

DISSERTATION

UNDERSTANDING A CLIMATE FOR CUSTOMER SERVICE

Submitted by

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In partial fulfillment of the requirements

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ABSTRACT OF DISSERTATION

UNDERSTANDING A CLIMATE FOR CUSTOMER SERVICE

With the service industry ever expanding and more options to spend consumer dollars, a focus on customer service is becoming more important as a differentiator for a successful service organization. This study looked at the possibility that organizations can structure their companies and treat their employees in such a way to increase the strength of a customer service climate and increase the attitudes of their employees, which may lead to better service performance. In addition, the personality variable of customer service orientation was considered as a possible moderator between service climate and employee attitudes.

Organizations were sampled from a variety of industries, including governments, hospitality, and educational institutions. Respondents within each company (which included several service employees and one manager or supervisor) completed a self-report survey on the structure of the organization, perceived organizational support, service climate, customer service orientation, and attitudes. The final sample included 211 respondents from 46 organizations. The data were aggregated to the organizational level.

Results showed strong evidence for a relationship between perceived organizational support and service climate, as well as between some structural aspects of an organization and service climate, specifically centralization of decision-making and the number of departments/divisions in an organization. In addition, service climate was correlated with aggregated employee attitudes of job satisfaction, job involvement, and

affective organizational commitment. Mediation analysis indicated that service climate partially mediated relationships between perceived organizational support and employee attitudes, as well as between organizational structure and employee attitudes. Average customer service orientation did not moderate the relationship between service climate and employee attitudes. Individual-level analysis did show some moderation, such that the relationship between service climate and both job involvement and affective organizational commitment was stronger for employees with higher levels of customer service orientation than for those with lower customer service orientation. Implications of this study to organizational theory and practice are discussed.

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DEDICATION

As with all things, I dedicate this to my parents. Mom, your support, encouragement, gentle pressure, and faith in me have been invaluable. Dad, you were always thinking of people to include, things to consider, and a willingness to review my work. I can't imagine accomplishing this dissertation without you standing behind me, and you made it achievable for me. Thank you.

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CHAPTER I

INTRODUCTION

During the early 1900's, the United States was characterized by industrial pursuits—factories, plants, and manufacturers. However, around the middle of the century, a change started to occur, as the industrial society began to give way to the service society. In this “post-industrial” society, due to advances such as technological improvements and globalization of business, employment has shifted dramatically away from manufacturing and toward service (Bowen & Schneider, 1988). In addition, even manufacturing organizations have recognized the need for services (Bowen, Siehl, & Schneider, 1989). Manufacturers used to make products that could only be sold in one store or chain of stores. Now, these products are fungible; i.e., the very same products can be found at a number of different stores. With so many manufacturers creating similar products and selling them at multiple locations, one large competitive advantage for organizations comes from the quality of service they provide to their customers.

Now, at the beginning of the 21st century, much of our society is employed in some sort of service position. Three-fourths of employed civilians in the United States (and between 60% and 75% in many other developed countries) are now working in the service industry (U.S. Department of Labor, 2001). This number is likely to increase even further due to mechanization of processes, leading to computer generated functions and robotics. The mechanization is taking many manufacturing positions away, and the

fungibility of many products provides a greater need for service (U. S. Department of Labor, 2001; Huff, Dreschler, Billings, & Altmann, 1999).

The competitive advantage a service brings to an organization comes in the form of the interaction between a customer and a representative of the organization, generally a front-line employee. The experience of an employee and a customer differ for each party in a given interaction, and for each occurrence of the interaction. Each customer has a general idea and expectation of what “good” and “bad” customer service would be. Therefore, a service employee should be aware (e.g., from experience, training, or personality) of the differences in each situation and each customer, and attempt to meet (or exceed) these expectations.

For service organizations, then, how do employees understand the differing expectations of customers in these different situations, occasions, and with different customers? How can these expectations be put into place prior to the actual service experience? What do service companies do prior to opening to make certain that when the employee meets the customer, quality service will occur? Is there something systematic that “high quality” service firms do or are that affects the service behavior of their employees; something that happens before a customer ever enters the equation? These are questions that have not yet been sufficiently researched.

