

**SERVICE ACCULTURATION: A DYADIC STUDY OF MANAGERIAL AND  
EMPLOYEE EFFECTS UPON SERVICE FIRM PERFORMANCE**

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**Abstract**

The majority of previous research into service quality and services marketing has concentrated upon the measurement of service quality outcomes, rather than the enhancement of the process by which service is delivered. In this study a conceptual model of the service acculturation process is proposed, modelling the input of service managers *and* employees in the delivery of service quality to customers. The conceptualisation is then empirically tested utilising a dyadic study of the New Zealand hotel industry. Results indicate that 1) a strong commitment to service is important for both managers and employees; and 2) that employees' teamwork may have an adverse effect on perceived quality of customer service. Implications of the results and future research directions are subsequently discussed.

**Keywords:** service behaviours, service quality, service commitment, firm performance

## **Introduction**

While product quality has long been acknowledged as a critical factor contributing to competitive advantage, acceptance of the similar importance of service quality is more recent (Bitner, Booms, and Mohr 1994). However, surprisingly little research to date has been concerned with determining how service quality can be improved, with the literature focus resting instead on issues such as service quality measurement (e.g., Cronin and Taylor 1992; Parasuraman, Zeithaml, and Berry 1988), or the relationship between service quality and customer satisfaction (e.g., Gremler, Bitner, and Evans 1994). As a result, this study answers a call in the *Journal of Business Research* which suggested that “the third phase of service quality research needs to and will focus on the processes giving rise to specific levels of perceived service quality, and on the relationships between the various constructs under study” (Pieters and Botschen 1999, p. 1). Prior studies examining service quality measurement and improvement have tended to adopt a singular focus, concentrating upon customers’ service quality perceptions (e.g., Cronin and Taylor 1992; Parasuraman, Zeithaml, and Berry 1985; 1988). Other than Hartline and Ferrell (1996), very few studies have examined the impact that both employees and managers can have upon the service quality delivery process.

The objectives of this study are therefore twofold. Firstly, a conceptualisation of service acculturation will be detailed. Secondly, this conceptualisation of service acculturation will be tested from a dyadic perspective, taking into account both managers’ and employees’ perceptions of the service delivery process. Achievement of these objectives will lead to benefits for academics and practitioners alike. For academics, the research will provide a theoretical contribution to the literature by modelling the internal development of a service-focussed culture with service organisations. Practitioners will learn the importance of service behaviours and service commitment to the improvement of overall service delivery to customers.

## **Conceptualisation**

Service acculturation is defined here as the gearing of an organisation towards a continual commitment to delivering high quality service to customers. This commitment to service on the part of employees and managers is defined as a personal belief that the provision of high quality services should be a priority, and therefore initiatives to improve quality should be adopted (c.f., Hartline and Ferrell 1996). In turn, high quality service provision to customers should logically lead to an increase in organisational performance (Schneider, White, and Paul 1998).

It has been suggested that service workers, because of their decision to work in the service industry, will have a desire to provide good customer service (Zeithaml and Bitner 2000) and this attitude is likely to carry over into their workplace behaviours (Bitner, Booms, and Mohr 1994). In the case of service managers, a strong desire to provide high quality service to customers (i.e., a high commitment to service) should be evidenced by the manager trying to employ measures to improve the performance of customer-contact employees. As such, employee-focussed managerial tasks such as providing feedback to employees (e.g., Jaworski and Kohli 1991), empowerment of employees (e.g., Bowen and Lawler 1995), training of employees (e.g., Burton 1999), and monitoring of employees (Zeithaml and Bitner 2000) may be employed. Each managerial task involves close contact between the manager and the

employee, a feature of the service industry (Zeithaml and Bitner 2000) and the primary reason for choosing to examine the effects of these particular managerial tasks in this study.

