refers to the degree to which an individual has a favourable or unfavourable evaluation of the given behaviour. Attitude towards the behaviour is the function of the belief that performing that behaviour will lead to either pleasant or unpleasant consequences. The social component of Ajzen and Fishbein’s model, the subjective norm, reflects the perceived social pressure to perform or not to perform the behaviour. The subjective norm is a function of the individual’s beliefs about whether they are expected to perform the behaviour and the individual’s motivation to comply with those expectations. The argument being made here with regard to the link between commitment and reasoned behaviour is that individuals who are committed to their organization and its goals are more likely to believe that performing work tasks will lead to pleasant consequences and comply with organizational expectations.

As an extension to the theory of reasoned behaviour, Ajzen (1991) developed the theory of planned behaviour. Intention is central to this theory because intentions are
assumed to capture the motivational factors that influence behaviour. That is to say that they are indications of how hard people are willing to try and of how much effort they are planning to exert in order to perform the behaviour. The general argument is that the stronger the intention, the more likely the performance. In this sense, affective commitment and planned behaviour relate to the central tenets of expectancy theory (Vroom, 1964): the effort individuals exert is a function of their expectation that certain outcomes will result from their performance; and the intrinsic attractiveness (positive valence) or aversiveness (negative valence) of those outcomes (Latham, 2007). The specific argument is that affectively committed employees are more likely to find the outcomes of their performance intrinsically attractive.

It should be noted, however, that Ajzen makes it clear that intention can only lead to performance if the required behaviour is under volitional control because performance frequently depends to some degree on non-motivational factors such as the availability of resources. Thus, the theory of planned behaviour indicates that behaviour, and therefore performance, arises in part from some form of affect. Furthermore, as Raabe and her colleagues (2007) have pointed out, although affective commitment to an organization and its goals is the starting point, goals are only transformed into actions by plans. According to action theory, plans help transform general goals into specific implementation intentions, which then lead to goal-directed behaviours (Gollwitzer, 1999).

The concept of ‘goal regulation’ derived from self-determination theory (Deci & Ryan, 1985) and regulatory focus theory (Higgins, 1997) theorized by Meyer and his colleagues (2004), could also explain some of the mechanisms between commitment
and performance. Central to self-determination theory is the distinction between ‘autonomous’ and ‘controlled’ motivation (Gagne & Deci, 2005). Autonomous motivation is a prototype of intrinsic motivation that involves free will and choice. That is to say that, employees with autonomous motivation perform work tasks of their own volition because they find them intrinsically interesting or enjoyable. In stark contrast, employees with controlled motivation perform work tasks due to external pressure or inducement and it is, therefore, a form of extrinsic motivation.

As Gagne and Deci (2005) have pointed out, however, extrinsic motivation can vary with regard to the extent that it is autonomous or controlled and they identified ‘internalization’ as the determining factor. Internalization is defined as the adoption of values, attitudes, or regulatory structures and results in the transformation of external regulation into internal regulation that no longer requires the presence of an external contingency. They further argue that the greater the internalization, the more autonomous the subsequent extrinsically motivated behaviour. In this sense, and contrary to most internalization theory, there is not a dichotomy between internal and external regulation but rather a continuum.

Internalization, however, is itself an overarching term that refers to the three following processes: introjection, identification, and integration. Introjection refers to a regulation that has been adopted by an employee but not accepted as their own. That is, some employees will engage in a particular behaviour in order to avoid feelings of guilt or to gain the respect of others and introjection can, therefore, be seen as a controlled form of internalized extrinsic motivation. Identified regulation refers to the performance of behaviour that is in harmony with personal goals and identities. Under
this form of regulation employees may perform tasks that they do not find enjoyable because they are seen as serving an important or greater purpose and, therefore, they feel a greater sense of freedom because it reinforces an aspect of themselves.

Integrated regulation refers to situations where employees sense that a particular behaviour is an integral part of who they are, that it emanates from their sense of self and is, therefore, experienced as having been freely chosen and fully autonomous (Meyer et al., 2004). It should be noted, however, that integrated regulation is not the same as intrinsic motivation because the motivation is not derived from the work activity itself but rather from the fact that the work activity is instrumentally important for personal goals (Gagne & Deci, 2005). Thus, Meyer and his colleagues (2004) conclude that there are strong similarities between the nature and consequences of the different forms of perceived regulation and the three components of commitment. That is to say that external regulation (i.e., not internalized) relates to continuance commitment, integrated and identified regulation relates to affective commitment, and introjected regulation relates to normative commitment. Support for this conclusion is provided by the fact that the affective form commitment and the more autonomous forms of regulation have been found to have stronger links with behaviour than the other forms of commitment (Meyer & Hertscovitch, 2001) and the less autonomous forms of regulation (Ryan & Connell, 1989; Grolnick & Ryan, 1987).

Regulatory focus theory developed by Higgins (1997, 1998) to explain the operation of the 'hedonic principle' contends that people seek pleasure and avoid pain. According to this theory, there are two different strategies to regulate pleasure and pain: promotion focus and prevention focus. Individuals with a promotion focus are
concerned about accomplishments, hopes and aspirations and are attracted to positive outcomes. Regulatory focus theory, however, goes beyond the principle of hedonism by noting that end states can be defined in terms of what individuals want to (ideally) be or what they think they ought to be (Higgins, 1998). Individuals who seek to conform to their ideal self can be seen to have a promotion focus whereas those who seek to conform to the self they feel they ought to be can be seen to have a prevention focus. Furthermore, a regulatory focus can also be situationally induced by increasing the relative salience of these needs or by emphasizing the attainment of positive outcomes or the avoidance of negative outcomes (Meyer et al., 2004). Thus, as Higgins (1998) has pointed out, “given these differences, one would expect that people’s self-regulatory states would be different when their focus is promotion versus prevention” (p.27).

Meyer and his colleagues (2004) have theorized that the behavioural implications of the differences in regulatory focus are also similar to those described in the three-component model of commitment. While both regulatory foci can serve as strong forces to behave, the obligations associated with a prevention focus are more clearly defined than the ideals associated with a promotion focus. That is to say that ideals tend to be less concrete and are, therefore, more adaptive to change and more responsive to continuous challenge. On the basis of this reasoning, Meyer and his colleagues argue that behaviours associated with a prevention focus will be more limited in scope than behaviours associated with ideals. In support of this contention Higgins (1998) has made the point that individuals with a strong prevention focus will only seek to achieve minimum requirements whereas those with a promotion focus will seek to achieve the maximum. Thus, Meyer and his colleagues assert that
affectively committed employees would be expected to have a strong promotion focus where as those employees that have high levels of continuance or normative commitment would be expected to have a stronger prevention focus.

**Table 2**

<table>
<thead>
<tr>
<th>Mechanisms by which affective reactions are thought to influence performance</th>
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<tbody>
<tr>
<td><strong>Social Exchange Theory</strong></td>
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<tr>
<td><strong>Altruism</strong></td>
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<tr>
<td><strong>Expectancy Theory</strong></td>
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<td><strong>Goal Commitment</strong></td>
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<td><strong>Reasoned Behaviour</strong></td>
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<td><strong>Planned Behaviour</strong></td>
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<tr>
<td><strong>Self-Determination Theory</strong></td>
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<tr>
<td><strong>Self-Regulatory Theory</strong></td>
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</table>

Thus, there are, as Table 2 above demonstrates, a wide variety of theories that seek to explain the link between affective reactions and performance. The argument emerging from the literature suggests, in a general sense, that affective reactions provide the impetus for performance by engendering positive attitudes, strengthening the intention to perform, and encouraging the achievement of work goals. The literature also appears to suggest that job satisfaction has a ‘general’ influence over performance and that affective commitment has ‘specific’ influence over performance. That is to say that, where as job satisfaction appears to promote positive moods and attitudes that
give rise to effective performance, affective commitment appears to specifically engender ownership of, and attachment to, organizational goals and thus makes their achievement more likely.

**Job Satisfaction to Performance: the Empirical Evidence**

Early researchers concluded that there is not a strong relationship between job satisfaction and performance. For instance, Brayfield and Crockett (1957) reported that there was minimal to no evidence to support the job satisfaction / performance linkage. The Brayfield and Crockett review, however, was limited by the very small number of published studies available for review (nine) and the general subjectivity of the qualitative methodology used in those studies. Since the Brayfield and Crockett review, several other influential narrative reviews have been published (Herzberg et al., 1957; Locke, 1970; Schwab & Cummings, 1970; Vroom, 1964). These reviews, however, varied greatly in their orientation and in the optimism expressed with regard to the satisfaction / performance relationship, with Herzberg and his colleagues being the most optimistic. That is to say Herzberg and his colleagues concluded that although the correlations were generally low, further research in the area was warranted. To this end, Vroom (1964) reviewed 20 studies but was only able to report a weak relationship (median correlation of .14) between the two variables. Results from these early studies are, therefore, inconsistent. Schmidt and Hunter (1977) identified seven statistical artefacts that could explain the variation in these early findings: sampling error due to small sample sizes, criterion unreliability, predictor unreliability, range restriction, criterion contamination and deficiency, differences in factor structure between different tests measuring similar constructs, and computational and typographical errors. This research will, therefore, review
three more recent meta-analytic studies examining the link between job satisfaction and performance to see if methodological advances and the removal of statistical artefacts have led to the provision of more robust findings and a greater insight into this relatively unsupported but intuitively appealing relationship.

*Jaffaldano and Muchinsky (1985)* attempted to synthesize and integrate the existing job satisfaction to job performance literature by using the meta-analytic techniques of Hunter and his colleagues (1982) and Glass and his colleagues (1981). Their data-collection procedures identified 74 empirical studies published in 70 articles and a subject sample size of 12,192. A total of 217 satisfaction-performance correlations were included in the meta-analysis. Only estimates of internal consistency reliability (e.g., Spearman-Brown, coefficient alpha, KR-20) were included. The inclusion of multiple correlations from a single study, however, suggests a lack of independence in the data and can lead to some underestimation of the adjustment for sampling error. Jaffaldano and Muchinsky supported the inclusion of multiple correlations by pointing out that averaging discrepant correlations to obtain a single index per study would have lead to considerable amounts of information being lost.

This study concluded that the best estimate of the true population correlation between satisfaction and performance, corrected for the effects of sampling error and attenuation due to unreliable measurement of both satisfaction and performance, is relatively low ($r = .17$). Furthermore, 41 out of the 217 satisfaction-performance correlations (19%) were negative, and only eight (3.6%) were greater than or equal to $r = .44$. These findings provide support for the historical conclusion that there is only a weak link between job satisfaction and performance. Indeed, the correspondence
between the (uncorrected) frequency-weighted mean correlation reported in this study is very close to the .14 mean correlation reported by Vroom (1964). This fact led Iaffaldano and Muchinsky to conclude that, "despite such psychometric and methodological advances as the development of refined measures of job satisfaction (e.g., the JDI), the recognition of the need to use larger sample sizes, and the increased use of longitudinal designs, the results of researchers' efforts to obtain high satisfaction-performance correlations have on the average not been more fruitful than those attempts reviewed by Vroom" (p.262).

It is important to note that in addition violating the independence assumption for meta-analyses this study's overall correlation of r=.17 between job satisfaction and performance is actually an average of the correlation between all of the specific facet measures. As Hunter and Schmidt (1990) have pointed out, however, the average relationship between job satisfaction facets and performance is not the same as the relationship involving the overall construct. That is to say that a composite must be created to capture the shared variance among the facets. The issue here is that the averaging approach used by Iaffaldano and Muchinsky is likely to have downwardly biased the mean correlation estimate. As Wanous and his colleagues (1989) have stated, facet satisfaction correlations will always be lower than overall satisfaction correlations and, therefore, the averaging approach used in this study will have probably lowered the size of the effect.

The objectives of the study conducted by Brown and Peterson (1993) were to assess the strength and consistency of job satisfaction relationships and to evaluate the effects involving job satisfaction to establish their generality. Fifty-nine studies and
254 usable study effects were identified. The two job satisfaction measurement scales used in this study were the job descriptive index (JDI; Smith et al., 1969) and INDSALES (Churchill et al., 1974). The key finding of the nomological analysis conducted by Brown and Peterson is that, while a small positive correlation between sales performance and job satisfaction ($r=.13$, $p<.01$) was reported, the variables were not shown to be causally related. Brown and Peterson conclude that this finding suggests that the correlation between performance and job satisfaction may be spurious and attributable to relationships with common antecedent variables. Perhaps the most interesting finding of this study, however, is that aggregated study effects revealed that the relationship between job satisfaction and organizational performance is indirect and mediated by affective commitment. Furthermore, the standardized coefficient of the satisfaction-organizational commitment path had positive valence, whereas that of the organizational commitment-satisfaction path was negative. This finding is in keeping with the predominance of both conceptual and empirical evidence that has tended to favour the interpretation of job satisfaction as antecedent to commitment (Johnston et al. 1990) This research will, therefore, seek to identify the proposed common antecedent variables and explore the potential mediation of the relationship between job satisfaction and performance by affective commitment.

The study conducted by Judge and his colleagues (2001) involved 312 samples with a combined N of 54,417. The mean true correlation between job satisfaction and performance was estimated to be $r=.30$. In contrast to Iaffaldano and Muchinsky (1985) this study focuses on the relationship between overall job satisfaction and overall job performance. As Fisher (1980), Wanous and his colleagues (1989) and Hulin (1991) have stated, the failure to match constructs in terms of their generality
leads to downwardly biased correlations when relating job satisfaction to other constructs in general and performance in particular. In further contrast to previous meta-analytic studies, and consistent with the recommendations of Matt and Cook (1994), satisfaction and performance in the source studies were measured at the individual level. Furthermore, studies focusing on a single satisfaction facet were excluded.

The uncorrected sample size weighted mean correlation between job satisfaction and performance reported by this study \( r = .18 \). The value of the correlation between these two variables, however, increased to \( r = .30 \) when they were corrected for unreliability. The 95% confidence interval excluded zero and this indicated that the average true correlation is nonzero and relatively invariable (\( r = .27 \) to \( r = .33 \)). Thus, the results reported by Judge and his colleagues suggest that relationship between job satisfaction and job performance is moderate in magnitude (.30) and distinguishable from zero. This finding led to the conclusion that, “the satisfaction-performance correlation compares favorably with other correlates of job performance. It does not appear to be a correlation that should be generally dismissed” (p.386).

Affective Commitment to Performance: the Empirical Evidence

Due to the fact that there had been comparatively little research examining the link between affective commitment and work-relevant behaviour other than employee turnover, Meyer and his colleagues (1989) investigated the potential relationship between how committed employees were to their organization, how satisfied they were with their jobs, and supervisor evaluations of their performance. Participants in this study were unit managers in a large food service organization and their district
managers. The total number of unit managers selected for participation was 114. Twenty-three district managers (85%) returned and 65 unit managers (57%) responded. Commitment was measured with the eight-item affective commitment and continuance commitment scales used in previous research by Meyer and Allen (1984) and McGee and Ford (1987). Job satisfaction was measured via the Index of Organizational Reactions (Smith, 1976). The Index of Organizational Reactions consists of eight subscales assessing satisfaction with supervision, company identification, kind of work, amount of work, co-workers, physical work conditions, financial rewards, and career future. District managers were asked to rate unit managers on overall performance and the following six dimensions: customer, client, and public relations; administration and accounting practices; preparation of written reports and verbal communication; training and management of unit personnel; following of operational policies and procedures; and conducting of routine job tasks. Ratings on the six specific performance dimensions correlated significantly with one another (average $r = .54$; range $= .38$ to $.75$). A composite performance index was created by averaging scores across the six performance dimensions.

The key findings of this study were: the correlations between affective commitment and the performance measures were all positive and were significant for the overall performance rating; the correlations between continuance commitment and the performance measures were all significantly negative; and job satisfaction did not correlate significantly with the performance ratings. Thus, this study suggests that the value of commitment depends on the nature of that commitment. In the words of Meyer and his colleagues, "when commitment reflects an identification with and involvement in the company, as conceptualized by Porter and his associates (e.g.,
Porter et al., 1974), the organization may benefit both in terms of reduced turnover and superior performance. In contrast, when commitment is primarily on the basis of a recognition of the costs associated with leaving, as Becker (1960) described it, the benefits of reduced turnover may be obtained at the price of relatively poor performance” (1989, p.154).

*Meyer and his colleagues’ (2002)* meta-analytic study identified research reports providing usable data for 155 independent samples involving 50,146 employees. Of these samples, 99 were from published articles, 22 were from dissertations, and 34 were from unpublished manuscripts or papers presented at conferences. The purpose of this study was to: assess relations among affective, continuance, and normative commitment to the organization; and relations between the three forms of commitment and variables identified as their antecedents, correlates, and consequences in Meyer and Allen’s (1991) three-component model. Normative commitment refers to the perceived obligation to remain in the organization. In terms of job performance, affective (.16) and normative (.06) commitment correlated positively and continuance commitment (−.07) correlated negatively. Affective commitment correlated more strongly with supervisor ratings (.17) than with self-ratings of performance (.12). In terms of organizational citizenship behaviour, affective (.32) and normative (.24) commitment correlated positively whereas the correlation with continuance commitment was near zero. Thus, while these correlations provide empirical support for the positive link between affective commitment and performance the magnitude of the correlations are modest. It is important to recognize, however, that perceived organizational support had the strongest positive correlation with affective commitment. This finding is consistent
with the argument put forward by Eisenberger and his colleagues (1986) that suggests that in order to engender affective commitment organizations must first provide a supportive work environment.

Using a linear model and three different samples, *Luchak and Gellatly (2007)* used meta-analytic techniques to investigate the common observation in the literature that affective commitment is more strongly related to work outcomes than continuance commitment. For Sample 1 data were gathered from a random sample of 1,250 utility workers. In total, 4,249 usable surveys were returned. Affective commitment (-.46) and continuance commitment (-.20) were negatively related to turnover cognitions. For Sample 2 data were gathered from a population of 425 nursing and food services employees of a healthcare organization. In total, 164 usable surveys were returned. Affective commitment (-.20) was negatively related and continuance commitment (.08) was positively related to absence frequency. For Sample 3 data were collected from employees with managerial responsibilities in a municipal government organization. In total, 76 usable surveys were returned. Affective commitment was positively (.25) related and continuance commitment (-.30) was negatively related to job performance. In this study Luchak and Gellatly were, therefore, able to replicate the common finding that affective commitment is more strongly related to work outcomes than continuance commitment. While Meyer and Herscovitch (2001) have argued that this common finding results from the unequal binding forces of the ‘desire to remain’ and the ‘perceived cost of leaving’, Luchak and Gellatly suggest that their results are “more consistent with the integrative model of commitment and motivation advanced by Meyer et al. (2004), which suggests that AC and CC employees are simply motivated to behave in different ways” (2007, p.791).
The Comparative Influence of Job Satisfaction and Affective Commitment

Recent meta-analytic research conducted by Riketta (2008), however, tested the links between job satisfaction and affective commitment and performance simultaneously and, therefore, provides an important insight. The objective of this study was to conduct a meta-analytic test of causal links between job attitudes and performance. Riketta points out that there are at least four interpretations of positive correlations between job attitudes and performance are possible: job attitudes cause performance, performance causes job attitudes, the relationship between job attitudes and performance are reciprocal, and performance and job attitudes are causally unrelated. This meta-analysis tested all four interpretations.

The literature search yielded 16 usable studies and the average sample size was 192. The mean time lag between the coded waves of measurement averaged 9.2 months, with a range from 1 month to 18 months. Fourteen of the selected studies examined job satisfaction and the most frequent measure was the Job Descriptive Index (Smith et al., 1969). Five of the selected studies examined organizational commitment and used the Organizational Commitment Questionnaire (Mowday et al., 1982). Two types of performance were measured: in-role and extra-role performance. The key finding of this study was that job attitudes were weak predictors of performance ($r = .06, p < .001$). This effect was stronger for commitment than for satisfaction ($r = .08$ vs. $0.3, p < .05$) and did not differ between in-role and extra-role performance ($r = .05, p < .05$). The results of this study provide some support for the common assumption that job attitudes influence performance. Furthermore, the fact that almost no statistically significant evidence for the reverse causal direction was reported suggests that job attitudes are more likely to influence performance than vice versa.
The study conducted by Malhotra and Mukherjee (2004) has also provided support for the argument that affective commitment has a greater influence over performance than job satisfaction. This study involved 342 employees in four call centres of a major UK retail bank and tested the relationships between affective commitment, job satisfaction and service quality. The SERVQUAL model (Parasuraman et al., 1988) was used to measure service quality. Also known as the Gaps model, it defines quality as the difference between customer expectation and the perception of the service delivered. It is the most frequently used measure of service quality (Mattson, 1994) and is based on five service quality dimensions (tangibles, reliability, responsiveness, assurance and empathy). The ‘service performance gap’, refers to the difference between actual service delivery and a firm’s service quality specifications and it has been shown to have a significant effect on the ‘service quality gap’ as service performance is directly correlated to service quality (Chenet et al., 2000). Since Malhotra and Mukherjee were looking at the service quality of the employees and not that of the organization, this study concentrates on the service performance gap. Questionnaires were distributed to 710 employees in four call centres and 342 useable questionnaires were returned.

In terms of measuring instruments, Malhotra and Mukherjee’s review of the literature revealed the following four approaches to measuring the job performance of customer contact employees: self-appraisal, peer appraisal, supervisory evaluation and consumer evaluation. This study made use of the self-appraisal approach. In support of this decision Malhotra and Mukherjee make reference to Boshoff and Mels (1995) and Churchill and his colleagues (1985) who argue that self-rating is valid in such situations and correlates highly with other measures of performance. Further, as
service quality is the result of interaction between the service provider and the customer, service employees are well placed to judge effectively the quality of the services that they deliver (Sergeant and Frenkel, 2000). Indeed, the work of Schneider and his colleagues (1998) has demonstrated a high degree of agreement between customer and service employee perceptions of service quality. Furthermore, many studies have effectively used employee perceptions of service delivery (Schneider et al., 1980; Ulrich et al., 1991; Jaworski and Kohli, 1991; Boshoff and Mels, 1995; Iverson et al., 1996; Boshoff and Tait, 1996; Sergeant and Frenkel, 2000; Boshoff and Allen, 2000) in measuring performance.

In this study, call centre representatives evaluated their own performance in terms of service quality on a shortened (11 items) and adapted version of the SERVQUAL instrument (Parasuraman et al., 1988). Commitment was measured with the revised three-component scale of affective, normative and continuance commitment (Meyer et al., 1993). The scale (18 items) has been extensively used by researchers in several studies (McDonald & Makin, 2000; Jacobsen, 2000). Job satisfaction, measured by two items, was based on Hackman and Oldham's (1975) Job Diagnostic Survey measure, which has been widely used in other studies (Daniels, 1999).