This study attempts to answer the last of these questions and to fill the gap in the extant research by looking at the organization itself as a basis for creating an environment (or climate) for high quality service. While there has been much research looking at individual-level influences on customer service behavior, far less has focused on organizational-level influences. Specifically, organizational attributes may provide a

unique relationship with service climate, and with the collective attitudes of the employees and customers of an organization. Forty-six organizations were surveyed regarding service climate, organizational structure, perceived organizational support, and job attitudes. Data were aggregated to the organizational level to examine hypothesized relationships at the collective level rather than the individual level. Organizations representing a variety of industries and sizes were included in the study to provide some evidence of generalizability. The following sections will describe customer service, the overarching conceptual model for the study, and each of the constructs in this model. The links between the constructs will be drawn to form the hypotheses for this study.

Literature Review

Service, in the framework of customer service, is defined as “useful labor that does not produce a tangible commodity”. That is, service involves labor from a person, and doesn’t necessarily involve an actual product or good. To understand customer service, it is helpful to note the differences between services and goods. Services and goods are generally differentiated along three factors: intangibility, simultaneity of production and consumption, and consumer involvement in production (Clemmer, 1993; Schneider & Bowen, 1985).

The first factor is intangibility. Goods are tangible objects that can be touched, felt, and seen; actual physical things such as a sofa, a computer, or a vehicle. Services are less tangible. There is not usually an actual “thing” included in a doctor’s visit, or if there is a “thing” (such as a will drafted by an attorney in an attorney’s consultation) the “thing” is secondary to the services. What is being “sold” is the creation of the will by the attorney, which is a service.

Services exist in time (i.e., they are experienced), but not in space (i.e., they are not possessed). A sofa can be owned, but a doctor's visit cannot. While manufacturing companies can focus on making a more comfortable sofa, a faster computer, or a more efficient vehicle, it is more complex for a service company to focus on a more pleasant doctor's visit or a more courteous, competent attorney because there is no tangible product to examine and assay for improvements.

However, tangibility is not absolute. Enterprises vary along a continuum of tangibility, from primarily goods such as a vehicle factory on one end to primarily services such as legal advice and accounting assistance on the other end. Many enterprises can have aspects of tangibility and intangibility, including both services and goods. Restaurants have tangible food items as well as the service of the restaurant staff; car dealers have the vehicle to be purchased as well as the service of the dealers and loan managers (Clemmer, 1993).

The second factor differentiating goods and services is the simultaneity of the production and consumption of the service "product". It is difficult to drink a soda before it has been made, bottled, and sent to a store for sale. Services, however, are often produced and consumed at the same time. A bank teller completes a transaction while the customer is there. Hence, "producing" a service means that the employee is exhibiting the necessary behavior to complete a transaction with the customer, who is "consuming" or receiving the service at the same time (Bowen & Schneider, 1988).

The third factor differentiating services and goods involves the production of a good or service. Customers are often involved in the production of a service, while they are not usually involved in the production of a good. In a restaurant, for example, a

customer will order a meal and may note any special requests beyond what is on the menu; a patient may tell a doctor the particular physical complaints and the doctor will examine and take tests consistent with those problems. Meanwhile, a customer would not generally be directly involved in the design and production of a suitcase or a box of cereal that the customer would later purchase. Generally, the service provider depends at least in part on the customer to provide direct information while the manufacturer of goods does not. This information is the “raw material” for the larger role a customer plays in the service experience (Schneider & Bowen, 1985). Customer service, therefore, is defined by a combination of these three factors: intangibility, simultaneity of production and consumption, and customer involvement in production.

Although there are many ways to classify customer service experiences, they all have the commonality of an “interaction” between an organization and a customer. In each interaction there is an opportunity for a good, or a bad, service encounter among the three “co-creators” of service: management/ ownership, employees/coworkers, and customers (Susskind, Kacmar & Borchgrevink, 2003). These individual interactions are called “moments of truth”. A moment of truth is the actual point when customers and representatives of the organization are in contact with each other. Each separate moment of truth provides one basis of evaluation on whether service is “good” or “bad”. The moments of truth add up to an overarching evaluation of the service quality of the organization that is amended as needed when new “moments” occur (Albrecht & Zemke, 1985). Each new “moment of truth” may confirm or contradict the evaluation the customer has of the service of the organization as a whole.

It is the interaction between customers and organizations, and the evaluation thereof, which is the heart of customer service (Bolton & Drew, 1991; Parasuraman, Zeithaml, & Berry, 1988). The evaluation is determined as follows:

The customer (or other party, such as the employee) enters an interaction with an *expectation* of how the interaction will occur (including such things as the speed of the service, the courtesy of the other parties, the quality of any product that may be involved, and the price of the overall service) (Ford, 2001). Then, once the service interaction has occurred, the customer compares his/her view (*the perceived reality*) of the interaction to the previous expectation. The degree and direction of the discrepancy between the expectations and the perceptions determines the *quality of the service* (Parasuraman, Berry, & Zeithaml, 1991; Rogelberg, Barnes-Farrell, & Creamer, 1999).