Service managers trying to improve their employees' performance should provide feedback to their employees based upon their performance (c.f., Jaworski and Kohli 1991). Service managers should also seek to empower their employees since empowerment is often seen as "the remedy for problems of poor customer service and inefficient operations" (Bowen and Lawler 1995, p. 73). Likewise, many service managers should adopt employee training as it develops employees that are able to meet consumers' needs in appropriate ways (Burton 1999). Lastly, Zeithaml and Bitner (2000) have posited the importance of monitoring the performance of service employees in order to improve their service delivery. In summary, the relationship between managers' commitment to service and their implementation of employee-focussed managerial tasks is hypothesised as follows:

*H1 - The greater a service manager's service commitment, the greater the likelihood of them (a) giving feedback to service employees; (b) empowering service employees; (c) training service employees; and (d) monitoring service employees*

Employees' perceptions of organisational practices help to define their attitudes (Lux, Jex, and Hansen 1996). It was previously noted that managers wanting to improve the quality of service provided to customers should perform the employee-focussed managerial tasks mentioned in Hypotheses 1<sub>a-d</sub>. By doing so the manager is demonstrating to employees the importance of high quality service. This employment of employee-focussed managerial tasks by service managers should have a positive influence upon employees' work attitudes, especially their service commitment. This bears certain similarities to what is called the 'Pygmalion' effect (c.f., Eden et al. 2001; Sutton and Woodman 1989). The Pygmalion effect refers a type of expectancy theory when superiors communicate performance expectations to subordinates (Sutton and Woodman 1989). By communicating their expectations to subordinates, it is thought that superiors can improve subordinates' performance (c.f., Eden et al. 2001). Here, in the context of services, managers with a high level of service commitment communicate their performance expectations to employees by using the employee-focussed managerial tasks mentioned previously. By employing these employee-focussed managerial tasks service managers show their employees the importance of high quality service provision to customers. The result of this should be that employees' commitment to service increases as their manager communicates to them the importance of service through employee-focussed managerial tasks. This can be summarised by the following hypotheses:

*H2a - When service managers give service employees feedback they will have higher levels of service commitment*

*H2b - When service managers empower service employees they will have higher levels of service commitment*

*H2c - When service managers train service employees they will have higher levels of service commitment*

*H2d - When service managers monitor the performance of service employees they will have higher levels of service commitment*

As previously stated, service industry workers can be characterised by a commitment to give good service to customers (Zeithaml and Bitner 2000) and are thus likely to adopt appropriate service behaviours (Bitner, Booms, and Mohr 1994; Zeithaml and Bitner 2000). The behaviours of service employees have previously been classified into four broad categories: adaptability, spontaneity, recovery, and teamwork (Zeithaml and Bitner 2000). Adaptability

refers to the ability of employees to adjust their service behaviours to the interpersonal demands of customers during service encounters (Hartline and Ferrell 1996). The term recovery denotes the ability of employees to respond efficiently and effectively to customer complaints or service system failures with the aim of returning aggrieved customers to a state of satisfaction (Bitner, Booms, and Tetreault 1990; Boshoff and Allen 2000; Zeithaml and Bitner 2000). Spontaneity refers to employee behaviours that are truly unexpected and occur even though there has been no service delivery system failure or special request on the part of the customer (Bitner, Booms, and Mohr 1994; Zeithaml and Bitner 2000). In the context of service, teamwork is synonymous to employees and managers pulling together with the common aim of helping each other to deliver high quality service to customers (Baker and Fasenmaier 1997; Zeithaml, Berry, and Parasuraman 1988). It seems likely that in the context of delivering quality service, employees will try to adopt these behaviours. Hence, the following is hypothesised:

*H3 - When service employees have a high level of service commitment they will be more likely to (a) adapt their behaviours to customers' requirements; (b) attempt to recover service failures; (c) act spontaneously during service encounters; and (d) work together as a team*

Prior research into service encounters has shown that customers evaluate the service encounter more favourably when employees are able to adapt to meet their special needs and requests (Bitner 1990; Bitner, Booms, and Mohr 1994; Bitner, Booms, and Tetreault 1990). Adaptability may be viewed as a continuum, ranging from total conformity to organisational policies through to complete personalisation of the service delivered to customers (Hartline and Ferrell 1996). In general, the more an employee adapts his/her behaviour to suit the particular needs of a service customer, the more favourably the customer will view the service encounter (Bitner, Booms, and Mohr 1994; Bitner, Booms, and Tetreault 1990; Hartline and Ferrell 1996; Zeithaml and Bitner 2000). Based upon the previous argument, the following is proposed:

*H4a – The greater the adaptability of service employees, the greater the service organisation's performance as perceived by managers*

From past research, it seems that the ability of employees to react competently to customer complaints or service system failures can result in increased levels of customer satisfaction (Bitner, Booms, and Mohr 1994; Lytle, Hom, and Mokwa 1998). Indeed, when a customer experiences a problem with an organisation and the problem is not sufficiently rectified, the customer's confidence in, and willingness to frequent, that organisation suffers (Lytle, Hom, and Mokwa 1998). From this, it can be argued that greater service recovery performance should lead to repeat customers, and hence an improvement in organisational performance, as subsequently summarised:

*H4b – The greater the recovery performance of service employees, the greater the service organisation's performance as perceived by managers*

To surprise customers with high levels of service is necessary for their retention and increased levels of satisfaction (c.f., Bitner, Booms, and Tetreault 1990). Prior empirical work has demonstrated that such 'special treatment' from employees can lead to more satisfied customers (Zeithaml and Bitner 2000). By making service encounters memorable for customers, employees are in effect advertising their organisation to the customer the next time that the customer is required to choose an organisation to meet their requirements. This leads to the following being proposed:

*H4c – The greater the spontaneity of service employees, the greater the service organisation's performance as perceived by managers*

High performing service groups are often characterised by teamwork and indeed teamwork has been identified as a key factor for several leading service organisations (Zeithaml, Berry, and Parasuraman 1988). The physical demands of work can be detrimental to employees (Berry, Zeithaml, and Parasuraman 1990) and the supportiveness of colleagues can help to mitigate these ill effects (King and Garey 1997). The presence of such 'community spirit' within the workplace can serve as an antidote to feelings of burnout amongst service employees (Berry, Zeithaml, and Parasuraman 1990). This being so, teamwork should lead to higher levels of service, and organisational, performance, hypothesised as follows:

*H4d – The greater the teamwork of employees, the greater the organisation's performance as perceived by managers*

## **Methodology**

A dyadic methodology was adopted for the research, given the objective of examining the effects of employees *and* managers upon service quality delivery. It was considered prudent to ask managers and employees about their respective work behaviours and service commitment rather than to survey either group and rely upon their answers to determine the behaviours of both sets of respondents. The method chosen for data collection was self-report mail surveys and hotels were chosen as the sampling frame because the delivery of services to hotel customers requires considerable customer contact (Hartline and Ferrell 1996). In total 70 managerial and 135 employee questionnaires were distributed to 40 hotels throughout New Zealand. 37 managerial (53% response rate) and 57 employee (42% response rate) questionnaires were returned. The total number of *paired* responses received was 25 out of the 40 hotels, for an overall response rate of 63%. This figure of 25 paired responses is comparable to that recently obtained in similar dyadic studies (c.f., Too, Souchon, and Thirkell 2001). A time-trend extrapolation test (Armstrong and Overton 1977) was conducted upon demographic characteristics from early (first 25% of questionnaires received) and late (last 25% of questionnaires received) respondents. There were no significant differences found in the responses, giving no reason to suspect any form of nonresponse bias being present in the data collected.

## **Measures Employed**

In order to retain some measure of consistency with previous research, prior measures of constructs were used wherever possible. Table 1 provides a summary of the refined scales' psychometric properties. With the exception of respondents' demographic characteristics each response was measured using a 7-point Likert-type scale format, ranging from "strongly disagree" to "strongly agree". Firm performance was rated by measuring managers' perceptions of the level of service delivered via application of the SERVQUAL scale (Parasuraman, Zeithaml, and Berry 1988). Of the scales used to measure the conceptualised constructs, the service commitment scales were considered to have undergone significant changes from their earlier forms. In order to assess their psychometrical soundness, their convergent validity was assessed by correlating the scales with validation items contained within the questionnaire. The results of this are shown in Table 2.