In the regression model, affective commitment, normative commitment, continuance commitment and overall job satisfaction were taken as independent variables, whereas service quality was taken as the dependent variable. The results indicate that the model is significant and holds good. Further analysis of the regression model revealed that the only variables to have significant standardised β weights were affective commitment ($r=0.313$, $t=4.68$, $p<0.01$) and job satisfaction ($r=0.121$, $t=1.76$, $p<0.10$).
The analysis suggests that the remaining two components of commitment, normative and continuance commitment, did not show any significant relationship with service quality. Furthermore, affective commitment (as compared to job satisfaction) displays a more significant relationship with service quality. Thus, although job satisfaction has been the most frequently studied construct in the literature (Rust et al., 1996), Malhotra and Mukherjee found affective commitment to be more important in explaining service quality.

Thus, as Table 3 below demonstrates, there is empirical evidence to support a direct relationship between both job satisfaction and performance and affective commitment and performance. The evidence is less convincing for job satisfaction with one study actually finding no causal relationship with performance (Brown & Peterson, 1993) but more robust and consistent results have been reported with regard to a positive relationship between affective commitment and performance. The case for arguing that affective commitment has a stronger relationship with performance was made stronger by the two studies that measured the influence of job satisfaction and affective commitment on performance simultaneously because affective commitment was reported to have a stronger relationship in both studies. It is, however, important to note that the large scale meta-analytic study conducted by Riketta (2008) reported only a negligible difference between the two affective reaction constructs and that the causal relationship was small. Thus, it would appear that, similar to empirical investigations into the relationship between climate perceptions and performance, the relationship between affective reactions and performance is not fully understood.
### Table 3

<table>
<thead>
<tr>
<th>Study</th>
<th>Affective Reaction</th>
<th>Relationship with Performance</th>
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<tbody>
<tr>
<td>Iaffaldano &amp; Muchinsky (1985)</td>
<td>Job Satisfaction</td>
<td>p&lt; 0.01 r=0.17</td>
</tr>
<tr>
<td>Brown &amp; Peterson (1993)</td>
<td>Job Satisfaction</td>
<td>p&lt; 0.01 r=0.13, spurious</td>
</tr>
<tr>
<td>Judge et al (2001)</td>
<td>Job Satisfaction</td>
<td>p&lt; 0.01 r=0.30</td>
</tr>
<tr>
<td>Meyer et al (1989)</td>
<td>Affective Commitment</td>
<td>p&lt; 0.05 r=0.23</td>
</tr>
<tr>
<td>Meyer et al (2001)</td>
<td>Affective Commitment</td>
<td>p&lt; 0.01 r=0.17</td>
</tr>
<tr>
<td>Luchak &amp; Gellatly (2007)</td>
<td>Affective Commitment</td>
<td>p&lt; 0.01 r=0.25</td>
</tr>
<tr>
<td>Riketta (2008)</td>
<td>Job Satisfaction</td>
<td>p&lt; 0.05 r=0.03</td>
</tr>
<tr>
<td></td>
<td>Affective Commitment</td>
<td>p&lt; 0.05 r=0.08</td>
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<tr>
<td>Malhotra &amp; Mukherjee (2004)</td>
<td>Job Satisfaction</td>
<td>p&lt; 0.10 r=0.12</td>
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<tr>
<td></td>
<td>Affective Commitment</td>
<td>p&lt; 0.01 r=0.31</td>
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Furthermore, if it is true that perceptions do not directly influence performance because the impulse for action comes from affective processes (Patterson et al., 2004), it must also be true that affective processes are themselves influenced by perceptions.

*We Perceive Therefore We Act?*

On the basis of the contention that it is not possible to fully understand the relationship between psychological processes and work performance without reference to both climate and affect, the rest of this chapter will explore the proposition that job satisfaction and affective commitment mediate the link between climate and performance via the examination of key studies. *Patterson et al., 2004* predicted that associations between company climate and productivity would be mediated by average level of job satisfaction. Information was gathered about climate, affect and performance from 42 single-site manufacturing companies ranging in size from 70 to 1,150 employees and completed questionnaires were returned by 4,503 employees. Exploratory factor analyses indicated, and subsequent confirmatory factor analysis supported, the presence of 17 significant factors with alpha coefficients of
internal reliability ranging from .67 to .88 with a median value of .82. The primary measure of employee affect was a 16-item scale of overall job satisfaction (Mullarkey et al., & Stride, 1999; Warr et al., 1979) that covers principal job features such as physical working conditions and the opportunity to use ability. The alpha coefficient of internal reliability was .92. Job-related affect was also examined via a 9-item scale of commitment to one's organization (Cook & Wall, 1980) with a coefficient alpha of .85. However, due the substantial overlap between the job satisfaction and affective commitment (.88 and .72 at the individual level) Patterson and his colleagues decided not to report complete results for the two variables and to concentrate on job satisfaction. Productivity was indexed as the logarithm of the financial value of net sales per employee.

Results indicated that the following five aspects of organizational climate were significantly correlated with subsequent productivity: concern for employee welfare, skill development, reflexivity, innovation and flexibility, and performance feedback. Of the five scales that predicted subsequent productivity in bivariate terms four remained significant predictors after statistical controls. Reflexivity, however, became non-significant at the second step. Furthermore, company productivity was also predicted in controlled analyses by supervisory support, effort, quality, and formalization. Thus, only eight of the 17 aspects of organizational climate were predictive after statistical control. The longitudinal and controlled nature of the analyses suggest that these associations may be viewed as causal. Average job satisfaction was found to predict later company productivity (r = .44; p < .01), and this significant association was retained after controls for previous productivity, company size and industrial sector. Mediation of the relationship between climate and
productivity by job satisfaction was also found in separate analyses of responses from managers, non-managers alone, and different subgroups of employees. The results, therefore, cannot be attributed to issues of common-method variance and suggest that the features of climate which predict later performance do so, in part, through the agency of affect in terms of job satisfaction. Patterson and his colleagues (2004) conclude that, this influence is likely to be through variations in employee affect that generate variations in active work behaviour, enhanced commitment and mutual helpfulness.

_Parker et al., 2003_ used meta-analytic procedures to examine the relationships between psychological climate perceptions and work outcomes such as employee attitudes, psychological well-being, motivation, and performance. The stated objective of this study was to examine alternative structural models that describe the effects of psychological climate perceptions on employee or work attitudes and performance. Their review of the literature generated 94 studies containing 121 independent samples with a total sample size of N = 65,830. Climate perceptions were measured and analyzed at the individual level because psychological climate perceptions have been found to be extensively related to a variety of individual-level outcomes such as job satisfaction, organizational commitment, job involvement, employee motivation, psychological well-being, and employee performance.

In order test whether the effects of psychological climate perceptions on performance are mediated by employee attitudes, path analyses were conducted in LISREL8 using the corrected (for reliability) absolute value correlation matrix and maximum likelihood estimation. The results clearly indicated that psychological climate
perceptions are significantly related to job satisfaction, work attitudes, psychological well-being, motivation, and performance. It is important to recognize, however, that the results also indicated that climate perceptions were more strongly related to work attitudes than they were to employee motivation and performance. These findings suggest that the effects of psychological climate on motivation and performance may be mediated by employee work attitudes. To examine this proposition, Parker and his colleagues tested partially and fully mediated structural models. When compared with the partially mediated model, the fully mediated model produced essentially no decrement in fit as judged by the CFI (partial = .930: full = .930) and TLI (partial = .880: full = .885) and they, therefore, concluded that the effects of psychological climate perceptions on performance are fully mediated by employee work attitudes and motivation.

The study conducted by Suliman (2002) explored the mediating role of organizational commitment in the relationship between climate and performance. Organizational commitment was measured through two dimensions: affective commitment and continuance commitment. Meyer and Allen's (1990) scales of affective commitment and continuance commitment, as revised by Suliman and Iles (2000), were used to measure organizational commitment. Work climate was measured using a 58-item scale adapted from Newman's (1977) scale of perceived work environment. Work climate was measured using the following 13 dimensions: supervisory style, task characteristics, co-workers relation, work motivation, employee competence, decision-making policy, performance-rewards relationship, pressure to produce, employee-immediate supervisor relationships, distributive justice, psychological contract, innovation climate, and fairness. Work performance was measured using the
following five factors: work skills, understanding work duties, work enthusiasm, readiness to innovate, and job performance. Both self-performance ratings and immediate supervisor performance ratings were adopted to test employee performance. A scale adapted from Suliman (1995) was used to measure performance.

A total of 1,000 employees working in 20 industrial companies were randomly selected using a self-administered questionnaire. The subjects were selected from the three managerial levels (top, middle and lower and 783 questionnaires were found to be suitable for data analysis. The results showed that affective commitment partially mediated the relationship between work climate and work performance. To support these findings, bivariate and the partial methods of correlation test were conducted. In terms of affective commitment, the work climate/self-performance rating relationship was significant and positive, with a correlation coefficient value of .34. However, when affective commitment was controlled the magnitude of this correlation decreased to .21 but remained significant and positive. Thus, the partial mediating role of affective commitment in the relationship between work climate and self-rated performance was established. In order to test the mediating role of affective commitment in the work climate/immediate supervisor performance rating relationship, the Baron and Kenney (1986) model of testing mediation and the correlation test were used. The results once again supported partial rather than full mediation. It is important to recognize, however, that the respondents who positively perceived their work climate showed higher levels of self-rated performance. Suliman suggests that this is probably due to committed employees being motivated to rate their performance more positively.
Following Babakus and his colleagues (2003), *Ashill and his colleagues* (2006) put forward the proposition that Management Commitment to Service Quality (MCSQ) will generate affective responses in terms of job satisfaction and affective commitment, which will in turn directly influence service recovery behaviour. Their synthesis of the relevant literature suggested that training, empowerment, employee rewards, supportive management, servant leadership and investment in technology are relevant indicators of the MCSQ construct (Babakus et al., 2003; Berry et al., 1994; Pfeffer, 1994; Bowen & Lawler, 1995; Heskett et al., 1997; Lewis & Gabrielsen, 1998; Lytle et al., 1998; Schneider et al., 1998; Hartline et al., 2000; Rogg et al., 2001; Yoon et al., 2001). A total of 152 questionnaires were distributed to the full population of frontline hospital employees and 104 questionnaires were returned. The results showed that the structural model explains 35.9 per cent of the variance in the service recovery performance construct, 30.2 per cent of the variance in the job satisfaction construct and 20 per cent of the variance in the organisational commitment construct. MCSQ was positively and significantly related to both job satisfaction and affective commitment. The structural model results also reveal that at higher levels of affective commitment, frontline hospital employees perform at higher levels of service recovery performance. However, contrary to their hypothesis, a non-significant relationship was found between job satisfaction and service recovery performance. Thus, the results of this study suggest that MCSQ affects frontline hospital employee service recovery performance through the mediating role of affective commitment but not job satisfaction. Ashill and his colleagues conclude that it is not surprising that there is a strong relationship between affective commitment and service recovery performance because having respect for their hospital would motivate frontline employees to perform well and to promote its reputation.
The major aim of the study conducted by *Little and Dean (2006)* was to investigate the relationships between service climate, affective commitment and employees’ service quality capability (SQC). The research setting for the study was an outsourced telecommunications call centre. Two hundred and sixty-seven surveys were distributed and 167 were returned. The definitions and scales for global service climate (GSC) and the dimensions of service climate were predominantly drawn from the work of Schneider and his colleagues (1998). The scale for GSC by Schneider and his colleagues (1998) was adopted in its entirety. Three items of the service quality capability measure were developed based on areas noted in Schlesinger and Zornitsky (1991), namely employee satisfaction with their ability to meet customer needs, their assessment of the service quality delivered, and their evaluation of customer satisfaction with service quality. Three new items were added to encapsulate specific elements of capability relevant to call centres (Dean, 2002). These three items covered job knowledge and skills, the time to perform tasks, and the authority to perform tasks.

The results showed that the correlation between global service climate and service quality capability was 0.41 (p<.001). A test of the relationship between service climate and affective commitment revealed an inter-correlation of 0.49 (p<.001) between global service climate and affective commitment. A regression involving these two variables revealed that 24.8 per cent of the variance in affective commitment is explained by global service climate. When regressed against service quality capability, affective commitment had a beta value of .38 (p<.001) but the adjusted R-squared value indicated that only 14 per cent of the variance was explained. To compare the effects of global service climate and affective commitment on service quality capability, these variables were entered together in a regression
with service quality capability as the dependent variable. The results showed that
global service climate and employee commitment are both related to service quality
capability, jointly explaining 27.4 per cent of the variance. The test for mediation by
affective commitment was partially supported. Thus, this study suggests that the way
organisations treat their employees and emphasises customer needs influences the
feelings and attitudes of employees and, in so doing, their capability to deliver service
quality.

Job Satisfaction and Affective Commitment as Mediators: a Comparison

The study conducted by Carr and her colleagues (2003) is of particular relevance to
this research because it tested the mediation of the climate / performance linkage by
job satisfaction and affective commitment simultaneously. Carr and her colleagues
made use of Ostroff’s (1993) taxonomy of organisational climate with 12 dimensions
and three higher order facets (affective, cognitive and instrumental perceptions) to
categorize studies in their meta-analytic review. The studies in these categories were
then aggregated into the three higher order factors when they conducted their meta-
analyses. As well as the three higher order factors of climate posited by Ostroff, the
model developed by Carr and her colleagues also consisted of two process variables
(job satisfaction and affective commitment), and three performance outcomes in the
form of job performance, withdrawal, and psychological well-being. In harmony with
previous studies (Kopelman et al., 1990; James & James, 1989) this study proposes
that climate influences performance outcomes via the agency of cognitive and
affective states and used the aforementioned model to test three research propositions:
first, the three higher order dimensions of climate perceptions would explain a
meaningful amount of variance in individual level outcomes; second, the impact of
climate perceptions on individual level outcomes would be mediated through cognitive and affective states; finally, there would be differential relationships between the three facets of organizational climate, the two cognitive and affective states, and the various outcomes.

The results indicated that all three climate facets had significant relationships with all three outcomes in the model, although these relationships were generally considerably smaller than those observed with job satisfaction and affective commitment. Affective climate had a modest positive relationship with psychological well-being (.17) and performance (.09) and a stronger negative relationship with withdrawal (-.28). The cognitive facet exhibited smaller but significant relationships with well-being (.07), performance (.05), and withdrawal (-.07). The instrumental facet had a small positive relationship with well-being (.11) and performance (.05) and a moderate negative relationship with withdrawal (-.33). Affective commitment exhibited a small positive relationship with well-being (r = .08) and performance (.14) and a moderate negative relationship with withdrawal (-.31). Job satisfaction had a small to moderate positive relationship with well-being (.22) and a large negative relationship with withdrawal (.46). The relationship between job satisfaction and performance was not significant.

To test the complete hypothesized affect mediates the relationship between climate and performance model, Carr and her colleagues evaluated the meta-analytic correlation matrix by using structural equation modelling (SEM). The model tested was a fully mediated model in which the three dimensions of climate were hypothesized to effect satisfaction and commitment. Satisfaction and commitment were then expected to affect well-being, performance, and withdrawal. The fit indices
indicated moderate to good model fit (TLI = .92; RMSEA = .06; SRMR = .03),
meeting Hu and Bentler's (1999) recommended cut-off for SRMR and RMSEA and,
therefore, provides robust empirical evidence to support the view that climate
influences performance via affective states.

Summary

There is, then, significant evidence to support the general contention that both forms
of affective reaction mediate the relationship between climate and performance.
However, as Table 4 below demonstrates, the studies reviewed here provide stronger
and more robust support for job satisfaction as a mediating variable than they do for
affective commitment. In similar vein to the climate to performance studies reviewed
in Chapter 1, different measures were used in different studies and this fact may
explain some of the variance in the findings. In this sense, the findings of the meta-
analytic study conducted by Carr and her colleagues (2003) are probably the most
apposite for this thesis because it tested the mediating properties of job satisfaction

Table 4

<table>
<thead>
<tr>
<th>Study</th>
<th>Mediating Variable</th>
<th>Industry Sector</th>
<th>Mediation</th>
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</thead>
<tbody>
<tr>
<td>Patterson et al., 2004</td>
<td>Job Satisfaction</td>
<td>Manufacturing</td>
<td>Full</td>
</tr>
<tr>
<td>Parker et al., 2003</td>
<td>Job Satisfaction</td>
<td>All</td>
<td>Full</td>
</tr>
<tr>
<td>Suliman, 2002</td>
<td>Affective Commitment</td>
<td>Manufacturing</td>
<td>Partial</td>
</tr>
<tr>
<td>Ashill et al., 2006</td>
<td>Affective Commitment</td>
<td>Service</td>
<td>Full</td>
</tr>
<tr>
<td>Little &amp; Dean, 2006</td>
<td>Affective Commitment</td>
<td>Service</td>
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<td>Carr et al., 2003</td>
<td>Job Satisfaction</td>
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<td></td>
<td>Affective Commitment</td>
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and affective commitment simultaneously with common antecedents and common
performance outcomes. Furthermore, analysis was conducted at the individual level.
The conclusion to be drawn here is that both forms of affective reaction are likely to
mediate the relationship between perception and performance. The question is,
however, what is the mechanism that explains the link between climate perceptions and affective reactions? That is, why do positive perceptions appear to lead to positive affective reactions? These questions will be addressed in the next chapter in order to take the final steps in the development of the integrated psychological process to performance model.
CHAPTER 3: PERCEIVED ORGANIZATIONAL SUPPORT

The first two chapters of this thesis have revealed psychological processes that are thought to influence performance. Chapter 1 provided empirical evidence to suggest that climate perceptions influence performance and that domain specific climate perceptions influence performance outcomes specific to that domain. Despite the empirical evidence, however, the literature reviewed in Chapter 1 also suggested that employee opinion, by itself, provides no impulse for action and that the impulse for action comes from processes that are affective. To this end, the literature reviewed in Chapter 2 explored this proposition and provided empirical evidence to suggest that both job satisfaction and affective commitment influence performance, and identified the following theoretical mechanisms in an attempt to explain the suggested linkages: social exchange, expectancy, altruism, goal commitment, reasoned behaviour, planned behaviour, self-determination and self-regulation.

Chapter 1, however, had already made the point that climate perceptions and affective reactions should be highly correlated because perceptions are emotionally relevant cognitions (James & James, 1989) and are, therefore, emotionally loaded (Paterson et al., 2004). On the basis of this belief, Chapter 2 explored the proposition that affective reactions mediate the relationship between climate and performance and provided empirical evidence to support both job satisfaction and affective commitment as mediating variables. Thus, the literature reviewed in the first two chapters of this thesis suggests that climate and affect influence performance and that climate influences performance via the mediating agency of affect. The first two chapters do not, however, explain fully the mechanisms between climate and affect.
The literature to be reviewed in this chapter will, therefore, address this issue by exploring the contention that perceived organizational support, via the reciprocity norm, connects positive workplace perceptions with positive workplace affect (and negative perception with negative affect).

What is Perceived Organizational Support?

As defined by Eisenberger and his colleagues (1986), perceived organizational support is "the extent to which employees perceive that their contributions are valued by their organization and the firm cares about their well-being" (p.501). This definition also captures the perception about the level of perceived value with regard to employee contribution through job-related behaviour. Thus, perceived organizational support is thought to carry perceptions about both organizational support (of the employee as a person) and the importance of the job performed by the employee, and are, therefore, likely to impact both affective commitment and job-related attitudes such as job satisfaction. Researchers have often referred to employment as a transactional relationship where effort and loyalty are ‘traded’ for financial reward and socio-emotional benefits such as respect and approval (e.g., Levinson, 1965; Mowday et al., 1982; and Angle & Perry, 1983). Social exchange theory, developed to explicate the instigation, reinforcement, and continuation of interpersonal relationships, provides a possible theoretical basis for understanding relationships between employees and their organization (Eisenberger et al., 1997). Central to social exchange theory is the norm of reciprocity, which requires individuals to respond positively to favourable treatment received from others (Blau, 1964). As Gouldner (1960) has pointed out, when one person treats another well, the ‘norm of reciprocity’ obliges the return of favourable treatment.
Perceived Organizational Support and Reciprocity in the Workplace

Rotemberg (1994) has also pointed out that organizations and teams use reciprocities of mutual services of aid, information and trust, and could not function effectively without them. Indeed, Rotemberg suggests that the most efficient organizations and teams are often those where reciprocities are most developed and are firmly established both among peers and across hierarchies. In this sense, reciprocities at the workplace are pervasive and necessary. Eisenberger and his colleagues (2001) have also suggested that the reciprocity norm can be applied to a workplace setting in the sense that it may oblige employees to repay the considerate treatment they receive from their work organization. In their words,

“Meeting obligations helps employees maintain the positive self-image of those who repay debts, avoid the social stigma associated with the reciprocity norm’s violation, and obtain favorable treatment from the organization. Accordingly, workers are motivated to compensate beneficial treatment by acting in ways valued by the organization.” (2001, p.42)

The underpinning assumption is that perceived organizational support elicits an obligation not only to care about the organization’s welfare but also to help the organization achieve its targets, goals and objectives. Thus, perceived organizational support has the potential to create the expectation that superior performance will be recognized and rewarded. On the basis of the norm of reciprocity, perceived organizational support would engender loyalty to the organization and increase efforts made by employees on its behalf (Shore & Shore, 1995). In contrast, constant indications that the organization does not value their contributions or care about their welfare have the potential to degrade perceived organizational support, diminish perceived obligations to their employer, lessen affective commitment and reduce performance (Eisenberger et al, 1997).
Climate Perceptions and Perceived Organizational Support

Research has shown the theorized linkage between perceived organizational support and performance to be influenced by policies, procedures, and decisions indicative of the organizational concern with employee welfare and to be positively related to the following: financial inducements and family-oriented actions (Guzzo et al., 1994); high-quality employee—supervisor relationships, developmental training, and promotions (Wayne et al., 1997); participation in goal setting and receipt of performance feedback (Hutchison & Garstka, 1996); lack of role conflict and ambiguity (Jones et al., 1995); and procedural justice in performance-appraisal decisions (Fasolo, 1995). It should be noted, however, that organizational actions perceived to be favourable by employees should contribute more to perceived organizational support when they are viewed as voluntary rather than as the result of external constraints such as government regulations and union pressure (Eisenberger et al., 1986; Shore & Shore, 1995). Indeed, the favourableness of promotion practices, reward systems, fringe benefits, and training opportunities have been found to have a stronger relationship with perceived organizational support when employees believed that these conditions represented discretionary actions of the organization (Eisenberger et al., 1997).

Eisenberger and his colleagues (1986) proposed that perceptions of performance contingent recognition and reward practices would induce perceptions of organizational support and that these perceptions of organizational support would lead to improved performance. Consistent with this proposition, perceived organizational support has been found to be positively associated with expectancies of reward for greater effort (Eisenberger et al., 1990). Perceived organizational support was also
assumed to serve as a socio-emotional resource for employees. That is to say that just as perceived support from friends and relatives may fulfil socio-emotional needs in interpersonal relationships (Cohen & Wills, 1985), perceived organizational support could be assumed to meet important socio-emotional needs (such as those for respect, caring, and approval) in the workplace (Eisenberger et al., 1986).