“Good” customer service means that the perceived level of service during a given encounter met or exceeded the customer’s expectations, while “bad” customer service indicates that the perceived service did not meet the customer’s expectations (George & Jones, 1991; Parasuraman, et al., 1991). Research frequently focuses on the customers’ satisfaction and evaluation of a customer service encounter, although other stakeholders, such as employees and supervisors, can also provide an evaluation regarding the encounters based on their own expectations.

Quality service is ultimately reliant upon the performance of employees. To the extent that employees deliver the quality of service to the customers, customers will have a more positive evaluation of the company. This positive evaluation tends to then lead to more purchases, return trips, and recommendations to others (Liao & Chuang, 2004). Therefore, it is informative for companies to know how to improve the customer service

performance, both technical and interpersonal, of the employees. Campbell, Gasser, and Oswald (1996) suggest two ways to improve performance: (a) change people's behavior after they have been hired, or (b) select higher performing people.

Changing behavior requires a sufficient training and evaluation to help employees understand what is appropriate in a service situation and behave in the best banner toward that situation, and selecting people for higher customer service requires assessing traits before employment and a focus on customer service skills. Research shows that changing behavior requires a climate for service, but selecting people merely requires better measurement (c.f., Campbell, Gasser, & Oswald, 1996). I would argue that both of these approaches require a climate for service. If the organization is not concerned with a having a climate for service, then the company may not take the steps necessary to provide additional evaluation and training to improve existing staff *and* may not place a high priority on seeking out those individuals who will work well in a proper climate for service (Liao & Chuang, 2004). In addition, it has been shown that a stronger service climate is related to customer satisfaction and customer evaluations of service (Ford, 2003; Schmit & Allscheid, 1995). The climate for customer service provides the anchor for the conceptual model for this study.

Conceptual Model

I propose a conceptual model (see Figure 1), in which organizational factors (specifically, organizational structure and perceived organizational support) are related to employee attitudes (aggregated to the organizational level) through the mediating influence of a service-oriented climate. In addition, the relationship between service climate and aggregated employee attitudes is proposed to be moderated by a personality

trait of the employees – namely, customer service orientation. Finally, the intent for employees to remain in the organization is proposed as an outcome to the processes in this model.

Although many theories have been explored and adapted to create this conceptual model (including Schneider's (1987a) Attraction-Selection-Attrition theory and Thibault and Kelly's (1959) Social Exchange Theory), there is to date no overarching organizational theory which provides a basis for deciding how organizational variables influence attitudes and behavior. The model is developed from existing psychological and organizational research, using theories in concert to develop workable hypotheses.

The primary focus of this study is to look at how organizational processes may affect customer interaction. However, the study does not include the actual interaction itself. Instead, the study will estimate what may occur *prior* to any customers entering the organization, i.e., before any customer service interactions ever take place. This model provides one possibility for what various organizations may actually do to prepare employees for these interactions. At the heart of this model is the climate for service.

A climate for service encompasses the rewards and routines of the organization that are geared toward one goal—in this case, customer service (Schneider, 1987a). The original owner or founder of an organization often creates a climate with his/her first concept of appropriate rewards and routines. The first procedures and policies put into place, as well as the behavioral expectations and rewards given by the owner/founder shapes the climate of this new organization. This original climate is then maintained or changed by others in the organization to reflect the prevailing priorities of the people currently in the organization (Schneider, 1987a).

As shown in Figure 1, the model proposes that two separate constructs may combine to shape service climate: organizational structure and perceived organizational support. Service climate may then engender employee attitudes (job satisfaction, job involvement, and organizational commitment). However, the relationship between climate and attitudes may be more than a simple main effect. The personality characteristics of the employees may affect the relationship between service climate and employee attitudes. In particular, this study looks at the potential moderating effect of employees' customer service orientation, also shown to be related to service performance (c.f., Frei & McDaniel, 1998; Hogan, Hogan, & Roberts, 1996). Finally, positive employee attitudes may then affect employees' intent to remain with the organization, which is the final outcome in this model. Each of the constructs in this model will be analyzed at the organizational level, rather than the individual level. Perceived organizational support, organizational structure, and service climate are considered organizational constructs, so aggregating these measures is common (e.g., Dietz, Pugh, & Wiley, 2004; Glick, 1985). However, attitudes and personality traits are commonly considered individual constructs. Aggregating these measures to the organizational level of analysis has some precedent (e.g., Ostroff, 1992; Jackson & Corr, 1998), and is consistent with the attraction-selection-attrition theory (Schneider, 1987a), which states that prospective employees are attracted to organizations with similar values; organizations select employees with similar values, and those with dissimilar values will eventually leave the organization, leading to a more homogeneous workforce. This will be addressed more fully in later sections.