**Table 1: Scale Summary**

<i>Scale</i>	<i>n</i>	<i>Cronbach's Alpha</i>	<i>N</i>
Managers' Service Commitment	9	.79	27
Managers Giving Feedback to Employees	2	.71	27
Managers Empowering Employees	9	.73	27
Managers Training Employees	5	.84	26
Managers Monitoring Employees	5	.88	25
Managers' Perceptions of Service Quality	22	.81	26
Employees' Service Commitment	7	.80	29
Employees' Adaptability Behaviours	3	.90	29
Employees' Recovery Behaviours	4	.90	29
Employees' Spontaneous Behaviours	2	.78	29
Employees' Teamwork Behaviours	2	.73	29

n = number of items; N = number of cases

**Table 2: Convergent Validity: Correlations with "validation" items**

	MSC	ESC
Spearman Rho	.451	.779
Sig.	.046	.000
N	20	21

MSC = Managers' Service Commitment; ESC = Employees' Service Commitment

## Results

Hypotheses were tested with SPSS. Due to the small sample size obtained, and the skewed (i.e., non-normal) distributions of the variables being studied, Spearman correlations were selected over Pearson (Malhotra and Birks 2003). Amongst managers, their likelihood of giving feedback to employees (.44,  $p < .05$ ) and empowering employees (.48,  $p < .01$ ) was dependent upon their commitment to service, supporting H<sub>1a</sub> and H<sub>1b</sub>. From the employees results, H<sub>3a</sub>, H<sub>3c</sub> and H<sub>3d</sub> were all supported, as employee commitment to service was related to the likelihood of employees adapting their behaviours (.75,  $p < .01$ ), being spontaneous in their service delivery (.70,  $p < .01$ ), working together as a team (.49,  $p < .01$ ). Lastly, an interesting result came from comparison of employee behaviours with both employees' and managers' perceptions for service quality delivered. The majority of employee behaviours were found to have no significant effect upon perceptions of service quality delivered. The exception was teamwork, which had a negative relationship with managers' perceptions of service quality (-.42,  $p < .05$ ). The remaining hypotheses received no empirical support during analysis. This could be a direct result of the small sample size generated.

## Discussion

The study's findings give an indication of how service delivery can be improved and lay the foundations for further empirical work into the influences that service managers and their subordinates can have upon service delivery to organisational customers. The commitment of managers towards providing high quality service to customers was related to giving feedback to employees and employee empowerment practices. Employees' service commitment was related three of the employee work tasks measured, all except for recovery of service failure situations. Generally, as hypothesised, when employees have a commitment towards

delivering high quality service it results in them employing service behaviours that are associated with higher levels of organisational performance. This was the most compelling result of the study and highlights the importance of developing the correct work attitudes amongst service employees in order to enhance service provision to organisational customers.

Of all the employee service behaviours the only significant, yet arguably the most interesting, finding was that of teamwork's negative relationship with managers' perceptions of service quality. This finding tends to support recent work theorising that teamwork can have a negative effect upon service provision levels (Farrell, Souchon and Durden 2001a, 2001b). In their work the authors hypothesise that teamwork has an n-shaped, parabolic relationship with service quality provision (Farrell, Souchon, and Durden 2001b) and warn that whilst teamwork is viewed as important "organisations should careful not to forget about customers in their efforts to help each other" (Farrell, Souchon, and Durden 2001a, p. 585). This would be an important point to note for managers: in their efforts to create a positive atmosphere where employees band together with the aim of increasing service efficiency, the customer must remain the priority for service organisations.

### **Implications and Future Research Directions**

The results presented in the conceptual model offer clear practical guidelines for service organisations. Firstly, higher levels of service commitment among customer-contact staff have been related to employment of more customer-oriented behaviours. Therefore, managers need to try and foster this commitment to service amongst their employees. Secondly, although teamwork should be a focus of service organisations as it enables employees to work more efficiently and effectively, it should not be concentrated upon at the expense of the customer and service provision. In terms of future research directions a larger sample would be necessary for further research of this subject area to lend more weight to the current findings since the number available for dyadic comparison was somewhat limited. Furthermore, a larger sample size would allow for cluster analysis whereby firms with employees reporting higher levels of service commitment could be compared and contrasted for analysis. As it now stands, the empirical model represents a step forward in the analysis of service acculturation and its outcomes and represents a platform for future research into the improvement of the service quality delivery process.

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