Applications of Social Exchange Theory that emphasize the norm of reciprocity (e.g., Eisenberger et al., 1986; Shore & Shore, 1995; Rousseau & Parks, 1993), put forward the argument that the organization's fulfilment of socio-emotional needs should create an obligation to reciprocate with greater work effort. The obligation to repay organizational support with performance is, therefore, considered to be a motive that drives work performance. Social exchange theorists such as Greenberg (1980) have argued that violation of the norm of reciprocity produces feelings of discomfort and that people seek to remove these feelings of discomfort by repaying their obligations. In support of this view, Eisenberger and his colleagues (1986) found that the repayment of perceived organizational support to be related to the employee's degree of acceptance of the reciprocity norm.

It should be recognized, however, that the extent of felt obligation is likely to depend on the strength of the employees' socio-emotional needs. As Gouldner (1960) has argued, "the value of the benefit [received from others] and hence the debt is in proportion to and varies with—among other things—the intensity of the recipient's need at the time the benefit was bestowed" (p. 171). In this view, the receipt of resources should create a greater obligation to reciprocate among individuals with high needs as opposed to those with low needs. Thus, in a work context, individuals
with strong socio-emotional needs should find perceived organizational support very rewarding and, therefore, experience a greater obligation to repay the organization with high performance.

Most research concerning individual differences in needs for socio-emotional resources comes from personality theorists. Hill (1987), for instance, has argued that the motivation for social contact has a major influence on human behaviour via the following: the need for praise, recognition and esteem; the need for affection, cognitive stimulation, and affiliation; the need for consolation, sympathy and emotional support when experiencing distress. In addition Crowne and Marlow (1964) have argued that people are motivated to present themselves in socially desirable ways. Furthermore, Martin (1984) has suggested that in order to protect their self-concept, individuals with a high need for social approval seek favourable evaluations from powerful others, attempt to act in socially appropriate ways and avoid inappropriate actions that would produce negative evaluations.

Perceived Organizational Support and Performance: The Empirical Evidence
Armeli and his colleagues (1998) have theorized that perceived organizational support may help fulfil the above discussed socio-emotional needs and create an obligation to repay the organization with increased performance. In their view, employees with high levels of perceived organizational support should believe that the organization judges them as superior performers and this should help satisfy the need for esteem. They also suggest that perceived organizational support will help to satisfy the need for affiliation because it conveys to employees that the organization is committed to them and accepts them as welcomed members. In addition, perceived
organizational support should strengthen employee expectation that the organization will provide sympathetic understanding to deal with stressful situations and this should help meet the need for emotional support. Finally, the authors further suggest that perceived organizational support may strengthen the perception that the organization considers them to be acting in accord with established norms and policies and this should meet the need for social approval. In summary, perceived organizational support should be especially satisfying for employees with high needs for esteem, affiliation, emotional support, and approval and, on the basis of reciprocity norm, it should create an added obligation for employees with strong socio-emotional needs to work hard on behalf of their employing organization.

In order to investigate how socio-emotional needs affect the relationship between perceived organizational support and work performance, Armeli and his colleagues surveyed police patrol officers. They administered a survey assessing perceived organizational support and the four socio-emotional needs to employees of a police department and obtained 308 usable responses. Eleven high loading items from the Survey of Perceived Organizational Support were used (Eisenberger et al., 1986). These items assessed employee beliefs concerning the orientation of the organization toward the employee on the following issues: consideration of employee goals and values, concern over employee well-being, willingness to take advantage of the employee, satisfaction with the employee as a member of the organization, satisfaction with employee performance, likely outcomes of employee requests for special favours, and likely responses to employee complaints.
In terms of socio-emotional needs Armeli and his colleagues measured the need for esteem, affiliation, and emotional support with Hill's (1987) attention, positive-stimulation, and emotional support scales, respectively. In terms of performance measures, the number of Driving Under Influence (DUI) arrests and speeding citations issued by the patrol officers were obtained for a 12-month period prior to the administration of the survey. The results revealed that the association between perceived organizational support and DUI arrests increased with the needs for esteem (.12), affiliation (.12), emotional support (.19), and approval (.25). Similar interactions between perceived organizational support and socio-emotional needs were found with speeding citations (esteem .15, affiliation .18, emotional support .22).

The findings reported by Armeli and his colleagues are consistent with social exchange views which maintain that: work effort is encouraged by the receipt of socio-emotional resources (e.g., Allen & Meyer, 1990; Eisenberger et al., 1986; Levinson, 1965; Mowday et al., 1982; Rousseau, 1989; Rousseau & Parks, 1993; Shore & Shore, 1995); perceived organizational support fulfils a variety of socio-emotional needs (Eisenberger et al., 1986, 1990); and the value of perceived organizational support and the obligation to reciprocate with high performance increase with the strength of socio-emotional needs (Gouldner, 1960). The conclusion to be drawn from these empirical findings is that an increased number of DUI arrests and speeding citations provided a way for patrol officers with strong socio-emotional needs to reciprocate high levels of perceived organizational support.

**Lynch and his colleagues (1999)** conducted two studies to investigate the moderating effect of perceived organizational support on the relationship between the fear of
exploitation in exchange relationships or 'reciprocation wariness' and their in-role and extra-role job performance. Eisenberger and his colleagues (1987) identified reciprocation wariness as a generalized cautious reciprocity stemming from a fear of exploitation in interpersonal relationships. That is, due to the fact that the giver often has the opportunity to select the time and type of repayment and they can, therefore, place very high, or indeed excessive, demands on the recipient. Similarly, the giver cannot be sure that the recipient will provide equitable compensation and thus some degree of reciprocation wariness serves as a protection against exploitative abuse of the reciprocity norm. In this sense, reciprocation-wary individuals express a general hesitation to accept help because they fearful that others will use the norm of reciprocity to exploit them. They will be hesitant to provide aid, return aid, or contribute a great deal to a social relationship until they are convinced that the other party will behave in a reasonable and responsible manner. In short, reciprocation wariness involves a general predisposition to fear and is an attempt to avoid exploitation.

Reciprocation wariness is relevant to workplace behaviours because people tend to attribute the actions of others to dispositional factors (Fiske & Taylor, 1991) and employees tend to personify the organization and its actions (Levinson, 1965). The willingness of the organization to live up to exchange obligations would, therefore, be doubted by reciprocation-wary employees. As Lynch and his colleagues point out, reciprocation wary employees may be reluctant to invest their efforts beyond what their job explicitly requires unless convinced the employer is committed to a strong exchange relationship. Thus, uncertainty concerning organizational intent to reward high work effort could lead to employees with strong reciprocation wariness to
perform poorly. The authors suggest, however, that poor work performance by reciprocation-wary employees may be improved by convincing them that the organization values their contribution and cares about their well-being. The conclusion here is that, repeated indications that the organization does not value employee contributions and fails to reward increased performance reduce perceived obligations (Rousseau, 1995) and increase self-serving behaviours at the expense of the organization (Murphy, 1993).

Lynch and his colleagues examined the moderating effects of perceived organizational support on the relationship between reciprocation wariness and both in-role and extra-role performance; both of which have been shown to influence organizational success (Brief & Motowidlo, 1986; Williams & Anderson, 1991; Witt, 1991). In-role job performance involves employee actions needed to adequately fulfil job descriptions (Williams & Anderson, 1991) and extra-role performance refers to discretionary contributions to organizational effectiveness outside of formal role requirements. George and Brief (1992) categorized extra-role behaviours as helping co-workers, protecting the organization, making constructive suggestions, and the gaining knowledge, skills, and abilities that will be of benefit to the organization.

In Study 1, Lynch and his colleagues surveyed 300 retail employees concerning their perceived organizational support and reciprocation wariness. Supervisors were asked to evaluate in-role and extra-role job performance and these data were used to examine the predictions that reciprocation wariness would be negatively related to performance when perceived organizational support was low and that the inferiority of performance would be lessened by high perceived organizational support. The
short version of the Survey of Perceived Organizational Support (SPOS) developed by Eisenberger and his colleagues (1997) was used to assess the extent to which employees perceived that the organization valued their contributions and cared about their well-being. This version of the SPOS contains 8 of the 36 items that loaded highly on the main perceived organizational support factor reported in the scale's source article by Eisenberger and his colleagues (1986). Eisenberger and his colleagues' (1998) revision of the Reciprocation Wariness Scale was used to assess wariness.

Study 1 results showed a reliable and positive relationship with in-role job performance although not with extra-role job performance. Employees with more tenure showed reduced reciprocation wariness and greater extra-role job performance. No other relationships were statistically significant. The significant interaction between perceived organizational support and reciprocation wariness suggested, however, that the relationship between reciprocation wariness and employee in-role performance became less negative as perceived organizational support increased. Indeed, simple slope analyses indicated that for employees with low perceived organizational support there was a significant negative relationship between wariness and in-role performance, (-2.12, p < .03). In contrast, for employees with high perceived organizational support, there was a significant positive relationship between wariness and performance (2.19, p < .05). Therefore, the overall pattern of results suggests that POS reduced the negative relationship between reciprocation wariness and in-role performance.
In Study 2, Lynch and his colleagues surveyed a diverse sample of employees drawn from a variety of organizations in order to assess the generality of the findings obtained from Study 1. Two hundred and twenty-one supervisors completed and returned the evaluation of the participant employees' performance. The bivariate positive relationship between perceived organizational support and employee in-role performance found in Study 1 was replicated. In contrast, however, a positive relationship between perceived organizational support and extra-role performance was also obtained. Further, the negative relationship between reciprocation wariness and in-role job performance found in Study 1 among employees with low perceived organizational support was also successfully replicated. Similarly, the relationship became less negative at higher levels of perceived organizational support. However, the positive relationship between reciprocation wariness and in-role job performance found in Study 1 was not reliable within the alumni sample.

In summary, there is empirical evidence to suggest that perceived organizational support influences performance. There is further evidence to suggest socio-emotional needs and reciprocation wariness influence the potency of the relationship between perceived organizational support and performance. One the one hand, the need for praise, recognition, esteem, affection, cognitive stimulation, affiliation, consolation, sympathy and emotional support will vary between individuals and, therefore, the amount of felt obligation with regard to the receipt of favourable treatment will vary accordingly. On the other hand, the fear of exploitation in exchange relationships or ‘reciprocation wariness’ is also likely to moderate the desire of employees to return organizational favours.
Perceived Organizational Support and Affective Commitment

While there is a body of evidence to suggest that employee perceptions of the policies, practices and procedures can give rise to perceived organizational support and that perceived organizational support influences performance via the norm of reciprocity and the fulfilment of socio-emotional needs, another body of research has demonstrated a positive link between POS and affective commitment (Eisenberger et al., 1990; Guzzo et al., 1994; Hutchison & Garstka, 1996; Jones et al., 1995; Settoon et al., 1996; Shore & Tetrick, 1991; Wayne et al., 1997). Significantly, the studies conducted by Eisenberger and his colleagues (1990), Guzzo and his colleagues (1994) and Settoon and his colleagues (1996) all indicated that perceived organizational support can be empirically distinguished from affective commitment via exploratory and confirmatory factor analyses as well as providing empirical evidence to support the suggested link between the two factors.

Eisenberger et al., 2001 surveyed four-hundred-and-thirteen postal employees to investigate the role of reciprocation in the relationships of perceived organizational support with employees' affective organizational commitment and job performance.

The authors put forward the following hypotheses:

**Hypothesis 1**: Perceived organizational support will be positively related to employees' felt obligation to care about the organization's welfare and to help the organization reach its objectives.

**Hypothesis 2**: The relationship between perceived organizational support and felt obligation will increase with the strength of employee exchange ideology.

**Hypothesis 3**: Employees' felt obligation to care about and aid the organization will mediate the relationship of perceived organizational support with affective organizational commitment, organizational spontaneity, in-role performance, and withdrawal behavior.
**Hypothesis 4**: Positive mood will mediate the relationships of perceived organizational support with affective organizational commitment and organizational spontaneity.

Six high-loading items from the Survey of Perceived Organizational Support and the Employee Exchange Ideology Questionnaire to measure employees' beliefs concerning the appropriateness of helping the organization achieve its goals in exchange for favourable treatment developed by Eisenberger and his colleagues (1986) were used. Seven items were designed for this study to measure employees' felt obligation to care about the organization and to help it reach its goals. Five items adapted from Meyer and Allen's Affective Commitment Scale (Allen & Meyer, 1990; Meyer, 1997; Meyer et al., 1993), plus one very similar item from the Organizational Commitment Questionnaire (Mowday et al., 1979), were used to measure affective organizational commitment. In terms of performance measures, supervisors evaluated workers for four in-role job behaviours, four organizationally spontaneous behaviours, and four withdrawal behaviours.

The results indicated that: perceived organizational support was positively related to employees' felt obligation to care about the organization's welfare and to help the organization reach its objectives; felt obligation mediated the associations of perceived organizational support with affective commitment, organizational spontaneity, and in-role performance; and the relationship between perceived organizational support and felt obligation increased with employees' acceptance of the reciprocity norm as applied to work organizations. The findings are consistent with organizational support theory's view that perceived organizational support strengthens affective organizational commitment and performance via the reciprocity norm (Eisenberger et al., 1986; Shore & Shore, 1995).
Beyond perceived organizational support's relationships with the outcome variables
Eisenberger and his colleagues also found that perceived organizational support was
directly associated with affective commitment and withdrawal behaviour. In addition
to creating felt obligation, perceived organizational support's fulfilment of esteem and
affiliation needs (Armelii et al., 1998) may increase the incorporation of organizational
membership and role status into the social identity of employees. Furthermore, social
identification has been considered an important part of affective commitment (e.g.,
Allen & Meyer, 1996; Mowday et al., 1979) or a distinct but closely related construct
(Ashforth & Mael, 1989).

Rhoades and her colleagues (2001) conducted three studies to examine the
relationships between work experiences, perceived organizational support, affective
commitment, and employee turnover. Numerous studies have reported that perceived
organizational support and affective commitment are strongly associated yet
empirically distinct (e.g., D. Allen et al, 1999; Eisenberger et al., 1990; Guzzo et al.,
1994; Hutchison, 1997; Hutchison & Garstka, 1996; Jones et al., 1995; Settoon et al.,
1996; Shore & Tetrick, 1991; Shore & Wayne, 1993; Wayne et al., 1997). Further,
perceived organizational support and affective commitment have also been found to
have similar antecedents and consequences. Although perceived organizational
support is often assumed to contribute to affective commitment (Eisenberger et al.,
1986), the two constructs have been measured simultaneously so that the direction of
causality is uncertain. Additionally, little consideration has been given to why
perceived organizational support and affective commitment have similar antecedents
and consequences. To address these questions, Rhoades and his colleagues carried out
a series of studies examining: the mediating role of perceived organizational support
in the association between favourable work experiences and affective commitment (Study 1); the causal direction of the association between perceived organizational support and affective commitment (Study 2); and the mediating role of affective commitment in the association of perceived organizational support with voluntary employee turnover (Study 3).

In Study 1, the authors examined perceived organizational support as a mediator of the relationships between favourable, organizationally determined work experiences in terms of organizational rewards, procedural justice, and supervisor support and affective commitment. Surveys were sent to 438 alumni of a university and 367 usable questionnaires were returned. Perceived organizational support was measured via the eight-item short form of the Survey of Perceived Organisational Support (SPOS) questionnaire (Eisenberger et al., 1997; Lynch, Eisenberger, & Armeli, 1999). Affective commitment was measured via five items from Meyer and Allen's Affective Commitment Scale (Meyer & Allen, 1997; Meyer et al., 1993) plus one item concerning pride in organizational membership from the Organizational Commitment Questionnaire (Mowday et al., 1979). Organizational rewards were measured via three items adapted from a scale developed by Eisenberger and his colleagues (1997). Procedural justice was measured via three items from the scale developed by Beehr and his colleagues (1976). These three items are consistent with Cropanzano and Greenberg's (1997) conceptualization of both the structural aspects of justice involving voice and giving advance notice about decisions and the social aspects of procedural justice involving adequate explanations of decisions and treating employees with respect.
Perceived supervisor support, following the procedure used by Kottke and Sharafinski (1988) and Hutchison (1997), was measured via four items adapted from the SPOS by replacing the term organization with the term supervisor. The items were selected on the basis of their high loadings on the SPOS (coefficient alphas ranged from .74 to .84) and their general indications with regard to a supervisor's positive valuation of the employees' contributions and concern about the employees' well-being. The results revealed that the measures of organizational rewards, procedural justice, and supervisor support were positively related to both perceived organizational support and affective commitment. Furthermore, perceived organizational support was found to mediate the relationships between organizational rewards, procedural justice, and supervisor support with affective commitment. These findings therefore suggest that positive perceptions of policies, practices and procedures contribute to perceived organizational support and that perceived organizational support mediates the relationships between such favourable workplace perceptions and affective commitment.

In Study 2, Rhoades and her colleagues measured perceived organizational support and affective commitment at two points in time and used structural equation modelling to examine the direction of the relationship between the two variables. A 2-year interval with one employee sample and a 3-year interval with a second sample were selected. The 2-year sample consisted of 333 employees, of whom 45% were hourly paid sales-support employees and 31% were salaried sales-support employees. The 3-year sample consisted of 226 employees, of whom 34% were hourly paid salespeople, 30% were salaried sales-support employees, 27% were hourly paid sales-support employees, and 9% were salaried salespeople.
Perceived organizational support was measured via seven items from the SPOS questionnaire (Eisenberger et al., 1986) with factor loadings ranging from .71 to .84. Due to the fact that Study 2 was begun prior to the publication of the short form of the SPOS questionnaire (Eisenberger et al., 1997; Lynch et al., 1999) used in Study 1, five of the items were the same as those used in Study 1 and two were different. Affective commitment was measured via the same items used in Study 1. The findings of Study revealed that perceived organizational support was reliably related to temporal changes in affective commitment over a 2-year and a 3-year period in different samples of employees. In contrast, initial affective commitment was not reliably related to changes in perceived organizational support and therefore these findings provide evidence that perceived organizational support leads to affective commitment.

In Study 3, Rhoades and her colleagues further explored the antecedent nature of perceived organizational support in the affective commitment process by hypothesizing that affective commitment would mediate common consequences such as voluntary employee turnover. According to organizational support theory, perceived organizational support strengthens AC, which, in turn, should reduce turnover by strengthening employees' sense of belonging and identification with the organization (Meyer & Allen, 1991; Mowday et al., 1982). Affective commitment should, therefore, mediate a negative association between perceived organizational support and employee turnover. However, due to the fact that a relationship between perceived organizational support and turnover had yet to be demonstrated, the authors
examined turnover during a 6-month period in two different organizations: a retail sales organization and a poultry processing plant.

The first sample consisted of 1,249 employees at eight sites of the sales organization and 1,124 employees returned usable questionnaires. Sample 2 consisted of 309 employees at the poultry processing plant and 262 employees returned usable questionnaires. Perceived organizational support and affective commitment were measured via the same items used in Study 2. The results indicated that, for both samples of employees, the affective commitment mediates a negative relationship between perceived organizational support and voluntary employee turnover. These results are consistent with those of the first two studies indicating that perceived organizational support plays an antecedent role in the commitment process. The findings follow from organizational support theory, which holds that perceived organizational support reduces turnover partly by strengthening employees' emotional bond to the organization.

Perceived Organizational Support and Job Satisfaction

There is also evidence to suggest that perceived organizational support, via the theory of reasoned behaviour and the subsequent theory of planned behaviour (Ajzen, 1991), influences job satisfaction and consequently performance. In this body of work, individual perceptions are thought to be non-affective belief statements that need to be distinguished from attitudes which incorporate emotional components because it is thought that it is these emotional attitudes that influence action and performance. Their argument here is that it is the affective reaction toward the attitude object that triggers behavioural change, not the perception of the object. Perceived organizational
support has been consistently viewed in the literature as a belief rather than an attitude or affective reaction (Eisenberger et al., 1986, 1990; Masterson and Stamper, 2003). A key distinction is that affective reactions such as job satisfaction and affective commitment represent feelings employees may have toward their job and organization. Thus, affective reactions have an emotional and judgmental component that is in part based on the preceding perception of an event or occurrence. In similar vein, Fasolo (1995) found that emotional attachment to the organization is a more proximal predictor of employee performance than perceived organizational support.

The study conducted by Muse and Stamper (2007) was designed to clarify the perceived organizational support / affective reaction / performance association. That is to say that this study sought to establish that perceived organizational support is an antecedent of affective reactions, and that affective reactions mediate the relationship between perceived organizational support and performance. To this end, the authors compared the two following theoretical models: (a) perceived organizational support, via social exchange theory, leads to affective commitment which in turn influences performance; and (b) perceived organizational support, via the theory of planned behaviour, leads to job satisfaction which in turn influences performance. According to Fishbein and Ajzen (1975), employee behaviour is ultimately based on both perceptions and attitudes toward their employers. In their theory of reasoned behaviour and the follow-up theory of planned behaviour (Ajzen, 1991), however, they argue that perceptions and attitudes need to be measured separately in order to understand the underlying cognitive processes leading to behaviour. The argument is that perceptions precede attitude formation and that attitudes ultimately lead to performed behaviours.
Muse and Stamper surveyed 263 employees and their respective supervisors at a large manufacturing company. Supervisors assessed task performance using a seven-item scale developed by Williams and Anderson (1991), affective commitment was measured using a six-item scale developed by Meyer and Allen (1991), job satisfaction was measured using four representative items from the scale developed by Hackman and Oldham (1975), and POS was measured via the eight-item shortened version of the 36-item perceived organizational support scale developed by Eisenberger and his colleagues (1986). Results indicated that the direct relationships between perceived organizational support and performance were all significant (task performance .17, p < .05; interpersonal facilitation .25, p < .001, job dedication .23, p < .001). The results also revealed that POS was significantly related to affective commitment (.81, p < .001) and job satisfaction (.66, p < .001). Job satisfaction was found to be significantly related to all three performance measures (task performance .29, p < .05; interpersonal facilitation .33, p < .01; job dedication .36, p < .01), but affective commitment was not (task performance .03, ns; interpersonal facilitation .01, ns, job dedication .00, ns). To further analyze job satisfaction as a mediator of the perceived organizational support-performance relationship, Muse and Stamper ran a fully mediated model constraining the paths from perceived organizational support to the three performance variables to zero. The fit indices of the fully mediated model (RMSEA .03, IFI 1.00 CFI 1.00, TLI .98) all suggest a good fit with the data.