Construct Review and Hypotheses

Organizational Climate

Climate for service is subsumed into the broader, more fundamental construct of general organizational climate. Organizational climate is defined as the organizational stakeholders' shared perceptions of organizational routines and rewards of a company (Schneider, 1980; Glick, 1985). The *routines* of an organization encompass the events, procedures, and practices of the company, while the *rewards* encompass the behaviors that are supported, expected, and rewarded (Schneider, 1987a, 1987b).

While climate is the construct of interest in this study, a note needs to be made about the similarity between organizational climate and organizational culture. Much has been written about the differences between climate and culture in the social science research (e.g., Denison, 1996; Ashkanasy, Wilderom, & Peterson, 2000; Schneider, 1990), but a full discussion is beyond this scope of this paper. The primary differences appear to be focus of origin, manner of study, and method of study. Culture began in the sociological field, while climate began in the psychological field. Culture researchers used qualitative measures in epistemological methodology, while climate researchers used more quantitative measures and survey methodology. Denison (1996) argues that culture and climate are less different constructs and more different points of view at studying similar constructs. He argues that there are many similarities in the two constructs, including a concentration on perceptions of the social environment, the nature of social constructs in organizations, and the roots of these constructs in the organization's values, beliefs, and processes (Denison, 1996). Indeed, many researchers use the two terms interchangeably (Schneider, 1990; Ashkanasy, Wilderom, & Peterson,

2000). Because of the methodology, manner of study, and origin of this research, climate will be used in this study.

Organizational climate is an organizational or unit-level construct (i.e., the *shared* perceptions of the employees), as opposed to the individual-level construct of psychological climate (Glick, 1985). When dealing with psychological climate, how a given employee is affected by individual perceptions is examined. Aggregation to the organizational level of theory shows what the overarching environment of the organization is and what are the priorities that are communicated to all of the organizational members (Wiley & Brooks, 2000; Schneider, Wheeler, & Cox, 1992). In this study, organizational climate will be examined, as the goal is to look at organizations as a whole. In service organizations, the environment of the company might understandably be for quality service, or a strong service climate (Dietz, Pugh, & Wiley, 2004).

Service climate, however, may not be the only “environment” or priority in a given service organization. Schneider and his colleagues (Schneider, 1990; White, Paul, & Schneider, 1999) state that it is possible to have more than one climate in an organization. A multiple-stakeholder approach to climate shows that a company may have a different climate for different stakeholders; e.g., a climate for service in regard to customers, but a climate for innovation for managers (White, Paul, & Schneider, 1999). Sometimes, these climates may conflict with one another (such as a service climate and climate for speed of interaction), and it may be hard to balance all of the resources and information needed for multiple climates. The needs and priorities of various climates in

an organization, therefore, must be evaluated according to each company's vision or mission (Schneider, 1990).

In research then, the operationalization of organizational climate needs to be defined within the focus of that climate. With a climate for service, a company that rates itself as having a "strong" climate will have procedures and processes that reflect an emphasis on customer service. In addition, the company expects, supports, and will monitor and reward service-oriented behavior from the employees. While there could be other climates, such as for profit, safety, or innovation among service-based organizations, climate for service is likely to be a particularly relevant focus (Wiley & Brooks, 2000).

Some companies appear to consistently deliver high quality service, regardless of who is working, while others appear to consistently struggle with service (Schneider, 1980). Companies that excel in customer service are likely to also have a climate that encourages, or requires, a high level of quality customer service (e.g., Lands' End, American Express, British Airways, Nordstrom's) (Spector & McCarthy, 2000; Wiersema, 1998; Wiley & Brooks, 2000). These companies are more likely to have a climate reflecting routines and rewards that are geared toward high quality customer service (Schneider, 1990). The organization shows that it values service by embedding quality service in all aspects of the company, from the vision statements to the training focus to the compensation and bonus structures (Dietz, Pugh, & Wiley, 2004; Liao & Chuang, 2004; Schneider, 1990). Non-service-based behavior would be unacceptable and may be punished. Through this, a climate for service emerges and is perceived by the employees (Liao & Chuang, 2004).