Thus, this study provides evidence to suggest that, when included in the same model, job satisfaction, and not affective commitment, is associated with contextual performance. This finding is controversial for two reasons. First, as detailed in
Chapter 2 of this thesis, the relationship between job satisfaction and performance has been viewed with much scepticism following Iaffaldano and Muchinsky's (1985) meta-analysis which found only a .17 correlation between job satisfaction and performance. Muse and Stamper's results, however, are consistent with the meta-analysis performed by Judge et al. (2001) who found a stronger correlation between the two variables of .30. Second, given the large amount of past research that has found a significant link between affective commitment and both task and discretionary work behaviour, it would be reasonable to expect affective commitment to mediate the perceived organizational support / performance relationship. Muse and Stamper point out, however, that most past research examines affective commitment as a predictor without consideration of job satisfaction, and therefore the modelling of potential predictors of performance was subject to the "missing variable" syndrome. It is important to note that when Muse and Stamper performed post hoc analyses with separate models using only one of the work attitudes, they found both job satisfaction and affective commitment to be mediators of the perceived organizational support-performance relationship. Thus, it is was only when both job satisfaction and affective commitment were included in the same model that job satisfaction was revealed as the only significant mediator of perceived organizational support and performance.

Summary
There is, then, evidence to suggest that perceived organizational support influences performance via the reciprocity norm. There is also evidence to suggest that perceived organizational support influences performance via the mediating agencies of: social exchange theory and affective commitment; and the theory of planned behaviour and job satisfaction. Somewhat controversially, however, Muse and Stamper (2007)
provided evidence to suggest that when job satisfaction and affective commitment are included in the same model, only job satisfaction will mediate the perceived organizational support / performance relationship. While there is much evidence to support the argument that affective commitment does mediate the perceived organizational support / performance linkage (e.g., Eisenberger et al., 2001; Rhoades et al., 2001), Muse and Stamper argue that these findings fall victim to the ‘missing variable’ syndrome.

Although their argument is persuasive (when tested separately both affective commitment and job satisfaction mediated the perceived organizational support / performance link but only job satisfaction mediated the relationship when tested in the same model), this research will argue that Muse and Stamper’s findings are also a victim of the ‘missing variable’ syndrome. That is to say that their study (along with all other reviewed studies examining the relationships between perceived organizational support, affective reactions and performance) neglects to include a vital antecedent variable: climate. The studies conducted by Guzzo and his colleagues (1994), Wayne and his colleagues (1997), Hutchison and Garstka, (1996), Jones and his colleagues (1995); and Fasolo (1995) all identified climate perceptions as an antecedent of perceived organizational support. It is, therefore, not possible to properly explore the mediation of the perceived organizational support / performance relationship by affective commitment and job satisfaction without the inclusion of such an important and common antecedent. This thesis will address this shortcoming by including climate, perceived organizational support, job satisfaction and affective commitment in the construction of an integrative and parsimonious psychological process to performance model in the next chapter.
CHAPTER 4: CALL CENTRE PERFORMANCE

What is a Call Centre?

A call centre is said to exist where “people work exclusively or for the majority of their time in a structured telephony environment ... including either inbound [or] outbound operations” (DTI, 2004, p.17). In similar vein, Taylor and Bain define it “as a dedicated operation in which computer-utilising employees receive inbound - or make outbound - telephone calls, with those calls processed and controlled either by an Automatic Call Distribution (ACD) or predictive dialling system. The call centre is thus characterised by the integration of telephone and VDU technologies” (1999; p.102). Thus, call centres are a methodology; a combination of information and telecommunication technologies that give organizations and their customers, clients or service users the capability to communicate with each other via telephone, e-mail, internet chat rooms or interactive websites.

It is important to recognize, however, that call centres are used by different organizations in different ways for different purposes. For instance, there is a significant difference between an inbound centre giving expert advice to people with special needs and their employers, an outbound centre focused on selling electricity or gas for a utility company, a help-desk providing technical support, and police, fire service or ambulance control rooms taking emergency calls. This diversity of application is supplemented by a diversity of deployment. While some organizations centralize all call centre operations into a single large unit, others choose to deploy several smaller centres that focus on discreet activities. Where some choose to keep call centre operations in-house others choose to outsource them to a specialist
provider. Furthermore, as Table 5 demonstrates, this diversity of application and deployment has enabled a broad range of industry sectors to make use of call centres:

Table 5

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td>15.4%</td>
</tr>
<tr>
<td>Retail and Distribution</td>
<td>11.7%</td>
</tr>
<tr>
<td>Services</td>
<td>10.9%</td>
</tr>
<tr>
<td>Transport and Travel</td>
<td>10.7%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8.2%</td>
</tr>
<tr>
<td>Outsourcing and Telemarketing</td>
<td>7.5%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>6.5%</td>
</tr>
<tr>
<td>Public Services</td>
<td>5.2%</td>
</tr>
<tr>
<td>Printing and Publishing</td>
<td>5.1%</td>
</tr>
<tr>
<td>Telecoms</td>
<td>4.5%</td>
</tr>
<tr>
<td>Internet Service Providers</td>
<td>3.2%</td>
</tr>
<tr>
<td>Entertainment and Leisure</td>
<td>2.9%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.9%</td>
</tr>
<tr>
<td>Food and Drink</td>
<td>2.1%</td>
</tr>
<tr>
<td>Automotive</td>
<td>2.0%</td>
</tr>
<tr>
<td>Medical</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Source: UK Contact Centre Industry, DTI, 2004

Despite the fact that there are many different deployments and applications of call centre methodology in the UK, the existing literature suggests that there are only three call centre operating modes: mass production, mass customisation and professional services.

Mass Production

Under the dictates of ‘classic’ mass production, the goal is to maximise volume and minimise costs. To achieve this, a combination of technology (to mechanise, automate and substitute for labour) and Scientific Management or Taylorist principles (functional specialisation, standardisation, and the minimisation of skill requirements, discretion and job cycle time) have been used to rationalise production (Batt, 2002).
In keeping with the above dictates, call centre agents in mass production call centres are connected to information technology which automatically allocates calls and facilitates their completion (Frenkel et al., 1998). The information technology in question receives, categorizes and stores incoming calls from customers, clients or service users in a queue and then automatically distributes them to call centre agents as soon as they become available after completing their previous call. In this sense, an assembly line can be seen to exist in the head of call centre agents. In the words of Taylor and Bain (1999, p.109),

“It may be difficult, if not impossible, for the operator to speed up, yet s/he is conscious that the current call must be terminated promptly, in order to take the next one. We describe this as a situation in which the operator has ‘an assembly-line in the head’, always feeling under pressure and constantly aware that the completion of one task is immediately followed by another.”

Taylor and Bain make it clear that agents are frequently under pressure to answer large numbers of calls, one after the other. More significantly though, those calls often involve relatively low skill tasks where the emphasis is on minimizing the duration and, therefore, the cost of the interactions.

Mass Customisation
In response to the increasing demand for quality, UK call centres have largely abandoned the application of ‘classic’ mass production in favour of mass customisation; a business strategy that attempts to serve a mass market and compete on the basis of both cost and quality. This is not to suggest that all aspects of mass production have been abandoned, in the sense that large volumes of calls are still automatically distributed and the assembly line in the head still exists. Furthermore,
mass customisation centres still provide standardized products; the only difference is that they provide a greater variety of standardized products. Thus, as Frenkel and his colleagues (1998) conclude, despite these variations in service products, there remains a strong uniformity to call centre rhythms and routines.

The mass customisation approach to call centre service delivery and the desire to compete on the basis of quality as well as cost, however, demands changes in terms of people management and the use of technology:

“To do so, firms would logically invest in new technology to complement, rather than substitute, for labour. They would adopt a set of management practices that invest in the skills and abilities of the workforce, design work so that employees have opportunities to use those skills effectively, and create incentives that reward effort and commitment” (Batt, 2002, p.13)

Frenkel and his colleagues (1998) term this inclusion of elements associated with professional, knowledge-intensive or specialist service provision within a primarily bureaucratic form of work organization as Mass Customized Bureaucracy.

The Mass Customisation Paradox

The combination of ‘mass’ and ‘customisation’, however, creates a call centre management paradox (Kinnie et al., 2000). Mass is all about efficiency, cost reduction, standardization, low skill, and employee control and compliance. Customisation, on the other hand, is all about variety, quality, high skill, and employee discretion and commitment. The provision of standardized variety, therefore, marries Scientific Management with Human Resource Management. In her investigation of this call centre paradox, Houlihan (2002) identified four different models of Low Discretion / High Commitment (LDHC): containment, alleviation, employee development, and
involvement. The containment model supplements a coercive approach to task implementation and an overriding pressure from management to ‘push calls through’ with high commitment management (HCM) initiatives such as teams, training and performance management (Ibid). While HCM initiatives seek to elicit creativity and discretionary effort (Callaghan and Thompson, 2002) under containment LDHC, they are ‘sacrificed’ to efficiency performance targets (Wallace et al, 2000) and therefore equate to nothing more than a managed misalignment (Houlihan, 2002).

The alleviation approach to LDHC attempts to compensate for the coercive approach to task implementation through significant investment in excellent facilities, work-life balance policies (Ibid), or a ‘fun and surveillance’ environment (Kinnie et al, 2000). Nonetheless, as Houlihan makes clear, “alleviation policies are set within the context of highly formalised procedures, minimal discretion and task-focused supervision” (2002, p.71). The structured employee development model takes a different approach to LDHC, due to the fact that it seeks to create an enabling context for low discretion job design via problem-solving teams, relations-oriented supervisory strategies, and training focused upon psychological coping strategies. Houlihan (2002) reminds us, however, that such employee development interventions deal with surface level symptoms but neglect the deeper levels of empowerment and career development. Finally, those call centres that deploy the involvement LDHC model employ skilled knowledge workers who enjoy some task discretion and genuine participative involvement. While this may be true, Houlihan once again warns us that, “the pervasive demands of quantitative measures and call volume exert considerable counter pressure towards standardisation and control” (2002, p.72). In conclusion, then, scientifically managed mass production call centres competing on the basis of
cost have not become extinct in the UK; they have merely responded to customer
demand, adopted human resource management practices and evolved into mass
customisation call centres competing on the basis of both cost and quality.

Professional Services
In call centres providing professional services, highly trained, highly skilled and well-
educated employees provide complex services via bespoke customer solutions. While
efficiency and cost are not unimportant considerations for centres providing
professional services, the ability to provide expert advice and meet the needs of
service users is more important. In this research, specialist centres delivering high
value service equated to technical, financial and legal help-desks employing engineers,
account executives and lawyers respectively, and high importance centres equated to
police and ambulance control rooms. It is important to recognize, however, that
specialist centres only account for a small proportion of call centres (Batt, 2002;
Frenkel et al., 1998).

UK Call Centre Industry
In its analysis, a DTI study (2004) identifies five periods of development for the UK
and High-Value Work (2005-). The Proof of Concept period saw the rapid uptake of
call centre methodology by larger firms eager to benefit from the massive cost savings
associated with closing high street branches, the shedding of jobs and the
centralisation of customer service activity. The expansion of the UK call centre
industry during the Drive to Growth period was due to: a rise in the number of retail
channels to market; the demand for customer service spreading to all types of organisation; an increase in the acceptance and ready availability of credit; supply chain rationalisation; and the deregulation of the growth sectors of call centre activity such as utilities, telecommunications and financial services (DTI, 2004). During the Increase in Outsourcing period, many organisations chose to outsource their call centre operations on the basis of reducing cost, lack of internal expertise or simply because they did not consider customer service to be a core activity. As a consequence of this second-tier of growth, the UK call centre industry grew via both sectoral and geographical diversification (Ibid). The Rise of Offshoring period was denoted by growth stemming from the lower salary costs and therefore lower transaction costs provided by third party suppliers in India and other locations including South Africa, the Philippines and Latin America (Ibid).

While each of the periods described so far have been distinctive they all have one thing in common; growth driven by cost reduction. From high street branches to centralised call centres, from in-house call centres to outsourced call centres, and from UK call centres to developing world call centres. In one sense, the Automation and High-Value Work period continues this trend. Phone-based service interactions are more cost-effective than face-to-face service interactions, but automated interactions are even more cost-effective and there has, therefore, been a move to automate the most simple service transactions in order to further reduce costs. In another sense, however, the opposite is becoming true. Many organisations are now using UK call centres to deliver high quality, high value services such as complex technical queries or up-selling and cross-selling activities based on the gaining and exploitation of customer preferences. Furthermore, they are using the fact that such centres are based in the UK as a market differentiator. Indeed, this dynamic has led to many
organisations repatriating their call centres to the UK to handle the activities most important for brand values (Contact Centres Market Assessment 2007, Key Note).

Thus, in 2008 the UK call centre industry provides three types of service: first, high quality, highly complex services via bespoke service solutions and highly skilled employees; second, moderately complex transactions delivered by semi-skilled employees; and third, basic transactions delivered by automated solutions.

Global Call Centre Industry

The Global Call Centre Report: International Perspectives on Management and Employment (Holman et al., 2007) suggests that the call centre sector looks similar across countries in terms of its markets, service offerings, and organisational features. In more detail, these similarities equate to: call centres typically serve national rather than international markets; two-thirds of all call centres are in-house operations, serving a firm’s own customers; 75% of call centres predominantly serve mass market customers, while 25% serve business customers; 49% of call centres provide customer service only, 21% provide sales only, and 30% provide sales and service; 78% of centres handle in-bound calls; the overwhelming majority of centres operate as voice-only centres, rather than multi-channel ‘contact’ centres; 75% of call centre agents work in call centres that have 230 total employees or more; 71% of the call centre workforce is female; and call centres are flat organizations, with managers comprising only 12% of employees.
Holman and his colleagues, however, make the point that there are also substantial differences in the organization of work and human resource practices in call centres in different economies. They found that, in general,

“call centres in coordinated economies tend to have better quality jobs, lower turnover, and lower wage dispersion than call centres in liberal market economies and in recently industrialised ones, where labour market regulations and unions are weaker. Call centres in coordinated countries also make greater use of subcontracting and part time contracts as strategies to increase organisational flexibility.” (2007, p.vi)

In more detail: new hires receive 17 days of training in liberal countries but only 14 days in coordinated countries; in liberal market economies, the proportion of call centres with low job discretion is 49%, as opposed to 29% in co-ordinated economies, and 34% in recently industrialised ones; monitoring activities typically occur on a monthly basis in co-ordinated countries, on a fortnightly basis in liberal market countries, and on a weekly basis or more in industrialising countries; and collective representation is highest in coordinated countries (71% of call centres), lowest in liberal market countries (22%), and intermediate in industrialising countries (36%).

The Global Call Centre Report makes it clear that national differences can also be detected in the area of call centre outcomes. In terms of staff turnover, the median turnover is 15% in coordinated countries, 25% in liberal countries, and 23% in industrialising countries. Similar variations are evident with regard to job tenure. Tenures vary from 16% in coordinated countries, to 21% in liberal, and 38% in industrialising countries. Furthermore, the report suggests that call centres in co-ordinated economies have the highest proportion of very high quality jobs (41%) and that liberal and industrialising economies have much smaller proportions of very high
quality jobs: 25% and 21% respectively. It can, therefore, be argued that while there
are some global similarities, there is also a great deal of variety across different types
of economy.

Finally, Holman and his colleagues also make the point that call centres vary across
countries. For instance, over 60% of centres in France and India primarily use college
educated employees, compared to less than 10% in most European countries. National
discrepancy is also noted in the area of temporary employment contracts. Over 60%
of the South Korean workforce and 50% of the Spanish workforce is temporary, while
100% of the Indian workforce is fulltime. Further, while the use of self-directed teams
is low, with 60% of centres making virtually no use of these work groups, in Sweden
at least 60% of the workforce in the average centre involved self-directed teams.
Furthermore, there is great variation in turnover, ranging from a low of 4% in Austria
to 40% in India. Finally, the tenure of work varies across all the countries. The
proportion of the centre workforce with less than one year of tenure at work ranges
from less than 10% in countries like Austria or Sweden to almost 60% in India.
Holman and his colleagues, therefore, conclude that, “we find that call centre
workplaces take on the character of their own countries and regions, based on distinct
laws, customs, institutions, and norms. The ‘globalisation’ of call centre activities has
a remarkably national face.” (2007, p.v)

Call Centres Compared to Other Workplaces

Having defined the term ‘call centre’, described the operating modes, and detailed the
characteristics of the UK and Global call centre industries, it is now necessary to
compare call centres with other workplaces. In order to do this, two studies will be
reviewed. One of the main aims of the study conducted by Holman (2002) was to examine differences in wellbeing between call centre work and other forms of employment. The call centre sample consisted of customer service representatives who were employed in three different call centres of a UK bank where the representatives spent about 80-90 per cent of their time answering incoming calls that were mainly from external customers. There were three types of activity undertaken by the representatives at the bank: personal and business banking (Bank-call), mortgage services (Mortgage-call) and loan services (Loan-call). In order to compare call centre work to other similar types of employment, Holman drew on data reported by Mullarkey et al (1999). In terms of job satisfaction, the comparative samples consisted of 246 clerical workers and 2,239 manufacturing shop-floor workers. When studying anxiety and depression, the comparative samples consisted of 941 clerical employees and 5,587 manufacturing shop-floor employees.

The results reported by Holman indicated that, in comparison with clerical work, anxiety (p < .05) was lower at Bank-call, but depression was higher (p < .01), while intrinsic job satisfaction (p < .001) and extrinsic job satisfaction (p < .01) were both lower. In comparison with shop-floor work, employees at Bank-call reported lower anxiety (p < .05) and intrinsic job satisfaction (p < .001), higher extrinsic job satisfaction and no significant difference with depression. At Mortgage-call wellbeing was not significantly different from clerical work on any of the four measures. Also, while anxiety and depression at Mortgage-call were not significantly different from shop-floor work, intrinsic job satisfaction (p < .05) and extrinsic job satisfaction (p < .001) were higher. At Loan-call anxiety and intrinsic job satisfaction were not significantly different from that of clerical workers, but depression was lower (p < .05)
and extrinsic job satisfaction was higher ($p < .001$). Compared to shop-floor work, employees at Loan-call reported less anxiety ($p < .05$) and depression ($p < .001$) and more intrinsic job satisfaction ($p < .01$) and extrinsic job satisfaction ($p < .001$).

Thus, the results reported by Holman indicate that, while employees at Bank-call reported lower levels of wellbeing (apart from anxiety) than clerical or shop-floor employees, employees at Mortgage-call and Loan-call reported that their wellbeing was the same if not higher than that of clerical or shop-floor workers. Given the stereotypical view of call centres as the ‘new sweatshops’ (Fernie & Metcalf, 1998), ‘dark satanic mills’ (Roncoroni, 1997), ‘battery farms’ (Crome, 1998) and electronic panopticons’ (Bain & Taylor, 2002) the study conducted by Holman suggests that call centre jobs are no better or no worse than clerical and shop-floor jobs. It is important to recognize, however, that Holman’s study only investigates customer service representatives in a single UK banking call centre. It could, therefore, be argued that other banking call centres or other types of call centre would produce different results. That said, Holman’s results do indicate that call centres are not necessarily, or indeed inherently, stressful or depressing places to work.

Despite the findings reported by Holman (2002), however, the call centre workplace has received a lot of criticism with regard to the all-pervasive practice of performance monitoring. The particular concern centres around its perceived effects on employee stress. Indeed, Holman (2003) has suggested that it is ‘intrinsically threatening’ to employees because the information gained may affect employee performance-related pay or rewards, or relationships with colleagues. Monitoring is also considered to be intrinsically demanding and is thought to negatively affect employee well-being.
(Smith et al., 1992). Holman and his colleagues (2003), however, make us aware that performance monitoring in call centres takes two main forms. First, work task activities such as average call time, average talk time, the number of calls taken, the amount of time spent in ‘wrap’ (when individuals choose to make themselves temporarily unavailable for incoming calls). Second, where Team Leaders, Trainers or Quality Controllers listen remotely to calls, with or without the knowledge of the individual being monitored.

In order to address this issue, Holman and his colleagues (2003) conducted a study to examine three aspects of performance monitoring in call centres. The first aspect measured was the performance-related content of the monitoring system such as: clarity of performance criteria, immediacy of feedback, and the frequency and nature of the feedback. Second, the perceived purpose of monitoring was measured. That is to say, this study differentiated between monitoring systems that were designed to punish poor performance or non-compliance and systems that were designed to be developmental and, therefore, beneficial to the individual being monitored. The third aspect measured was the perceived intensity of the monitoring system. These three factors were analysed with regard to three measures of stress, namely anxiety, depression, and emotional exhaustion.

The results reported by Holman and his colleagues (2003) revealed that the performance-related content of performance monitoring was negatively associated with depression. The beneficial purpose of monitoring, however, was negatively associated with depression, anxiety, and emotional exhaustion. The perceived intensity of the monitoring system was positively associated with anxiety, depression,
and emotional exhaustion. It is important to note that the authors reported that the perceived intensity of monitoring had a much stronger effect on stress than the two other types of performance monitoring. Thus, this study demonstrates that while call centres can be stressful places to work they are not inherently so.

Performance Outcomes

Most call centre studies have concentrated on service quality (e.g., Malhotra & Mukherjee, 2004; Little & Dean, 2006), human resource management (Batt & Moynihan, 2002, Houlihan, 2002, Kinnie et al., 2000; Frenkel et al., 1998), and stress and wellbeing (Holman, 2002; 2003). In order to extend the knowledge base this research will use a newly-developed and, therefore, under-researched performance outcome measure. To this end, the Organizational Member Proficiency and Organizational Member Adaptivity measures developed by Griffin and his colleagues (2007) were used this research. The authors described Organizational Member Proficiency in the following terms: “organization member proficiency describes behaviors that can be formalized and are embedded in an organizational context. These behaviors reflect the degree to which an individual meets the expectations and requirements of his or her role as a member of an organization” (Griffin et al., 2007, p.331). This proficiency construct is similar to “organizational support” (Borman et al., 2001; Johnson, 2003), “organizational loyalty and civic virtue” (Podsakoff et al., 2000), and “organization role behavior” (Welbourne et al., 1998). In more detail, behaviours such as defending organizational reputation and participating in organizational committees would be considered as organizational member proficiency.

Organizational Member Adaptivity is defined as, “the degree to which individuals
cope with, respond to, and/or support changes that affect their roles as organization members” (Griffin et al., 2007, p.332). Preceding explorations of adaptive performance (Hesketh & Neal, 1999; Pulakos et al., 2000) have not distinguished organizational adaptivity from individual and team adaptivity. Griffin and his colleagues, however, make the point that a lot of the changes to which employees are required to adapt take place at the organizational level (e.g., mergers, restructuring, business process re-engineering). For instance, if one organization merges with another organization, an employee may need to adapt to, and support, the new organizational structure.

The Importance of Contextual Performance
Traditionally, work performance has been evaluated in terms of the proficiency with which an individual carried out the tasks specified in the job description. In this sense, effectiveness could be evaluated as outcomes achieved by carrying out the specified behaviours of the job (Campbell et al., 1993). It is important to recognize, however, that the changing nature of work in terms of increasing interdependence and uncertainty has challenged traditional views of individual work performance (Howard, 1995; Ilgen & Pulakos, 1999). It is, therefore, possible to argue that traditional approaches to work performance did not fully account for the behaviours that contribute to effectiveness when systems are uncertain and interdependent (Campbell et al., 1993; Murphy & Jackson, 1999). Thus, in the light of the above analysis, it is possible to further argue that work roles cannot be divorced from the contexts in which they are enacted (Ilgen & Hollenbeck, 1999) and that models of work role performance should incorporate theoretical features of organizational contexts (Hattrup & Jackson, 1996).
As Schuler and Jackson (1995) have pointed out, however, it has proved difficult to explain how organizational context influences the behaviours that are valued in organizations. Griffin and his colleagues (2007) put forward role theory as an approach capable of encompassing both organizational context and individual work behaviour. Furthermore, they make the point that previous applications of role theory have focused on the process of role development rather than on the way context relates to the dimensions of performance (Ilgen & Hollenbeck, 1999). They conclude that, although previous studies have suggested that role theory is useful for describing a broader set of work responsibilities (e.g., Ilgen & Hollenbeck, 1991; Morgeson et al., 2005; Welbourne et al., 1998), those studies have not formally included organizational context, nor has role theory been used to describe the dimensions of a work performance model.

Griffin and his colleagues (2007) used role theory to develop Borman and Motowidlo’s (1993) concept of contextual performance that was also built around the distinction of task and social context. In their words, “we argue that the interdependence in an organization highlights the value of behaviours that maintain and build a social context, as opposed to behaviours that only enable an individual to meet the responsibilities of his or her own individual task” (p.329-330). As Cummings and Blumberg (1987) have pointed out, interdependence occurs when the system members have to co-operate in order to achieve shared goals. Thus, in interdependent systems the behaviour of the individual impacts not only on the effectiveness of the individual but also on the effectiveness of groups, teams, and the organization. For example, defending the reputation of the organization may not
contribute to the achievement of individual or indeed team goals, but it will contribute to the effectiveness of the organization (Borman & Motowidlo, 1993).

Summary
Call centres are diverse workplaces in terms of purpose, deployment, application, and operating modes, and this diversity is influenced and enhanced by periods of development, market conditions, macro economic structures, and cultural characteristics. To date most call centre research has focused on human resource management issues, employee wellbeing, service quality, customer satisfaction and productivity at both the individual and organizational level of analysis. In response to these facts, this research utilizes two new and under-researched contextual performance measures: organizational member proficiency and organizational member adaptivity. It is, therefore, the purpose of this research to provide, for the first time, evidence to support the contention that social exchange, in the form of reciprocity, links climate perceptions, perceptions of organizational support, job satisfaction and affective commitment with self-ratings of contextual performance in terms of organizational proficiency and organizational adaptivity.
CHAPTER 5: MODEL & HYPOTHESES

The literature reviewed in the first three chapters of this research has examined the applied psychology literature in terms of climate, perceived organizational support, job satisfaction and affective commitment. They investigated the theoretical and empirically supported relationships between the aforementioned psychological process constructs and performance. They further investigated the relationships between the constructs themselves. Furthermore, the following mediation models were also examined:

- Job satisfaction mediates the relationship between climate and performance (e.g., Patterson et al, 2004; Parker et al., 2003; Carr et al., 2003)

- Affective commitment mediates the relationship between climate and performance (e.g., Carr et al., 2003; Suliman, 2002)

- Job satisfaction mediates the relationship between perceived organizational support and performance (e.g., Muse & Stamper, 2007)

- Affective commitment mediates the relationship between perceived organizational support and performance (e.g., Eisenberger et al., 2001; Rhoades et al., 2001)

While empirical evidence was presented to support of all of the above mentioned direct and mediated relationships, some of the reported findings were contradictory. Where some found a relationship between job satisfaction and performance (Judge et al, 2001) others did not (Brown & Peterson, 1993). Where some found that affective commitment mediated the relationship between POS and performance (Eisenberger et
al., 2001) others did not (Muse & Stamper, 2007). Where some found a climate for adaptability to be related to performance (Denison 1990) others did not, and reported instead links between a climate for stability and performance (Gordon & DiTomaso, 1992). The empirical record with regard to the influence of psychological processes on performance outcomes is, therefore, unclear. Perhaps more significantly, however, the applied psychology and workplace performance empirical record is also incomplete. The very fact that all of the above mentioned direct and mediated relationships have received robust empirical support suggests that the climate, perceived organizational support, job satisfaction and affective commitment constructs all have some influence on performance, and points to the need to incorporate them into one integrated model. In this sense it is possible to argue that all of the previous psychological process-to-performance models (see Table 6 below) fail to tell the whole story because they suffer from ‘missing variable syndrome’. It is, therefore, the aim of this research to develop and test an integrated model that combines all of the aforementioned psychological process constructs. To this end, the findings presented in the first three chapters will now be analysed in order to facilitate their integration.

Table 6

<table>
<thead>
<tr>
<th>Psychological Process to Performance Model</th>
<th>Study</th>
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<tr>
<td>Climate influences performance</td>
<td>Schneider et al., 1998</td>
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<tr>
<td>Perceived organizational support influences performance</td>
<td>Armeli et al., 1998</td>
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<tr>
<td>Job Satisfaction influences performance</td>
<td>Judge et al., 2001</td>
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<tr>
<td>Affective commitment influences performance</td>
<td>Luchak &amp; Gellatly, 2007</td>
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<td>Climate influences performance via job satisfaction</td>
<td>Parker et al., 2003</td>
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<td>Climate influences performance via affective commitment</td>
<td>Ashill et al., 2006</td>
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<td>Perceived organizational support influences performance via job satisfaction</td>
<td>Muse &amp; Stamper, 2007</td>
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<td>Perceived organizational support influences performance via affective commit</td>
<td>Eisenberger et al., 2001</td>
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Domain-Specific Climates Influence Performance

A body of research evidence has identified links between domain-specific climate perceptions and performance (e.g., Johnson 1996; Schneider & Bowen, 1985; Schneider et al., 1998). The domain-specific climate in question is a climate for service and is defined as employee perceptions of the practices, procedures, and behaviours that are rewarded, supported and expected with regard to service performance. Employee perceptions with regard to goal emphasis, clarity of communication, operating procedures, reward, support, and resources influence performance through ‘salient organisational behaviours’ (Kopelman et al., 1990). It is also thought that climate perceptions are incorporated in the psychological contracts of employees and that employees are attracted to specific climates that act as a ‘stabilizer of individual behaviour’ (Sparrow, 2001). Once mental, emotional and attitudinal states are established in a positive direction, employees are likely to exhibit salient organizational behaviours that generate effective performance. In simple terms, positive climate perceptions lead to positive attitudinal states which in turn lead to salient organizational behaviours that give rise to effective performance.

Climate Influences Perceived Organizational Support

Perceived organizational support has been defined as the extent to which employees perceive that their contributions are valued and how much the organization cares about their well-being (Eisenberger et al., 1986). Thus, perceived organizational support is thought to carry perceptions about both supporting the employee as a person as well as the importance of the job being performed by the employee.

Research has shown perceived organizational support to be positively related to the following: financial inducements and work/life balance policies (Guzzo et al., 1994);
high-quality developmental training, opportunities for promotion, and supportive supervisor relationships (Wayne et al., 1997); participation in goal setting and receipt of performance feedback (Hutchison & Garstka, 1996); lack of role conflict (Jones et al., 1995); and procedural justice (Fasolo, 1995). It should be noted that organizational actions perceived to be favourable by employees should contribute more to perceived organizational support when they are viewed as voluntary, rather than as the result of external constraints such as government regulations and union pressure (Eisenberger et al., 1986; Shore & Shore, 1995). Indeed, the favourableness of promotion practices, reward systems, fringe benefits, and training opportunities have been found to have a stronger relationship with perceived organizational support when employees believed that these conditions represented discretionary actions of the organization (Eisenberger et al., 1997)

Climate Influences Affective Reactions

Affective reactions in this research equate to job satisfaction and affective commitment. Job satisfaction has been defined as: the subjective, spontaneous satisfaction response of an employee in a work situation (Hoppock, 1935); an evaluation of feelings of ease by employees in the context of their role and responsibility (Vroom, 1964); and employee feelings about their jobs (Smith et al., 1969). Affective commitment has been defined as: internalised normative pressures to act in ways that benefit the organization (Wiener, 1982); a process of identification with the goals of the organization (Reichers, 1985); the degree to which employees adopt organizational characteristics or perspectives (O'Reilly & Chatman, 1986); and emotional attachment to, involvement in, and identification with the organization (Meyer & Allen, 1997). In conceptual terms, climate perceptions and affective
reactions should be related because the perceptual cognitions of employees are emotionally relevant (James & James, 1989), and climate perceptions frequently carry some degree of latent affect or emotional loading (Patterson et al., 2004). The contention is that employee perceptions of organizational policies, procedures and practices influence how they feel about their organization. This direction of causality, from climate perceptions to affective reactions, can be inferred from longitudinal studies such as the one conducted by Patterson and his colleagues (2004). Thus, it seems likely that employees with positive perceptions about their workplace will reciprocate or return these (perceived to be) favourable working conditions by being more satisfied with their jobs and more committed to their organization and its goals.

**Perceived Organizational Support Influences Performance**

Employment can be regarded as a transactional relationship where effort and loyalty are ‘traded’ for financial reward and socio-emotional benefits such as respect and approval (e.g., Levinson, 1965; Mowday et al., 1982; and Angle & Perry, 1983). Social exchange theory provides a possible theoretical basis for understanding relationships between employees and their organization (Eisenberger et al., 1997). Central to this theory is the norm of reciprocity, which requires individuals to respond positively to favourable treatment received from others (Blau, 1964). Eisenberger and his colleagues (2001) have suggested that the reciprocity norm can be applied to a workplace setting in the sense that it may oblige employees to repay the considerate treatment they receive from their work organization. That is to say that meeting obligations helps employees to maintain the positive self-image, avoid the social stigma associated with the failure to repay debts or return favours, and obtain favourable treatment from the organization. Workers are, therefore, motivated to
reciprocate beneficial treatment by behaving in ways that are beneficial to the organization. The underpinning assumption is that perceived organizational support elicits an obligation not only to care about the welfare of the organization but also to help the organization achieve its targets, goals, and objectives. Thus, perceived organizational support has the potential to create the expectation that superior performance will be recognized and rewarded. On the basis of the norm of reciprocity, perceived organizational support would engender loyalty to the organization and increase efforts made by employees on its behalf (Shore & Shore, 1995). In contrast, constant indications that the organization does not value their contributions or care about their welfare have the potential to degrade perceived organizational support, diminish perceived obligations to their employer and reduce performance (Eisenberger, 1997).

Perceived Organizational Support Influences Affective Reactions

A growing body of research has demonstrated a positive link between perceived organizational support and affective commitment (Eisenberger et al., 1990; Guzzo et al., 1994; Hutchison & Garstka, 1996; Jones et al., 1995; Settoon et al., 1996; Shore & Tetrick, 1991; Wayne et al., 1997). These findings are consistent with organizational support theory's view that perceived organizational support strengthens affective organizational commitment via the reciprocity norm (Eisenberger et al., 1986; Shore & Shore, 1995) and through the fulfillment of esteem and affiliation needs (Armeli et al., 1998) that are thought to increase the incorporation of organizational membership and role status into the social identity of employees. Furthermore, social identification has been considered to be an important part of affective commitment (e.g., Allen & Meyer, 1996; Mowday et al., 1979) or a distinct but closely related construct.
(Ashforth & Mael, 1989). Indeed, Meyer and his colleagues (2002) found perceived organizational support to have a strong positive correlation with affective commitment. This finding is consistent with the argument put forward by Eisenberger and his colleagues (1986) which suggests that in order to engender affective commitment organizations must first provide a supportive work environment.

Crede and his colleagues (2007) suggest that the manner in which desirable job features are translated into higher levels of job satisfaction could be explained by the theory of perceived organizational support, and the reciprocity norm where employees are thought to personify the organization (Rhoades & Eisenberger, 2002). Jobs with desirable characteristics could be interpreted by employees as organizational concern for their well-being and, as a consequence, lead to the reporting of higher levels of job satisfaction (Crede et al., 2007). The effect of negative events on job satisfaction can also be understood from a perceived organizational support perspective in the sense that employees are likely to blame their organization for negative events that occur, perceive that the organization does not care about their welfare and, therefore, report lower levels of job satisfaction (Crede et al, 2007).

**Job Satisfaction Influences Performance**

The impetus behind research designed to investigate the relationship between job satisfaction and performance came from the intuitively appealing assumption that high morale would lead to high performance (Iaffaldano & Muchinsky, 1985; Judge et al., 2001). Elements of social psychology such as the premise that attitudes lead to behaviour would appear to be relevant here. For instance, attitude has been defined as a, “learned predisposition to respond in a consistently favourable or unfavourable
manner with respect to a given object” (Fishbein & Ajzen, 1975, p. 6). It has also been argued that employees who evaluate an attitude object positively tend to engage in behaviours that support it. Conversely, employees who evaluate an attitude object negatively tend to engage in behaviours that oppose it (Eagly and Chaiken, 1993). Call centre employees with high levels of satisfaction are, therefore, more likely to respond positively to organizational change and adapt accordingly.

**Job Satisfaction Influences Affective Commitment**

Affective commitment has been shown to correlate with job satisfaction (Bagozzi, 1980; Bateman & Strasser, 1984). Significantly, however, the study by Brown and Peterson (1993) found the relationship between job satisfaction and organizational performance to be indirect and mediated by affective commitment. Furthermore, the standardized coefficient of the satisfaction-organizational commitment path had positive valence, whereas that of the organizational commitment-satisfaction path was negative. This finding is in keeping with the predominance of both conceptual and empirical evidence that has tended to favour the interpretation of job satisfaction as antecedent to commitment (Johnston et al. 1990). The conceptually and empirically supported proposition is that employees with high levels of job satisfaction are likely to reciprocate beneficial job characteristics by being strongly committed to their organization and its goals.

**Affective Commitment Influences Performance**

It has been suggested that performance will suffer when employees are unwilling to perform a service at the required level (Zeithaml et al., 1990). The contention is that ‘willingness to perform’ implies ‘discretionary effort’ and that, during the service
interaction, it is the willingness of employees to engage in discretionary effort that determines the level of service delivered and the satisfaction of the customer. Thus, the willingness of employees to accept and support organisational goals, and to behave in a manner likely to promote them, influences the level of service performance (Boshoff and Tait, 1996).

Goal commitment, however, can be accompanied by different mindsets that have important implications with regard to performance (Herscovitch & Meyer (2002). Employees pursue goals because they want to, because they feel obligated, because they feel that they have to, or because of a combination of all three mindsets. Further, goal commitment interacts with goal choice to influence the goal mechanisms themselves. The argument is that goal commitment influences the extent to which a goal actually promotes greater attention to goal-relevant activities, to exert effort, and to the development of strategies designed to facilitate goal attainment. This is consistent with the argument that affective commitment is a stronger binding force than normative and continuance commitment because the latter are more likely to conflict with self-interest, and are thus subject to forces that weaken the bond (Herscovitch & Meyer, 2002). For instance, an employee’s commitment to a work task is more likely to weaken if the goal to which they have committed themselves out of an obligation or a desire to receive financial reward turns out to be more demanding than anticipated. Conversely, employees with high levels of affective commitment are likely to remain unfaltering in the pursuit of goals because it protects them from the negative aspects of stress, and enables them to attach direction and meaning to their work (Begley & Czajka, 1993).
It is also possible to argue that commitment to an organization and its goals gives rise to an intention to perform and, therefore, the theory of reasoned action developed by Ajzen & Fishbein (1980) may provide an insight into how affective commitment could influence performance. This theory posits that an individual’s intention to perform a particular behaviour is the immediate determinant of that action. The argument is that the link between commitment and reasoned behaviour is that individuals who are committed to their organization and its goals are more likely to believe that performing work tasks will lead to pleasant consequences and comply with organizational expectations.

As an extension to the theory of reasoned behaviour, Ajzen (1991) developed the theory of planned behaviour. Intention is central to this theory because intentions are assumed to capture the motivational factors that influence behaviour. That is to say that they are indications of how hard people are willing to try, and of how much effort they are planning to exert, in order to perform the behaviour. The contention is that the stronger the intention, the more likely the performance. In this sense, affective commitment and planned behaviour relate to the central tenets of expectancy theory (Vroom, 1964): first, the effort individuals exert is a function of their expectation that certain outcomes will result from their performance; and second, the intrinsic attractiveness or aversiveness of those outcomes (Latham, 2007). Affectively committed employees are, therefore, more likely to find the outcomes of their performance intrinsically attractive. In short, affectively committed employees reciprocate feelings of loyalty engendered by the organization by working harder to achieve organizational goals and objectives.
The Integrated Psychological Process to Performance Model

There are then, as figure 2 below demonstrates, an array of relationships between psychological process constructs and performance that are supported by the applied psychology literature. In order to construct an integrated psychological process to performance model, however, a degree of parsimony will have to be introduced and the empirically supported mediated relationships will have to be taken into account.

Figure 2

As previously pointed out, there is robust empirical evidence to suggest that perceived organizational support (e.g., Rhoades et al., 2001; Eisenberger et al., 1986), job satisfaction (e.g., Patterson et al., 2004; Parker et al., 2003) and affective commitment (e.g., Ashill et al, 2006; Carr et al, 2003) mediate the relationship between climate perceptions and performance. These reported findings suggest that climate does not influence performance directly but does so through the agency of perceived organizational support, job satisfaction and affective commitment. Furthermore, there is, also evidence to suggest that perceived organizational support is antecedent of affective reactions and that job satisfaction (Muse & Stamper, 2007) and affective
commitment (Eisenberger et al., 2001) mediate the relationship between perceived organizational support and performance. Further, the study by Brown and Peterson (1993) found the relationship between job satisfaction and performance to be mediated by affective commitment. This is consistent with the majority of empirical evidence that has tended to interpret job satisfaction as antecedent of affective commitment (Johnston et al. 1990). Furthermore, Riketta (2008) and Malhotra and Mukherjee (2004) both measured the relationships between job satisfaction and performance and affective commitment and performance simultaneously, and both found affective commitment to have the stronger relationship with performance.

In the light of above analysis, it is reasonable to suggest that the relationship between a climate for service and performance is mediated first by perceived organizational support, second by job satisfaction, and third by affective commitment. Figure 3 below depicts the resulting parsimonious, integrated and fully mediated psychological process to performance model.

*Figure 3*
The reasoning behind the proposed model is as follows. First, service employees who have a positive perception of the recognition and rewards they receive for the delivery of superior work, the leadership shown by management in supporting service quality, and the tools, technology, and other resources provided to support the delivery of superior service are likely to report high levels of perceived organizational support. This first proposition is underpinned by the assumption that frontline service employees exist in a very exposed position, and organizational support for the delivery of high quality service is likely to be interpreted as organizational concern for their welfare. Employees that are enabled by their organization to deliver high quality services are going to experience positive customer interactions because customers are likely to appreciate good service. Conversely, those employees that are not supported by their organization to provide a quality service are going to experience less positive and sometimes negative customer interactions. Thus, call centre employees handling hundreds of customer interactions per day have the potential to experience high volumes of either rewarding and enjoyable or unrewarding and uncomfortable customer interactions. It is, therefore, reasonable to assume that employees that work for organizations which support service quality will feel that they are cared for and those that work for organizations which do not support service quality will not feel cared for. That is to say that perceived support for service quality will be reciprocated in terms of perceived organizational support.

Second, those employees who perceive that their organization supports service quality and cares for their welfare are more likely to be satisfied with their jobs. On the one hand, employees who work for organizations that differentiate themselves in terms of service quality are more likely to be satisfied because they are more likely to be
receiving positive feedback from customers. On the other hand, it can be argued that service jobs in organizations which support service quality are likely to be relatively complex and demanding and that such jobs will, therefore, be more satisfying (Hackman & Oldham, 1976). The opposite should also be true. Employees working in organizations which do not support service quality are likely to be performing relatively basic and undemanding jobs that they will find dissatisfying. Thus, perceived organizational support for service quality is reciprocated by employees in the form of perceived organizational concern for their welfare, and this perceived concern for welfare is, in turn, reciprocated in the form of job satisfaction.

Third, satisfied employees with positive perceptions of their organization in terms of support for service quality and concern for welfare are more likely to feel attached to and care about their organization. In stark contrast, dissatisfied employees with negative perceptions of their organization are unlikely to feel a strong attachment to their workplace. That is to say that evaluations of job satisfaction are reciprocated in the form of either low or high levels of affective commitment. Finally, those employees with high levels of affective commitment are more likely to work harder and give extra effort towards the achievement of organizational goals and, in so doing, provide a higher organizational proficiency and be more willing to adapt to organizational change. Once again, the opposite is also likely to be true. Employees with low levels of affective commitment are likely to do the bare minimum required and not contribute discretionary effort vital to contextual performance in terms of both organizational member proficiency and organizational member adaptability.
Thus, the proposed integrated and parsimonious psychological process to performance model suggests the following series of mediated relationships:

- **Hypothesis 1a**: the relationship between job satisfaction and contextual performance in terms of organizational member proficiency will be mediated by affective commitment.

- **Hypothesis 1b**: the relationship between job satisfaction and contextual performance in terms of organizational member adaptivity will be mediated by affective commitment.

- **Hypothesis 1c**: the relationship between perceived organizational support and affective commitment will be mediated by job satisfaction.

- **Hypothesis 1d**: the relationship between service climate and job satisfaction will be mediated by perceived organizational support.

This parsimonious, integrated model will add to the knowledge base because, to the best of this author’s knowledge, no other psychological process-to-performance studies adopting a social exchange theory framework have included a climate for service, perceived organizational support, job satisfaction, affective commitment, organizational member proficiency and organizational member adaptability in their models. Furthermore, no previous studies have hypothesized a fully mediated path between these psychological process variables.
CHAPTER 6: METHODOLOGY

Research Location

The UK call centre industry was chosen as a research location for two main reasons. First, the majority of work performance studies in the applied psychology literature have been located outside of the service sector. Call centres were not, however, an automatic service location choice. The hotel, banking and retail service sub-sectors were all considered. The problem with each of these sub-sectors was that the findings would not be generalisable to the service sector as a whole. The choice of call centres as a research location enabled all types of service providers to be included in the research. Obviously, face-to-face service providers could also have been selected but it was thought that there would be fewer issues with regard to the comparability of performance between call centres. In face-to-face service interactions, tangible issues such as employee appearance and dress can be important determinants of service performance. That is to say that performance perceptions with regard to face-to-face interactions are, to some extent, related to the physical characteristics of the contact employee and the environment where the service takes place (Burgers et al., 2000). Phone-based interactions, on the other hand, do not involve 'tangibles'.

Second, the UK call centre industry is a rapidly growing sector that employs a large number people and it is, therefore, important to the UK economy. Indeed, the UK call centre industry employs in excess of 2% of the working population (CCA, 2002) and it has grown by almost 250% since 1995, and at the end of 2003 there were 5,320 call centres in the UK employing almost 500,000 agent positions (DTI, 2004). The number of agent positions in 2007 has been estimated to have increased to 862,070
and highlights the fact that the UK call centre industry continues to add tens of thousands of agent positions each year (Contact Centres Market Assessment 2007, Key Note).

Sample

This research was conducted within 88 UK call centres. Two thousand Call Centre Manager contact details were obtained from Call Centre Europe magazine. Letters were sent and follow-up calls were made to gain research access. One hundred and twenty-seven call centres agreed to participate, of which 88 completed the research process. Ten thousand, three hundred and thirty-three questionnaires were distributed and 3,136 usable questionnaires were returned (overall response rate 30.3%). The questionnaires were completed during working hours and were answered by managers and call centre agents. All 3,012 call centre agents in this study worked in inbound call centres (i.e., the centres received calls from customers); 80.6% of the call centres were in-house establishments, 19.4% outsourced operations.

The UK call centre population in the DTI report (2004) was used as a sampling frame to ensure that the sample of this research was representative of the larger population. The differences between sample and population, though statistically significant because of the large sample size, can be considered relatively minor deviations. For instance, 19% of the centres in the sample were operating in the finance sector (compared to 15% in the DTI study), 19% in IT (compared to 7%), 11% in services (compared to 11%), 6% in outsourcing (compared to 8%), 8% in manufacturing (compared to 8%) and 5% in retail (compared to 12%). Size in terms of workforce varied between 7 and 981 employees ($m = 156.7$, $sd = 227.7$). Forty-one percent of
the centres employed between 1 and 50 agents (compared to 62% in DTI, 2004), 23% between 50 and 100 agents (compared to 17% in DTI, 2004) and 36% employed more than 100 agents (compared to 21% in DTI, 2004). Females made up 67% of this sample (compared to 69% in DTI, 2004), average age was 30.6 years (compared to 24–32 years in DTI, 2004).

The centres operating in the finance sector provided basic personal account services (account balance queries, direct debit queries and alterations, money transfers, updating account details, statement queries, etc), personal loan services (loan information, loan quotations, loan selling and loan account maintenance), and, finally, mortgage services (mortgage information, mortgage selling and mortgage account maintenance). The centres in the IT sector were all IT Help-Desks providing technical support to organizational end users which included government departments, public sector organizations, private utilities, and private businesses. The service sector call centres were more diverse. These call centres included: police, ambulance and fire service control rooms; government department advice lines; counselling care lines; and housing associations. In contrast, the manufacturing sector call centres all provided after-sales services to customers who had bought the products manufactured by the respective organizations. The manufactured products included bathroom shower units, automotive parts, and sub-assembly components. The retail sector call centres (book sellers, catalogue retailers, and clothing retailers) provided advice to customers and dealt with their complaints. The catalogue retailer centres also dealt with sales calls.
Measures

The climate for service measure used by this research was the Global Service Climate scale developed by Schneider and his colleagues (1998). Climate for service refers to employee perceptions of the practices and procedures that support and enable the delivery of quality service, and the behaviours that are rewarded and expected with regard to providing quality service. An organization's service climate will be stronger where service employees perceive that they are rewarded for delivering quality service. Vital to this research, Schneider and his colleagues (Schneider & Bowen, 1985; Schneider et al., 1980) explored the relationships between customer perceptions of service quality and employee perceptions of service climate, and found that employee perceptions were related to the service quality perceived by customers (Schneider & Bowen, 1995). Furthermore, Johnson (1996), Wiley (1991), Schmit and Allscheid (1995), and Hartline and Ferrell (1993) reported similar results.

The Global Service Climate scale can be regarded as a summary of the organization's climate for service. It is important to recognize, however, that, while the Global Service Climate scale addresses many of the same issues covered by the Customer Feedback, Customer Orientation, and Managerial Practices scales, it is not a composite of the three scales. The Global Service Climate scale is distinct and designed to 'tap the molar aspect' of service climate. To this end, Schneider and his colleagues regressed Global Service Climate on the three other service climate facets to determine how the specific scales contributed to the global one. Their results revealed that the Global Service Climate scale was significantly related to each of the three facets: Customer Orientation (.54, p<.001), Managerial Practices (.30, p<.001), and Customer Feedback (.10, p<.04). Thus, there is evidence to suggest that the
global measure of service climate developed by Schneider and his colleagues not only predicts customer perceptions of service quality, but also appears to reflect employee perceptions with regard to the degree of customer orientation, the nature of managerial practices, and the extent of customer feedback. Furthermore, the authors reported average alpha ratings of .88 and .91 for this scale. It was therefore felt that the global service climate measure was the most appropriate for this research.

In order to measure perceived organizational support, the Employee Welfare scale developed by Patterson and his colleagues (2005) was used. The Employee Welfare scale is a sub-scale of a larger molar climate scale (Organizational Climate Measure). The larger molar scale has four theoretical domains and the Employee Welfare sub-scale is derived from the human relations domain. Human relations places a high value on employee well-being as an outcome in its own right and as a means of achieving high levels of performance. It has norms and values associated with belonging, trust, co-operation and cohesion achieved through means such as training and development. Coordination is accomplished through empowerment, participation, and organizational support. With reference to the work of Robinson and Rousseau (1994) and Guest (1998), Patterson and his colleagues defined Employee Welfare as, “the extent to which the organization values and cares for employees” (p.385) and created the following four item scale with a reported Cronbach’s alpha of .91:

1. This company pays little attention to the interests of its employees.
2. This company tries to look after its employees.
3. This company cares about and values its employees.
4. This company tries to be fair in its actions towards employees.
The Job Satisfaction Survey developed by Spector (1994) is a 36 item, nine facet scale designed to assess employee attitudes about their job. The nine facets are Pay, Promotion, Supervision, Fringe Benefits, Contingent Rewards, Operating Procedures, Coworkers, Nature of Work, and Communication. Table 7 below details the internal consistency reliabilities based on a sample of 2,870. This research, in order to keep the length of the questionnaire to a minimum, made use of a short-form of Spector’s Job Satisfaction developed by Dawson (2002).

Table 7

<table>
<thead>
<tr>
<th>Scale</th>
<th>Alpha</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>.75</td>
<td>Pay and remuneration</td>
</tr>
<tr>
<td>Promotion</td>
<td>.73</td>
<td>Promotion opportunities</td>
</tr>
<tr>
<td>Supervision</td>
<td>.82</td>
<td>Immediate supervisor</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>.73</td>
<td>Monetary and non-monetary fringe benefits</td>
</tr>
<tr>
<td>Contingent Rewards</td>
<td>.76</td>
<td>Recognition, and rewards for good work</td>
</tr>
<tr>
<td>Operating Procedures</td>
<td>.62</td>
<td>Operating policies and procedures</td>
</tr>
<tr>
<td>Co-workers</td>
<td>.60</td>
<td>People you work with</td>
</tr>
<tr>
<td>Nature of Work</td>
<td>.78</td>
<td>Job tasks themselves</td>
</tr>
<tr>
<td>Communication</td>
<td>.71</td>
<td>Communication within the organization</td>
</tr>
<tr>
<td>Total</td>
<td>.91</td>
<td>Total of all facets</td>
</tr>
</tbody>
</table>

A sample of 334 post office workers completed the original 36-item version of the Job Satisfaction Survey. It is important to recognize, however, that this was tested on North American samples only, and so an exploratory factor analysis was carried out on this data. The exploratory factor analysis revealed six factors; the first of these (Co-workers) corresponded exactly with Spector’s factor; the second consisted of the four Nature of Work items together with one Communication item; and the third consisted of three of the Operating Conditions items. The fourth factor consisted of all four Promotion items with two Communication items; the fifth consisted of all Supervision items with two Contingent Rewards items; and the final factor consisted of all Pay items, all Fringe Benefits items and the remaining two Contingent Rewards
items. Three items (9, 15 and 36) did not load cleanly onto any factor. Since these factors seemed broadly to make sense, the author decided that they should form the basis for developing a shorter version of the scale.

Dawson sought a 12-item version to keep the structure broadly similar to the original; two items were chosen from each factor. Where possible, one positively worded item and one negatively worded item were chosen, to keep the overall balance (this was not possible for the third factor, as all three items were negatively worded). To keep the breadth of the scale, items with almost identical subject matter were avoided. Working within these constraints, the items were chosen such that the new 2-item version of the subscale correlated as highly as possible with the full subscale. The twelve items chosen were the following:

1. My supervisor is quite competent at doing his/her job.
2. Many of our rules and procedures make doing a good job difficult.
3. I like the people I work with.
4. I sometimes feel my job is meaningless.
5. The benefits we receive are as good as most other organisations offer.
6. I do not feel that the work I do is appreciated.
7. I have too much to do at work.
8. I often feel that I do not know what is going on with the organisation.
9. I feel a sense of pride in doing my job.
10. I don’t feel my efforts are rewarded the way they should be.
11. I am satisfied with my chances for promotion.
12. There is too much bickering and fighting at work.
On this sample, the reliability of these twelve items was .76. This is somewhat smaller than the reliability of .91 reported as a norm by Spector for the 36-item version, but almost exactly in line with what one would expect for a reduction from 36 to 12 items. The correlation between the 12-item scale and the original 36-item scale was .94. To confirm the reliability of the shorter scale, it was tested on a sample of 189 call centre workers, across two sites (in two different companies). The reliability of the 12-item measure was .82, and the correlation with the full measure was .95. This appeared to indicate an even better fit than in the exploratory sample.

This research used the Affective Commitment Scale developed by Allen and Meyer (1990). This 8 item measure was developed using the construct approach to scale construction to assess commitment characterized by positive feelings of attachment to the organization. The Affective Commitment Scale uses a 7 point Likert-type response format (strongly disagree to strongly agree) and includes items such as, "this organization has a great deal of personal meaning for me" and "I do not feel emotionally attached to this organization". The authors report a Cronbach's alpha of .87.

Allen and Meyer collected data from 256 employees in three organizations. A pool of 51 items was generated for purposes of scale construction. Some items were modified versions of those in other scales; the rest were created by the authors. Selection of items for inclusion on the final scales was based on a series of decisions concerning item endorsement proportions, item total correlations, and content redundancy. Specifically, items were eliminated if the endorsement proportion was greater than .75, the item correlated less with its keyed scale than with one or both of the other scales.
and the content of the item was redundant with respect to other items on the scale.

Following the application of these rules, the following eight items were selected for inclusion in each of the Affective Commitment Scale:

1. I would be very happy to spend the rest of my career with this organization
2. I enjoy discussing my organization with people outside it
3. I really feel as if this organization's problems are my own
4. I think that I could easily become as attached to another organization as I am to this one
5. I do not feel like part of the family at my organization
6. I do not feel emotionally attached to this organization
7. This organization has a great deal of personal meaning for me
8. I do not feel a strong sense of belonging to my organization

Performance Measures

The literature discusses four approaches to measuring the job performance of call centre agents: self-appraisal, peer appraisal, supervisory evaluation, and consumer evaluation (Behrman and Perreault, 1982). Boshoff and Mels (1995), however, suggest that self-rating is valid in such situations, and support their contention with the fact that it correlates highly with other measures of performance. This has been further supported by Churchill and his colleagues (1985) and Pym and Auld (1965). For this reason, self-ratings of contextual performance in terms of the Organizational Member Proficiency and Organizational Member Adaptivity measures developed by Griffin and his colleagues (2007) were used in this research.
The Organizational Member Proficiency scale contains the following three items:

1. Presented a positive image of the organization to customers
2. Talked about the organization in positive ways to customers
3. Defended the organization when others criticized it

The Organizational Member Adaptability contains the following three items:

1. Responded flexibly to overall changes in the organization (e.g., changes in management)
2. Fitted in with changes in the way your organization operates
3. Adjusted well to changes in the organization

Control Measures

In addition to controlling for Call Centre Type (in-house or outsourced), Age, Sex and Job Type (call handler or manager) this research also controlled for positive affect by using the scale developed by Burke and his colleagues (1989). The scale asks respondents to indicate the extent to which they have felt the following feelings at work during the past week: interested, excited, strong, enthusiastic, proud, alert, inspired, determined, attentive and active. Factor analysis of this measure reported a Cronbach’s alpha of .92.
CHAPTER 7: RESULTS

In order to test the theoretical model and mediation hypotheses outlined in Chapter 5 and the measures detailed in Chapter 6, this chapter will: first, report the results of the Exploratory Factor Analyses (EFA) performed to assess the reliability of the measures used and to remove low loading items; second, report the Means, Standard Deviations and Correlations; third, outline the Structural Equation Modelling (SEM) strategy; fourth, report the results of Confirmatory Factor Analysis (CFA) performed to test the measurement model; fifth, report the results of the test of the proposed theoretical model via SEM; and, finally, report the results of mediation hypotheses tests conducted via a series of nested competing models via SEM.

Exploratory Factor Analysis

Which measures to use was the key consideration for this research. Measures are always an important consideration but they were even more so on this occasion because the applied psychology theories involved with this research (service climate, perceived organizational support, job satisfaction and affective commitment) have each given rise to disparate and sometimes contradictory bodies of empirical findings. Thus, due to the fact that this research attempts to combine all of the aforementioned applied psychology theories into one integrated and parsimonious model, significant methodological and analytical problems were anticipated. In an attempt to minimise the anticipated methodological problems, the following well established and empirically supported measures were selected: the Global Service Climate measure
developed by Schneider and his colleagues (1998); the Employee Welfare (perceived organizational support) measure developed by Patterson and his colleagues (2005); the Job Satisfaction Survey developed by Spector (1994); and the Affective Commitment Scale measure developed by Allen and Meyer (1990).

While this research used well established measures, it was recognized that they may need to be modified because they were not designed to work with each other. On the contrary, with the exception of the Employee Welfare measure, they were designed to work in isolation from other psychological constructs. Furthermore, this research also recognized that these isolated historical processes of development had led to applied psychology measures embracing non-core or extra elements derived from peripheral and/or related constructs. That is to say the Global Service Climate scale, Job Satisfaction Survey, and Affective Commitment Scale individually measure more than climate, job satisfaction and affective commitment respectively. As Patterson and his colleagues (2004) have pointed out, some descriptive items in climate measures have an obviously value-laden, affective content.

The question is, how can well established applied psychology measures be appropriately reduced to non-overlapping, core items? This research adopted an objective statistical approach: namely, a scale item cut-off value of 0.70 was imposed to identify the most reliable and highest loading factors during exploratory factor analyses. The use of short-form scales consisting the highest (above 0.70) loading factors has been given precedence by the studies conducted by Armeli and his colleagues (1998), Lynch and his colleagues (1999), Eisenberger and his colleagues (2001) and Rhoades and her colleagues (2001).
Global Service Climate

The results of the EFA for the Global Service Climate scale can be seen in Table 8 below. Items 2, 4, 5, and 6 were above the 0.70 cut-off point and the decision was, therefore, taken to create a short-form Global Service Climate scale from those four itemw. Support for this short-form Global Service Climate scale is provided by the fact that it is highly correlated (r=.95, p<.001) with the original Global Service Climate scale. Furthermore, the internal reliability of the new scale is 0.81.

Table 8

<table>
<thead>
<tr>
<th>Item</th>
<th>Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  How would you rate the knowledge &amp; skills of call centre employees to deliver a quality service?</td>
<td>0.63</td>
</tr>
<tr>
<td>2  How would you rate the efforts to track &amp; measure the quality of service in the call centre?</td>
<td>0.71</td>
</tr>
<tr>
<td>3  How would you rate the recognition &amp; rewards employees receive for superior service?</td>
<td>0.59</td>
</tr>
<tr>
<td>4  How would you rate the overall quality of the service provided by your call centre?</td>
<td>0.72</td>
</tr>
<tr>
<td>5  How would you rate the leadership shown by management in supporting service quality effort?</td>
<td>0.75</td>
</tr>
<tr>
<td>6  How would you rate the effectiveness of communications to both employees and customers?</td>
<td>0.74</td>
</tr>
<tr>
<td>7  How would you rate the technology &amp; resources provided to employees to support superior service?</td>
<td>0.55</td>
</tr>
</tbody>
</table>

Employee Welfare

While the high Cronbach’s alpha of 0.91 and the tight focus of four Employee Welfare scale items prompted no modification, some thought was given to item four. The inclusion of ‘fair’ could be considered to be peripheral and related rather than core, as fairness is more associated with perceptions of justice constructs. As this research does not attempt to measure ‘justice’ the decision was to include all four items. This decision was supported by the results of the EFA displayed in Table 9 below. Keeping the original four item factor was further supported by the high Cronbach’s alpha rating of .87 reported by this research.
Table 9

<table>
<thead>
<tr>
<th>Item</th>
<th>Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 This company pays little attention to the interests of its employees.</td>
<td>0.72</td>
</tr>
<tr>
<td>2 This company tries to look after its employees.</td>
<td>0.86</td>
</tr>
<tr>
<td>3 This company cares about and values its employees.</td>
<td>0.87</td>
</tr>
<tr>
<td>4 This company tries to be fair in its actions towards employees.</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Job Satisfaction

The results from the EFA conducted on the short-form Job Satisfaction scale developed by Dawson (2000) were disappointing. Table 10 below details the results. As can be seen, the reliability analysis reveals that only items 6 and 10 are above the 0.70 cut-off point.

Table 10

<table>
<thead>
<tr>
<th>Item</th>
<th>Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 My supervisor is quite competent at doing his/her job.</td>
<td>0.48</td>
</tr>
<tr>
<td>2 Many of our rules and procedures make doing a good job difficult.</td>
<td>0.51</td>
</tr>
<tr>
<td>3 I like the people I work with.</td>
<td>0.29</td>
</tr>
<tr>
<td>4 I sometimes feel my job is meaningless.</td>
<td>0.69</td>
</tr>
<tr>
<td>5 The benefits we receive are as good as most other organisations offer.</td>
<td>0.46</td>
</tr>
<tr>
<td>6 I do not feel that the work I do is appreciated.</td>
<td>0.75</td>
</tr>
<tr>
<td>7 I have too much to do at work.</td>
<td>0.38</td>
</tr>
<tr>
<td>8 I often feel that I do not know what is going on with the organisation.</td>
<td>0.61</td>
</tr>
<tr>
<td>9 I feel a sense of pride in doing my job.</td>
<td>0.55</td>
</tr>
<tr>
<td>10 I don’t feel my efforts are rewarded the way they should be.</td>
<td>0.70</td>
</tr>
<tr>
<td>11 I am satisfied with my chances for promotion.</td>
<td>0.64</td>
</tr>
<tr>
<td>12 There is too much bickering and fighting at work.</td>
<td>0.53</td>
</tr>
</tbody>
</table>

The decision was, therefore, taken to create a new and even shorter form of the job Satisfaction scale. Support for this more focused measure was provided by a correlation of .79 between the old 12-item and new 2-item measure and a Cronbach’s alpha of .71.
Affective Commitment

As can be seen in Table 11 below, EFA revealed that items 2, 3, 4, 5 and 6 from Meyer and Allen’s (1990) Affective Commitment scale were below the cut-off point of 0.70 and the decision was, therefore, taken to remove these items.

<table>
<thead>
<tr>
<th>Item</th>
<th>Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.70</td>
</tr>
<tr>
<td>2</td>
<td>0.66</td>
</tr>
<tr>
<td>3</td>
<td>0.60</td>
</tr>
<tr>
<td>4</td>
<td>0.37</td>
</tr>
<tr>
<td>5</td>
<td>0.66</td>
</tr>
<tr>
<td>6</td>
<td>0.76</td>
</tr>
<tr>
<td>7</td>
<td>0.71</td>
</tr>
<tr>
<td>8</td>
<td>0.69</td>
</tr>
</tbody>
</table>

Thus, the above reliability analyses have led to the creation of four new, more focused psychological process measures. The new measures to be used in the testing of the proposed theoretical model and the mediation hypotheses are as follows:

**Global Service Climate:**

1. How would you rate the efforts to track and measure the quality of service in the call centre?
2. How would you rate the overall quality of the service provided by your call centre?
3. How would you rate the leadership shown by management in supporting service quality effort?
4. How would you rate the effectiveness of communications to both employees and customers?

**Employee Welfare:**

1. This company pays little attention to the interests of its employees.
2. This company tries to look after its employees.
3. This company cares about and values its employees.
4. This company tries to be fair in its actions towards employees.
Job Satisfaction Survey:
1. I do not feel that the work I do is appreciated.
2. I don’t feel my efforts are rewarded in the way they should be.

Affective Commitment Scale:
1. I would be very happy to spend the rest of my career with this organization.
2. This organization has a great deal of personal meaning for me.
3. I do not feel a strong sense of belonging to my organization.

Prior to the CFA, structural equation modelling, and testing of the mediation hypotheses, the first step was to review the means, standard deviations and correlations between variables. The results are displayed in Table 12 below.

Table 12

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Service Climate</td>
<td>3.387</td>
<td>.706</td>
<td>.547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POS</td>
<td>3.349</td>
<td>8.635</td>
<td>.547</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>3.418</td>
<td>1.053</td>
<td>.609</td>
<td>.611</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>3.048</td>
<td>8.410</td>
<td>.594</td>
<td>.520</td>
<td>.572</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Adaptness</td>
<td>3.709</td>
<td>8.472</td>
<td>.263</td>
<td>.251</td>
<td>.188</td>
<td>.107</td>
<td>.591</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>30.62</td>
<td>10.498</td>
<td>.076</td>
<td>.034</td>
<td>.150</td>
<td>.199</td>
<td>.064</td>
<td>.025</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td>1.656</td>
<td>4.163</td>
<td>.068</td>
<td>.115</td>
<td>.098</td>
<td>.138</td>
<td>.059</td>
<td>.069</td>
<td>.155</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Type</td>
<td>.723</td>
<td>.597</td>
<td>.045</td>
<td>.021</td>
<td>.005</td>
<td>.027</td>
<td>.017</td>
<td>.014</td>
<td>.026</td>
<td>.658</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Centre Type</td>
<td>1.19</td>
<td>.396</td>
<td>.111</td>
<td>.100</td>
<td>.325</td>
<td>.180</td>
<td>.165</td>
<td>.082</td>
<td>.165</td>
<td>.235</td>
<td>.020</td>
<td>.100</td>
</tr>
</tbody>
</table>

N = 2112, **. Correlation is significant at the 0.01 level (2 tailed), *. Correlation is significant at the 0.05 level (2 tailed)

There is no evidence of multicollinearity and all of the psychological process variables are significantly correlated. The fact that the age, sex, call centre type and positive affect control variables also enjoy significant relationships with most of the
psychological variables supports their inclusion in the analyses. The hypotheses and model can, therefore, be tested with confidence.

**Structural Equation Modelling Strategy**

After defining SEM and ‘goodness-of-fit’, this research will first report the results of CFA performed to test the validity of the measurement model. Second, the results of SEM tests performed to assess how well the proposed theoretical model ‘fits’ the data will be reported. Finally, the mediated relationships contained in the model and hypothesized by this research will be tested via a series of nested competing models. Furthermore, this last step in the SEM strategy will also enable this research to test for ‘best’ fit.

SEM may be defined as a, “multivariate technique combining aspects of factor analysis and multiple regression that enables the researcher to simultaneously examine a series of interrelated dependence relationships among the measured variables and latent constructs (variates) as well as between several latent constructs” (Hair et al., 2009, p.634). While multiple regression, factor analysis, multivariate analysis of variance, and discriminant analysis are all useful tools for addressing theoretical equations, they all share a common limitation: each tool can only address a single relationship at a time (Hair et al., 2009). Organizational researchers, however, are frequently faced with groups of interrelated issues. For example, organizational researchers concerned with different aspects of performance may need to examine some or all of the following factors: technology, resources, supply chain conditions, market conditions, competitive strategies, and operational strategies; human resource
issues such as leadership, recruitment, training, career development, performance management and job design; and psychological issues such as climate perceptions and affective reactions. SEM enables organizational researchers to address issues such as these with one comprehensive technique and it was, therefore, the most appropriate technique for this research.

**Absolute & Incremental Goodness-of-Fit Indices**

While the chi-square test is reported by this research it is important to recognize that this test makes it difficult for large sample sizes (>500) to achieve statistically significant goodness-of-fit values (Hair et al., 2009). As this research has a sample size of 3,012 the result of the chi-square test should be treated with caution. In terms of absolute fit indices, the Root Mean Square Error of Approximation (RMSEA) attempts to correct for the tendency of the chi-square test to reject models with large sample sizes and the RMSEA measure is, therefore, a better absolute test of how well a model fits a population (Hu & Bentler, 1999). In contrast, incremental fit indices assess how well a proposed theoretical model fits relative to an alternative baseline or null model. The Normed Fit Index (NFI) is one such measure and it is the ratio of difference between the chi-square value for the theoretical model and the null model divided by the chi-square value for the null model. The key disadvantage of the NFI measure is that it artificially inflates the estimate of model fit (Hair et al., 2009). The Comparative Fit Index (CFI) is an improved version of NFI and it is one of the most widely used indices (Bentler, 1990; Bentler & Bonnett, 1980; Hu & Bentler, 1999). CFI values above .90 are usually associated with good fit (Hair et al., 2009).
It should be noted that the cut-off value of .90 for fit indices like the CFI is contentious. Although .90 had become the standard cut-off in the early 1990s, by the end of the decade .95 had become the ‘magic’ number (Hu & Bentler, 1999). Hair and his colleagues (2009), however, make the point that subsequent research conducted by Hu and Bentler (1999), Kenny and McCoach (2003) and Fan, Thompson and Wang (1999) all challenged the use of a single cut-off value. In order to address this issue, Hair and his colleagues (2009) produced the following rules of thumb depicted in Table 13 below.

<table>
<thead>
<tr>
<th>Table 13</th>
<th>N &lt; 250</th>
<th></th>
<th></th>
<th>N &gt; 250</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Variables</td>
<td>&lt;12</td>
<td>12-30</td>
<td>&gt;30</td>
<td>&lt;12</td>
<td>12-30</td>
<td>&gt;30</td>
</tr>
<tr>
<td>CFI</td>
<td>.97 or better</td>
<td>.95 or better</td>
<td>above .92</td>
<td>.95 or better</td>
<td>above .92</td>
<td>above .90</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt;.08 with CFI of .97</td>
<td>&lt;.08 with CFI of .95</td>
<td>&lt;.08 with CFI of .92</td>
<td>&lt;.07 with CFI of .97</td>
<td>&lt;0.7 with CFI of .92</td>
<td>&lt;0.7 with CFI of .90</td>
</tr>
</tbody>
</table>

(Derived from: Hair et al., 2009, p.672)

Confirmatory Factor Analysis

Before performing a SEM test on the proposed theoretical model it is first necessary to conduct CFA. CFA is used to provide a confirmatory test of the measurement theory that specifies how measured variables represent constructs in the proposed theoretical model. Hair and his colleagues suggest that when CFA is conducted via structural equation modelling, the same guidelines for good fit provided by Table 13 above apply.
Figure 4: Confirmatory Factor Analysis Model

Key:

GSC = Global Service Climate, POS = Perceived Organizational Support, JS = Job Satisfaction, AC = Affective Commitment, Orpro = Organizational Member Proficiency, and Orada = Organizational Member Adaptivity
Confirmatory Factor Analysis Model Fit Summary

### CMIN

<table>
<thead>
<tr>
<th>Model</th>
<th>NPAR</th>
<th>CMIN</th>
<th>DF</th>
<th>P</th>
<th>CMIN/DF</th>
</tr>
</thead>
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<td>.591280</td>
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<td>.000</td>
<td>4.316</td>
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<tr>
<td>Saturated model</td>
<td>209</td>
<td>.000</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>38</td>
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<td>171</td>
<td>.000</td>
<td>114.754</td>
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### Baseline Comparisons

<table>
<thead>
<tr>
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<th>NFI Delta1</th>
<th>IF1 rho1</th>
<th>IF1 Delta2</th>
<th>TL1 rho2</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>970</td>
<td>.962</td>
<td>.977</td>
<td>.971</td>
<td>.977</td>
</tr>
<tr>
<td>Saturated model</td>
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<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
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### RMSEA

<table>
<thead>
<tr>
<th>Model</th>
<th>RMSEA</th>
<th>LO 90</th>
<th>HI 90</th>
<th>PCLOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>.041</td>
<td>.037</td>
<td>.044</td>
<td>1.000</td>
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<tr>
<td>Independence model</td>
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<td>.235</td>
<td>.241</td>
<td>.000</td>
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### Correlations

<table>
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<th>Estimate</th>
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<td>pos &lt;-&gt; gsc</td>
<td>.646</td>
</tr>
<tr>
<td>gsc &lt;-&gt; js</td>
<td>.614</td>
</tr>
<tr>
<td>gsc &lt;-&gt; ac</td>
<td>.454</td>
</tr>
<tr>
<td>gsc &lt;-&gt; orpro</td>
<td>.396</td>
</tr>
<tr>
<td>orada &lt;-&gt; gsc</td>
<td>.295</td>
</tr>
<tr>
<td>pos &lt;-&gt; js</td>
<td>.655</td>
</tr>
<tr>
<td>pos &lt;-&gt; ac</td>
<td>.588</td>
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<tr>
<td>pos &lt;-&gt; orpro</td>
<td>.400</td>
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<tr>
<td>orada &lt;-&gt; pos</td>
<td>.267</td>
</tr>
<tr>
<td>js &lt;-&gt; ac</td>
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</tr>
<tr>
<td>js &lt;-&gt; orpro</td>
<td>.277</td>
</tr>
<tr>
<td>orada &lt;-&gt; js</td>
<td>.166</td>
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<tr>
<td>ac &lt;-&gt; orpro</td>
<td>.554</td>
</tr>
<tr>
<td>orada &lt;-&gt; ac</td>
<td>.323</td>
</tr>
<tr>
<td>orada &lt;-&gt; orpro</td>
<td>.631</td>
</tr>
</tbody>
</table>

As can be seen from the CFA model fit summary above, the CFI is above .95 (.98) and the RMSEA is below .07 (.04) and it, therefore, indicates good fit. Further support for the model is provided by the fact that the correlations between the factors are all below .70 and can, therefore, be considered to be separate constructs. The proposed theoretical model can now be tested via stuctural equation modelling.
Figure 5: Proposed Theoretical Model
### Proposed Theoretical Model Fit Summary

#### CMIN

<table>
<thead>
<tr>
<th>Model</th>
<th>NPAR</th>
<th>CMIN</th>
<th>DF</th>
<th>P</th>
<th>CMIN/DF</th>
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</thead>
<tbody>
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<td>0</td>
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<td>.000</td>
<td>71.937</td>
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</table>

#### Baseline Comparisons

<table>
<thead>
<tr>
<th>Model</th>
<th>NFI Delta1</th>
<th>RFI rho1</th>
<th>IFI Delta2</th>
<th>TLI rho2</th>
<th>CFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>.910</td>
<td>.888</td>
<td>.920</td>
<td>.900</td>
<td>.920</td>
</tr>
<tr>
<td>Saturated model</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Independence model</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

#### Parsimony-Adjusted Measures

<table>
<thead>
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<th>Model</th>
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<th>PNFI</th>
<th>PCFI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
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<td>.732</td>
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<tr>
<td>Saturated model</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Independence model</td>
<td>1.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

#### RMSEA

<table>
<thead>
<tr>
<th>Model</th>
<th>RMSEA</th>
<th>LO 90</th>
<th>HI 90</th>
<th>PCLOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Default model</td>
<td>.062</td>
<td>.060</td>
<td>.065</td>
<td>.000</td>
</tr>
<tr>
<td>Independence model</td>
<td>.197</td>
<td>.195</td>
<td>.200</td>
<td>.000</td>
</tr>
</tbody>
</table>

#### Direct Effects

- Global Service Climate to Perceived Organizational Support: .623, .004
- Perceived Organizational Support to Job Satisfaction: .699, .004
- Job Satisfaction to Affective Commitment: .422, .004
- Affective Commitment to Organizational Proficiency: .521, .004
- Affective Commitment to Organizational Adaptivity: .310, .004

#### Indirect Effects

- Global Service Climate to Job Satisfaction: .435, .004
- Global Service Climate to Affective Commitment: .184, .004
- Perceived Organizational Support to Affective Commitment: .295, .004
- Job Satisfaction to Organizational Proficiency: .131, .004
- Job Satisfaction to Organizational Adaptivity: .220, .004

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As can be seen from the proposed theoretical model fit summary, the CFI is below .95 (.92) required for sample sizes above 250 and models with less than 12 observed variables. The RMSEA is, however, below the prescribed .07 (.06). This would appear to indicate moderate rather than good fit. It is important to recognize that Hair and his colleagues suggest that their ‘rules of thumb’ are less reliable when applied to samples in excess of 1,000. Furthermore, as Hu & Bentler (1999), Hair and his colleagues (2009), Kenny and McCoach (2003) and Fan, Thompson and Wang (1999) all point out, goodness-of-fit is not a completely reliable indicator, even on samples below 1,000. Indeed, it can be argued that it is more worthwhile to test a theoretical model by comparing it with other nested competing models.

Parsimony

There is a third group of fit indices, namely parsimony fit indices, that are specifically designed to identify the best model among competing models by considering fit relative to model complexity. A parsimony fit measure is improved by either better fit or a simpler model with fewer estimated parameter paths. The parsimony ratio forms the basis for parsimony measures and it is calculated as the ratio of degrees of freedom used by the model to the total degrees of freedom available (Marsh & Balla, 1994). One of the most widely used parsimony fit measures is the Parsimony Normed Fit Index (PNFI). The PNFI adjusts the previous NFI by multiplying it by the parsimony ratio (Mulaik et al., 1989), and the highest PNFI value amongst competing models denotes the best model.
Mediation Hypotheses & Best Fit Tests

To test the mediating effects in the model, the methodology suggested by James, Mulaik & Brett (2006) and Preacher & Hayes (2004) which focuses on a statistical test of the indirect (mediated) effect was applied. This is similar to the Sobel test recommended by Baron and Kenny (1986), but uses a bootstrap technique to estimate the significance of the effect, whereas the original Sobel test was known to be inaccurate due to the non-normality of the indirect effect. This approach establishes whether a mediated effect is present, but not the extent of the mediation. In order to test whether each mediated effect was partial, a nested competing model was tested with a direct path included. If this path is significant, then this implies partial mediation (James et al., 2006). However, large sample sizes will tend to imply partial mediation rather than full mediation, even when the direct effect may be minimal, due to the increased power in the nature of this testing (Wood et al., 2007); indeed, it is often pointed out that in social research all mediation is partial due to the presence of unmeasured variables acting as mediators. Therefore, to maintain as parsimonious a model as reasonable, parsimony-adjusted fit indices were also used to determine whether a direct effect should be included in the model or not. Furthermore, the process of comparing the theoretical model with a series of nested competing models in terms of CFI, RMSEA and PNFI will also serve as a best fit test. As mentioned previously, goodness-of-fit alone is not a completely reliable test of a theoretical model, and the additional best fit tests will thus make the reported findings more robust.
Hypothesis 1a

Nested Competing Model 1

Figure 6

As can be seen for Figure 6 above, the direct path added between job satisfaction and organizational member proficiency is significant (.004) and, therefore, partial mediation is supported. The PNFI value of .728, however, is lower than the PNFI value reported for the proposed theoretical model (.732). Furthermore, the addition of this did not improve the absolute fit (RMSEA) or the incremental fit (CFI) of the model. Thus, the decision was taken not include this direct path and Hypothesis 1a is, therefore, supported.
Nested Competing Model 2

(Direct effect between job satisfaction and organizational member adaptivity added)

*Figure 7*

As can be seen from *Figure 7* above, the direct path added between job satisfaction and organizational member adaptivity is significant and, therefore, partial mediation is supported. It should be noted that when a direct path is added job satisfaction and organizational member adaptivity are negatively related. This result, it should be noted, is most likely to be an artefact of highly correlated predictors. The PNFI value of .729, however, is lower than the PNFI value reported for the proposed theoretical model. Furthermore, the addition of this did not improve the absolute fit (RMSEA) or the incremental fit (CFI) of the model. Thus, the decision was taken not to include this direct path, and hypothesis 1b is, therefore, supported.

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Nested Competing Model 3

Direct path between perceived organizational support and affective commitment added.

*Figure 8*

As can be seen from *Figure 8* above, the direct path added between perceived organizational support and affective commitment is significant and, therefore, partial mediation is supported. Further, the analysis revealed a PNFI value of .733, which is slightly higher than that of the proposed theoretical model. Furthermore, the absolute RMSEA value of .060 and the CFI value of .926 indicate a better fit. Thus, the decision was taken to include this direct path, and therefore hypothesis 1c is not supported.
Nested Competing Model 4

(Direct effect between global service climate and job satisfaction added)

Figure 9

As can be seen from Figure 9 above, the added path between global service climate and job satisfaction is significant and, therefore, partial mediation is supported. While the PNFI value is the same as Nested Competing Model 3, the CFI value (.929) and RMSEA value (.059) are better. Thus, in addition to being equally parsimonious, Nested Competing Model 4 has better absolute and incremental fit indices. The decision was, therefore, taken to include this path, and thus hypothesis 1d is not supported.
Results Summary

The Structural Equation Modelling analysis conducted by this research indicates that the proposed theoretical model (Integrated Psychological Process to Performance Model) has a moderate fit. The mediation hypotheses tested via a series of Competing Nested Models, however, supported partial rather than full mediation. That is to say that the mediation tests supported the inclusion of additional direct paths between: global service climate and job satisfaction; and perceived organizational support and affective commitment (as depicted in Figure 9). Thus, the proposed theoretical model did not have best fit; Nested Competing Models 3 and 4 had better fits, with 4 having the best fit of all. It is important to recognize, however, that Nested Competing Model 4 is not intended to be the most comprehensive model (which would include all significant paths), but a more practically useful one (i.e. parsimonious), that focuses on the main relationships.
CHAPTER 8: DISCUSSION

This research developed, proposed and tested a theoretically defined and integrated psychological process to performance model. The model utilized the overarching theory of social exchange to incorporate the climate perceptions and affective reactions of 3,012 employees across 88 UK call centres. In the pursuit of parsimony, a review of the applied psychology literature gave rise to a model where the path between global service climate and contextual performance was fully mediated by, first, perceived organizational support, second, job satisfaction, and third, affective commitment. The resulting integrated and parsimonious model was tested via SEM and the mediation hypotheses were tested via a series of nested competing models. A moderate fit and partial, rather than full, mediation were reported. Nested Competing Model 4 proved to be the most parsimonious and to have the best fit. It is important to recognize, however, that Nested Competing Model 4 is not intended to be the most comprehensive model (which would include all significant paths), but a more practically useful one (i.e. parsimonious), that focuses on the main relationships.

Empirical Contributions

The results reported by this research, therefore, provide partial support for the following series of linked propositions:

- employee perceptions of the service quality practices give rise to employees perceiving that the organization cares, or does not care, about them and their welfare
• employee perceptions of organizational support influence how well employees evaluate their level of job satisfaction

• employee evaluations of job satisfaction influence the extent to which employees commit themselves to their employing organizations and how hard they work to achieve organizational goals, targets and objectives

• the extent to which employees are committed to their organizations and the achievement of its goals influences how well they perform in terms of organizational proficiency and adaptivity

The integrated psychological process to performance model proposed by this research, therefore, provides empirical support for the influence that job satisfaction has upon affective commitment, and for the influence that affective commitment has upon contextual performance. There are, however, two concerns that need to be addressed. First, as job satisfaction and affective commitment are both affective reactions, the concern is that while they are theoretically distinct constructs, they may not prove to be empirically distinct. This eventuality was reported by Patterson and his colleagues (2004) when they found the significant relationship between job satisfaction and affective commitment to be above .70. The CFA performed by this research, however, reported a correlation of .51 between the two constructs and, therefore, they can be seen as empirically distinct and separate constructs.

The second concern is associated with the relationship between affective reactions and affective states. That is to say affective reactions such as job satisfaction are
evaluative judgements and it is important to recognize that they should not be confused with affective states or real emotions that employees experience at work. As Weiss and Cropanzano (1996) have pointed out, emotions have causes and consequences that are distinguishable from the causes of evaluative judgements. Thus, the concern is that evaluations of job satisfaction will be inaccurate or artificially inflated if a positive affect measure is not included. In support of this proposition, previous studies have shown that the prior experience of positive emotions at work fosters job satisfaction, whereas the prior experience of negative emotions yields low job satisfaction (Fisher, 2002; Grandey et al., 2002; Ilies and Judge, 2002, 2004; Weiss et al, 1999). This research addressed this issue by including a positive affect measure as a control variable in the SEM analysis and, therefore, the findings reported with regard to job satisfaction are rigorous and robust.

The mediation tests of Hypotheses 1c and 1d, however, revealed that the relationships between global service climate, perceived organizational support, job satisfaction and affective commitment were more complicated than hypothesized. Beginning with Hypothesis 1c, the findings reported by this research indicated that the relationship between perceived organizational support and affective commitment was not fully mediated by job satisfaction. Partial mediation, however, was supported. There is, then, some support for the contention that jobs with desirable characteristics could be interpreted by employees as organizational concern for their well-being and, as a consequence, lead to the reporting of higher levels of job satisfaction (Crede et al., 2007). The reverse would also appear to be true: employees blame their organization for negative events that occur, perceive that the organization does not care about their
welfare and, therefore, report lower levels of job satisfaction (Crede et al., 2007). Contrary to the proposed fully mediated model, however, the results indicate that perceived organizational support also directly influences affective commitment via the reciprocity norm and the fulfilment of esteem and affiliation needs (Eisenberger et al., 1986; Shore & Shore, 1995; Armeli et al., 1998). Thus, perceived organizational support influences affective commitment both directly and indirectly via job satisfaction. The mediation test for Hypothesis 1d produced a similar result in that the relationship between global service climate and job satisfaction was found to be partially rather fully mediated by perceived organizational support.

To summarize, then, the SEM and nested competing models tests suggest that:

- the relationship between global service climate and job satisfaction is partially mediated by perceived organizational support;
- the relationship between perceived organizational support and affective commitment is partially mediated by job satisfaction;
- the relationship between job satisfaction and organizational adaptivity is partially mediated by affective commitment but the inclusion of a direct path between job satisfaction and organizational adaptivity reduced the CFI, RMSEA and PNFI values;
- and the relationship between job satisfaction and organizational proficiency is partially mediated by affective commitment but the inclusion of a direct path between job satisfaction and organizational proficiency did not improve the CFI and RMSEA values and reduced the PNFI value.
Theoretical Contributions

This research has, then, provided empirical support for a model containing a network of relationships between four different psychological constructs and two contextual performance outcomes. Furthermore, the above mentioned empirical support provides new insights into the links between employee opinions, feelings and contextual performance behaviours. The question is, how does this model contribute to theory? As stated in Chapter 1, this research utilized social exchange theory to bring the different psychological constructs together and mould them into a theoretically sound and cohesive model. Emerson (1976) defined social exchange as a series of interactions that generate obligations. The ‘series of interactions’ element of Emerson’s definition obviously lends itself to the integrated psychological process to performance model and, it must be said, to any other social science model that attempts to combine a variety of different social science constructs. Indeed, Cropanzano & Mitchell (2005) have argued that social exchange theory has the potential to provide a unitary framework for much of organizational behaviour. Cropanzano and Mitchell, however, also point out that no empirical support has yet been provided to support their proposition.

There is, then, a global or holistic symmetry between the ‘network of relationships’ contained in the integrated and parsimonious psychological process to performance model and the ‘series of interactions’ element in Emerson’s definition of social exchange. It was, however, the generation of ‘obligations’ element that enabled this
research to negotiate a theoretical pathway through the ‘maze’ of reported relationships between the different psychological constructs and a variety of performance measures in the applied psychology literature. Obligations are more usually understood as a constraining power of law, precept or contract, a duty or burdensome task, a binding agreement, or indebtedness. That is to say obligations are usually considered compulsory rather than merely permissive. In a social exchange context, however, obligations are guided by rules of exchange that make them essentially permissive and, therefore, not compulsory.

Indeed, compulsion would work against, denude or perhaps even nullify the potential benefits concomitant with social exchange relationships. This is where the rules of exchange intervene and exert a vital influence. The rule of exchange central to this thesis is the norm of reciprocity which requires individuals to respond positively to favourable treatment. In this sense, the norm of reciprocity ‘obliges’ the return of favourable treatment. Kolm (2008), however, makes the permissive aspect of reciprocity clear when he points out that it involves voluntarily treating others as they treat you and not as per a binding exchange agreement or contract. Furthermore, Kolm also makes it clear that treating others as they treat you does not equate to ‘an eye for an eye’ by making the point that social science restricts reciprocity to favourable items, attitudes, acts or sentiments. Reciprocity, then, is more akin to Adam Smith’s (1790) contention that kindness and beneficence beget kindness and beneficence than it is to any form compulsory obligation.
The potency and importance of the voluntary dimension inherent to the reciprocity norm has been given empirical support by Eisenberger and his colleagues (1986) and by Shore and Shore (1995). These two studies found that beneficial and favourable actions of organizations contributed more to perceptions of organizational support when employees believed that those actions were voluntary rather than as the result of government legislation or union pressure. Furthermore, Eisenberger and his colleagues (1997) found that the introduction of reward and recognition practices, training programmes, and fringe benefits had a greater impact when employees believed that they were introduced at discretion of the organization.

**Reciprocity and the Integrated Psychological Process to Performance Model**

At the base of the model sits the global service climate perceptions of employees and the findings of this research support the proposition the global service climate is significantly and positively related to both perceived organizational support and job satisfaction. This finding provides empirical support for both of the following theoretical propositions. First, it seems likely that employees with positive perceptions about the way in which their organizations actively support service quality will be more satisfied with their jobs. In short, it would appear that jobs in organizations that prioritize service quality are more satisfying than jobs in those organizations that do not. It can be further argued that jobs designed to enable the delivery of high quality service are more satisfying because such jobs are more likely involve a variety of skills, task significance, task identity, autonomy and feedback (*objective characteristics model*, Hackman & Oldham, 1976).
Second, this finding also suggests that positive perceptions about service quality practices will be interpreted as active and intentional organizational support. This proposition is underpinned by a series of assumptions: (a) call centre employees, in harmony with all customer facing employees in the service sector, are exposed to customer feedback during service interactions; (b) call centre employees are, therefore, vulnerable because they cannot ‘hide’ from unhappy, angry or upset customers; (c) call centre employees that work for organizations that prioritize service quality will experience less negative and unpleasant service interactions than those that work for organizations that do not prioritize it; (d) call centre employees are likely to interpret the prioritization of service quality as support both for them as individuals and their job roles and, therefore, report higher levels of organizational support than their counterparts in call centre organizations that do not prioritize service quality. The positive equation here is:

\[
\text{service quality} = \text{satisfied customers} + (\text{satisfied customers} = \text{pleasant interactions}) + (\text{pleasant interactions} = \text{happy employees}) = \text{cared for and satisfied employees}
\]

This positive equation is supported by the findings of Schneider and his colleagues (1998) in the sense that a two-way relationship between employee perceptions of service quality and customer perceptions of service was reported. There is also, however, a negative equation where call centre employees employed to deliver low quality service experience many unpleasant service interactions and, therefore, perceive that their organizations intentionally expose them to the anger and distress of
unhappy and dissatisfied customers. Thus, the theoretical explanation for both relationships is simple: employees reciprocate feeling cared about by their organization by reporting higher levels of job satisfaction and by caring about their organization. In short, caring begets caring and satisfaction.

The findings of this research also support the proposition that job satisfaction influences affective commitment. The social exchange theory explanation is that employees reciprocate feelings of satisfaction about their jobs with feelings of loyalty, belonging and attachment. Thus, the theoretical interpretation here is that employees return the favour of good working conditions with a favourable attitude towards their organizations. Finally, the reciprocal chain is completed by empirically supported links between affective commitment and both organizational proficiency and organizational adaptivity. The theoretical rationale is that commitment to the organization begets commitment to its goals and objectives. Affectively committed employees, therefore, reciprocate the strong sense of belonging engendered by their organizations by presenting a positive image of the organization to customers, defending the organization against criticism, and by willingly adapting to organizational change.

In summary, then, a kind of virtuous chain reaction occurs when organizations actively and voluntarily care about their employees. In absolute terms, a chain reaction is a sequence of reactions where a reactive ‘product’ gives rise to additional reactions and positive feedback leads to a self-amplifying chain of events. In terms
relative to this research, the virtuous chain reaction suggested by the integrated psychological process to performance model is, a sequence of perceptions where resultant affective reactions give rise to additional affective reactions that are amplified by positive feedback. Thus, to paraphrase Adam Smith (1790), the findings of this research suggest that employees direct beneficence towards those whose beneficence they have already experienced. To paraphrase further, benevolent organizations will gather the fruits of their benevolence with a tenfold increase; kindness, it would appear, really is the parent of kindness.

Gaps in the Literature

The results of this research address the three gaps in the literature identified in Chapter 1. Little and Dean (2006) reported links between service climate, employee commitment and service performance but their findings were limited by the fact that it was located in one call centre in the telecommunications industry. They thought it likely that the type of call centre would affect service performance and called for further testing and validation of the links between service climate, affective commitment and service performance in different types of call centre. This research answered this call by identifying the same links in a sample of 88 UK call centres that was representative of the larger UK call centre industry. Little and Dean (2006) further contended that there is a need to gain greater understanding of the factors that produce a positive service climate and affectively committed employees. In similar
vein, Malhotra and Mukherjee (2004) called for an exploration the antecedents of affective commitment and job satisfaction in a call centre context. The results of this research suggest that management support for quality service, effective communication to both employees and customers, and efforts to measure and track the quality of service all contribute to a positive service climate. In terms of affective commitment, the results suggest that those call centre employees with a positive service climate perceptions also need to feel that they are valued, treated fairly, appreciated for the work that they do, and that they are appropriately rewarded. Furthermore, they also need to feel that their job is meaningful and that they are satisfied with their chances for promotion. In summary, the results reported by this research confirmed the findings of Litter and Dean (2006) across different types of call centre and provided evidence to suggest that active and intentional organizational support for both service quality delivery and employees are antecedent to evaluations of job satisfaction and affective commitment.

**Implications for Call Centre Management**

The first and most fundamental implication is that call centre organizations need to make service quality a priority. The question is, however, what form do the findings of this research suggest that the prioritization of service quality should take? The work of Schneider and his colleagues (1998), empirically supported by this research, suggest the following eight organizational practices designed to support service
quality are important. First, call centre employees should receive both work task
specific training (systems, service product and service contract training) and
telephone communication skills training (listening, questioning, rapport building, call
control, objection handling, up-selling, cross-selling, and call closing skills). Second,
the criteria by which quality is judged should be made clear to call centre employees
and reflect customer perceptions of service quality. That is to say that service quality
criteria should not be based on internal efficiency metrics but rather on those aspects
of the service interaction that please or displease customers. For example, while
rigidly adhering to maximum call duration guidelines may keep call waiting or queue
times to a minimum it will also almost certainly ensure that the wide variety of
individual customer concerns will not be adequately addressed within such restrictive
timeframes. Maximum call durations, therefore, ensure that calls are answered
relatively quickly but the also ensure that they are often inappropriately dealt with.
The findings of this research further suggest that call centres should track and
measure service quality. The work of Holman and his colleagues (2003), however,
suggests that quality monitoring systems should be designed to be developmental and
beneficial to the individual being monitored. That is to say that this study found the
beneficial purpose of monitoring to be negatively associated with depression, anxiety,
and emotional exhaustion. Even more importantly, the monitoring system should not
be perceived to be intense.

Third, call centres should utilize reward and recognition practices that are contingent
upon or related to the delivery of superior work and service. That is reward and
recognition practices should be used to reinforce, and actively demonstrate the
importance of service quality. Fourth, the leadership shown by management in supporting service quality is also vital to the climate perceptions that call centre employees form. In human resource management (HRM) terms, the alignment of management leadership and reward and recognition practices focused upon service quality are an example of horizontal integration. Furthermore, this alignment promotes the value of mutually reinforcing HRM practices. Fifth, call centre organizations must communicate effectively with both employees and customers with regard to changes or new developments that will affect them. Sixth, call centre must provide employees with the tools, technology and resources necessary to deliver a quality service. Seventh, top management must make it clear that they have a plan to improve service quality and that they recognize and appreciate high quality work and service. Finally, call centres should collect customer evaluations of service quality and feed them back to call centre employees.

The findings of this research suggest that the eight practices outlined above lead to call centre employees believing that their organizations care about them and being satisfied with their jobs. This is important because the findings of this research suggest that being satisfied and feeling cared about lead to employees feeling committed to their organization which in turn influences contextual performance. In short, those call centres that want to their employees to willingly adapt to organizational change and to present a positive image of the organization to customers would do well to consider practices proven to create and support high levels of organizational commitment. Pfeffer’s (1999) review of the HRM literature identified a further five practices that have been shown to generate employee commitment.
According to Pfeffer, employment security is fundamental to the implementation of most other HRM practices. The underpinning assumption here is that in order for employees to be committed to their organization, organizations must first demonstrate that they are committed to their employees. In other words, temporary, short-term or casual contracts of employment should be avoided.

The next HRM practice identified by Pfeffer is selective hiring. In UK terms, selective hiring equates to recruitment practices (e.g., systematic selection tests) that ensure that the ‘right’ people are recruited. In order to recruit the right people, the organization needs to be clear about what are the most critical skills and attributes to their purpose. Further, the skills and abilities sought need to be carefully considered and consistent with the particular job requirements. Furthermore, organizations should screen primarily on important attributes that are difficult to change through training. That is to say that while specific, job-relevant skills are important, they are also are easily acquired. Recruitment practices should, therefore, identify people with the right attitudes, values, and cultural fit-attributes that are harder to train or change. Another important HRM practice is team-based working. One of the key benefits of team-based working is that teams substitute peer-based control for hierarchical control of work. Moreover, team-based working tends to make all employees feel accountable and responsible for the operation and success of the enterprise, not just senior managers. The theory is that the increased sense of responsibility stimulates more initiative and effort on the part of everyone involved. Teams, it should also be noted, permit employees to pool their ideas to come up with better and more creative solutions to problems.
In order to make all employees members feel important and committed, most HRM systems attempt to reduce the status distinctions that separate individuals and groups and cause some employees to feel less valued. Pfeffer’s review suggests that status reduction is accomplished in two principle ways: symbolically, through the use of language and labels, physical space, and dress; and substantively, through the reduction of wage inequality, particularly across levels. The final HRM practice identified was the sharing of information. This aspect links with the contention made by Schneider and his colleagues (1998) with regard to the need for effective internal and external communication. The sharing of information on such things as financial performance, strategy, and operational measures conveys to employees that they are trusted and enables them to contribute to enhancing organizational performance.

It is important to recognize, however, that the simple introduction of such practices will not, necessarily, deliver the desired outcomes. The work of Houlihan (2002), for instance, warns us that the simple introduction of HRM practices will not necessarily deliver the expected benefits. For instance, Houlihan suggests that when HRM initiatives such as teams, training and performance management are a second order priority behind efficiency and productivity targets it leads to nothing more than a paradoxical and self-defeating misalignment. In similar vein, Kinnie and his colleagues (2000) suggest that HRM initiatives such as investing in excellent facilities and the introduction of work-life balance polices lead to a ‘fun and surveillance’ paradox when they are combined with highly formalised procedures, task-focused supervision and excessive monitoring. Houlihan does, however, make the point that enhancing the affective commitment of employees will create less of a paradox in call
centres where skilled knowledge workers enjoy some task discretion and genuine participative involvement.

Furthermore, a study conducted by Wood and his colleagues (2006) found the links between HRM practices and performance to be relatively weak; a finding consistent with other studies of the HRM / performance relationship (e.g. Godard 2003; Wood and de Menezes 1998). Wood and his colleagues (2006) did, however, find significant relationships between: work discretion and teamworking; and task discretion and training, improvement teams, labour turnover, suggestion-making and customer satisfaction. The authors concluded that,

“we should move away from an over-concentration on human resource practices as an assumed collective set and a blanket linking of them to performance. Rather we should focus more on examining the specific relationships among both work design characteristics and human resource practices, and between these and particular performance criteria or the underlying managerial orientations where the associations between practices implies these exist.”

The findings reported by Wood and his colleagues suggest that work design in general and task discretion in particular are key to the effectiveness of HRM practices in terms of enhancing performance. In this sense, the operating mode adopted by call centre organizations is also vitally important because the operating modes play a large role in determining task design. Under the mass production operating mode, for instance, efficiency and productivity take precedence and call centre employees perform high volumes of largely short-cycle, low skill, low discretion tasks. In such an environment the findings reported by Wood and his colleagues suggest that HRM practices would have little to no impact upon performance. Moreover, the short-cycle,
low skill, low discretion mass production combination would also work directly against the service quality practices prescribed by Schneider and his colleagues (1998) and, therefore, have a negative impact upon service quality.

The most potent characteristic of mass production, however, is not its ability to deal with quantity, but the means by which it does so; by reducing variation and encouraging uniformity. In a manufacturing environment, where the requirement is to produce large numbers of identical products at speed, uniformity is directly equated to quality, which is undermined by variation. The problem, when this model is translated to call centres, is that human interaction and communication is all about variation, appropriateness and adaptability. In human interactions variation is not deviation but adaptation, and contributes to quality. Thus, the mass production model, based on management control and employee compliance, is inappropriate for any organization that wants to provide value-added services and high quality customer interactions through its call centres. Such services depend upon employees having skill, initiative and discretion when dealing with customers.

The study by Batt & Moynihan (2002) reveals that, while high quality services of this kind do exist, they account for only a minority of transactions and are generally reserved for high value clients. Their study does, however, suggest that there is an alternative to mass production that would make this achievable across the industry. That alternative is mass customisation; a model that exploits the call centre’s ability to deliver variable, customer appropriate services and interactions and which, in turn,
allows organizations to compete in terms of quality and customer loyalty as well as price. The prescription provided by Batt and Moynihan mirrors that of Schneider and his colleagues (1998) and Pfeffer (1999). The authors suggest that call centres should invest in the skills and abilities of employees, design work so that employees have the opportunity and discretion to use their skills, and create incentives that reward service quality and organizational commitment.

To conclude, the findings of this research suggest that the prioritization of service quality is key because it leads to employee commitment which in turn leads to call centre employees presenting a positive image of the organization to customers, talking about the organization in positive ways to customers, defending the organization when others criticise it, responding flexibly to overall changes in the organization, and fitting in with changes made to the way the organization operates. The importance of commitment with regard to its influence upon contextual performance also points to the potential of HRM practices. Previous studies, however, have warned that the introduction of HRM practices into low discretion, highly formalised, mass production call centres would be of little benefit. For those centres serving mass markets, the mass customisation operating mode would appear to provide the most fertile ground for both service quality practices and HRM practices to establish themselves, grow and come to fruition.
Future Directions for Research

The findings of this research could be improved upon by using a longitudinal research design to test the integrated psychological process to performance models. This would allow the direction of causality to be inferred. The addition of an objective performance measure would also add greater validity. Furthermore, the inclusion of an objective performance measure would also allow an exploration of the debate as to whether contextual performance influences other performance criteria (Griffin et al., 2007). In terms of expanding the scope of the psychological process to performance model, the inclusion of a Justice scale and a Personality scale may be an improvement. The issue of fairness is relevant to both perceived organizational support and job satisfaction but exists in this research as only a single item in the employee welfare scale. A Justice scale with Distributive and Procedural dimensions would more accurately tap into the concept of fairness and would, therefore, potentially add greater value.

The issue of personality is relevant to perceived organizational support, job satisfaction and affective commitment but is not measured in any way by the current model. It should be noted, however, that the extent of felt obligation is likely to depend on the strength of the socio-emotional needs. As Gouldner (1960) has argued, the value of the benefit and therefore the perceived debt is in proportion to the recipient's need at the time the favour was bestowed. In this view, the receipt of resources should create a greater obligation to reciprocate among individuals with
high needs as opposed to with low needs. Thus, in a work context, individuals with strong socio-emotional needs should find perceived organizational support very rewarding and therefore experience a greater obligation to repay the organization with higher job satisfaction, affective commitment and performance.

Most research concerning individual differences in needs for socio-emotional resources comes from personality theorists. Hill (1987) has argued that the motivation for social contact stems from the need for praise, recognition, esteem, affection, cognitive stimulation, affiliation, consolation, sympathy and emotional support. Furthermore, Martin (1984) has suggested that in order to protect their self-concept, individuals with a high need for social approval seek favourable evaluations from powerful others, attempt to act in socially appropriate ways and avoid inappropriate actions that would produce negative evaluations. It, therefore, seems likely that ‘personality’ might be a moderating factor with regard to perceived organizational support, job satisfaction and affective commitment. Thus, its exclusion from this research is an oversight and the addition of a Personality scale may improve the accuracy and potency of the model. Finally, as this research was conducted in UK call centres, the model could be developed further by testing it in (a) other industrial research locations and (b) internationally. An international test of the model would benefit from the inclusion of a factor measuring cultural influences.
Limitations of the Research

There are three main limitations to this research. First, the data were gathered via a single questionnaire instrument and therefore common method variance was an issue to be considered. In attempt to counter this issue age, sex, type of job, call centre type, and positive affect were all controlled for. Furthermore, the measures used by this research were nested with other measures from two other studies. The items utilized by this research were therefore not contiguous but scattered amongst ‘foreign’ items.

Second, the data is cross-sectional and so cannot be used to infer causality. The findings of this research should be treated with caution because rather than climate influencing service quality via perceived organizational support, job satisfaction and affective commitment it could be argued that service quality influences service climate via the aforementioned mediating variables. Indeed, the findings of Schneider and his colleagues (1998) suggest that both directions of causality are valid. Finally, a self-rating of performance measure was used. This is not to suggest that the self-rating of performance is not valid. On the contrary, the measure developed by Griffin and his colleagues (2007) and utilized by this research is highly valid. This research, however, recognizes the fact that the findings would be strengthened by the inclusion of an objective performance measure.
APPENDIX

Questionnaire

Section One: Background Details

In order to help me analyse the data, it is important that we know some background information about you.

<table>
<thead>
<tr>
<th>Name of Company</th>
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<tr>
<th>Location of Site</th>
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<table>
<thead>
<tr>
<th>Sex</th>
<th>Male</th>
<th>Female</th>
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</table>

<table>
<thead>
<tr>
<th>What is your Job?</th>
<th>Call Centre Agent</th>
<th>Manager / Team Leader</th>
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<table>
<thead>
<tr>
<th>Age (years)</th>
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</table>
Section Two

The following statements ask for your opinion of your workplace in terms of: how your work is organised; the practices within the company; and how you are managed. Please indicate the extent to which you either agree or disagree with each of the following statements.

<table>
<thead>
<tr>
<th>Please tick appropriate box</th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither agree nor disagree</th>
<th>agree</th>
<th>strongly agree</th>
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</thead>
<tbody>
<tr>
<td>1   This company pays little attention to the interests of its employees</td>
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<tr>
<td>2   This company tries to look after its employees</td>
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<tr>
<td>3   This company cares about and values its employees</td>
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<tr>
<td>4   This company tries to be fair in its actions towards employees</td>
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</tbody>
</table>

Please indicate how you would rate the following aspects of customer service.

<table>
<thead>
<tr>
<th>Please tick appropriate box</th>
<th>very poor</th>
<th>poor</th>
<th>satisfactory</th>
<th>good</th>
<th>excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1   How would you rate the knowledge and skills of call centre employees to deliver a quality service?</td>
<td></td>
<td></td>
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<tr>
<td>2   How would you rate the efforts to measure and track the quality of service in the call centre?</td>
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<tr>
<td>3   How would you rate the recognition and rewards employees receive for the delivery of superior service?</td>
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<td>4   How would you rate the overall quality of service provided by your call centre?</td>
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<tr>
<td>5   How would you rate the leadership shown by management in supporting service quality effort?</td>
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<tr>
<td>6   How would you rate the effectiveness of communications to both employees and customers?</td>
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<tr>
<td>7   How would you rate the technology and resources provided to employees to support the delivery of superior service?</td>
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</tbody>
</table>
Section 3

The following questions concern things you do to support your organization. Thinking about your contribution to the organization over the past 6 months, to what extent have you:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Little</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>please tick appropriate box</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>1 Presented a positive image of the organization to other people (e.g., customers and clients)</td>
<td></td>
<td></td>
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<tr>
<td>2 Defended the organization if others criticized it</td>
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<td></td>
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<tr>
<td>3 Talked about the organization in positive ways (e.g., to customer and clients)</td>
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<tr>
<td>4 Responded flexibly to overall changes in the organization (e.g., changes in management)</td>
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<td></td>
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<tr>
<td>5 Fitted in with changes in the way your organization operates</td>
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<tr>
<td>6 Adjusted well to changes in the organization</td>
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</table>

Section 4

The following questions are concerned with your **level of commitment**. Please indicate the extent to which you agree or disagree with the following statements.

<table>
<thead>
<tr>
<th>Tick appropriate box</th>
<th>strongly disagree</th>
<th>disagree</th>
<th>neither agree nor disagree</th>
<th>agree</th>
<th>strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 I would be happy to spend the rest of my career with this organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2 I enjoy discussing my organization with people outside it</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 I really feel as if this organization’s problems are my own</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>4 I think that I could easily become as attached to another organization as I am to this one</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5 I do not feel ‘part of the family’ at my organization</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6 I do not feel ‘emotionally attached’ to this organization</td>
<td></td>
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</tr>
<tr>
<td>7 This organization has a great deal of personal meaning for me</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>8 I do not feel a strong sense of belonging to my organization</td>
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</tbody>
</table>

184
The statements below describe the **features of your job**.

Please indicate the extent to which you agree with the following statements:

<table>
<thead>
<tr>
<th></th>
<th>Tick the appropriate box</th>
<th>disagree very much</th>
<th>disagree moderately</th>
<th>disagree slightly</th>
<th>agree slightly</th>
<th>agree moderately</th>
<th>agree very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My supervisor is quite competent in doing their job</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Many of our rules and procedures make doing a good job difficult</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>I like then people I work with</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I sometimes feel my job is meaningless</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>The benefits we receive are as good as those most other organizations offer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I do not feel that the work I do is appreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I have too much work to do at work</td>
<td></td>
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<tr>
<td>8</td>
<td>I often feel that I do not know what is going on with the organization</td>
<td></td>
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<td></td>
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<tr>
<td>9</td>
<td>I feel a sense of pride in doing my job</td>
<td></td>
<td></td>
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<tr>
<td>10</td>
<td>I don't feel my efforts are rewarded the way they should be</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>I am satisfied with my chances for promotion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>There is too much bickering and fighting at my work</td>
<td></td>
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</tbody>
</table>
Section Five

You are now being asked about the attitudes and feelings you have regarding your work. Please indicate, by ticking the most appropriate box according to the following scale, the extent to which you have felt the following feelings at work DURING THE PAST WEEK.

<table>
<thead>
<tr>
<th>1</th>
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<th>5</th>
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</thead>
<tbody>
<tr>
<td>very slightly</td>
<td>a little</td>
<td>moderately</td>
<td>quite a bit</td>
<td>extremely</td>
</tr>
<tr>
<td>or not at all</td>
<td></td>
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</table>

| Interested |  |  | Irritable |  |  |
| Distressed |  | Alert |  |  |  |
| Excited | Ashamed |  |  |  |  |
| Upset | Inspired |  |  |  |  |
| Strong | Nervous |  |  |  |  |
| Guilty | Determined |  |  |  |  |
| Scared | Attentive |  |  |  |  |
| Hostile | Jittery |  |  |  |  |
| Enthusiastic | Active |  |  |  |  |
| Proud | Afraid |  |  |  |  |

Thank you for taking part in this survey. Your contribution is greatly appreciated.
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