Schmit and Allscheid (1995) showed that a positive climate for customer service is positively related to employees' intent to provide service as well as positively related to customer satisfaction and customer evaluation of service quality. Schneider and his colleagues (Schneider, White, & Paul, 1998; Schneider, Wheeler, & Cox, 1992) determined that employees' perception of a service climate is positively related to the customers' perceptions of service quality, indicating that when employees feel that service is valued and rewarded, customers report a higher level of quality service behavior from the employees. Heskett, Sasser, and Schlesinger's (1997) detailed a service-profit chain based on research in support of the idea that a strong service climate can be instrumental in creating positive customer attitudes, which then results in retention of customers and, ultimately, profit. These studies show that a climate affects not only employees, but also the customers' evaluation of that company (Borucki & Burke, 1999; Dietz, Pugh, & Wiley, 2004; Heskett, Sasser, & Schlesinger, 1997; Johnson, 1996; Vilares & Coelho, 2001).

An organizational climate does not exist in a vacuum. Climates are affected by other factors in the organization, and in turn affect other organizational processes. Some of these relationships have been studied (as noted above). Antecedents of service climate that have been studied include socialization of employees (Fausz, 1994; Kelley, 1992), motivation of employees (Kelley, 1992), selection and training of employees (Schneider, 1987a), and human resource processes (Schneider, 1990; Schneider, White, & Paul, 1998). The first part of this study then will be on two antecedents that have not been extensively researched with climate for service: perceived organizational support and organizational structure.

Perceived Organizational Support

Part of an employee's experience at work rests on the perception of how he/she is regarded by the organization. Perceived organizational support (POS) is defined as an evaluation of how the organization as a whole (as represented by all of the organizational agents, policies, and procedures considered as one entity) treats the employee (Eisenberger, Huntington, Hutchison, & Sowa, 1986). POS has also been defined as a global belief that an organization values employees' contributions and cares about their well-being (Eisenberger, et al., 1986).

The framework of Social Exchange Theory may assist in understanding POS (Thibault & Kelly, 1959; Blau, 1964; Fuller, Barnett, Hester, & Relyea, 2003). When the company supports the employee (e.g., by offering discretionary rewards, showing trust, and exhibiting a commitment to the employee; Andrews & Kacmar, 2001; Eisenberger, et al., 1986; Shore & Shore, 1995), the employee will feel obligated to reciprocate; to return that support by performing well and by showing commitment to the organization. This is how employees "support" the organization. Conversely, if the employee does not perceive any such support from the organization, the feeling of obligation decreases or disappears. The employee may have a mindset of "The company doesn't care about me, why should I care about the company?" This is also referred to as a "reciprocity norm" (Cialdini, 1993; Gouldner, 1960). An employee reciprocates the behavior that has been shown to the employee by the organization and its agents (Gouldner, 1960). In addition, Schmit and Allscheid (1995) have stated that to have satisfied and loyal customers (which is vital in this service-oriented society to keeping an organization afloat), an

organization must first have satisfied and loyal employees. Showing support for the employees is one way to create satisfied and loyal employees.

Perceived organizational support has been shown to be related to other organization-employee relationship dimensions, specifically organizational politics and organizational justice (or fairness) (Randall, Cropanzano, Bormann, & Birjulin, 1999; Andrews & Kacmar, 2001; Cropanzano, Howes, Grandey, & Toth, 1997). While these constructs are all highly related (generally, POS is negatively related to politics and positively related to justice), the three (justice, politics, and support) have been found to be distinct (Andrews & Kacmar, 2001).

The combined research has shown several stable relationships between POS and other individual and organizational variables of interest. POS research has indicated positive relationships with several organizational attitudes, such as job satisfaction (Babakus, Cravens, Johnson, & Moncrief, 1996; Cropanzano, et al., 1997; Eisenberger, Cummings, Armeli, & Lynch, 1997; Fuller, Barnett, Hester, & Relyea, 2003; Stamper & Johlke, 2003; Stinglhamber & Van den Berghe, 2003), organizational commitment (Allen, Shore, & Griffeth, 2003; Eisenberger, Fasolo, & Davis-LaMastro, 1990; Guzzo, Noonan, & Elron, 1994; Randall, et al., 1999; Rhoades, Eisenberger, & Armeli, 2001; Wayne, Shore, & Liden, 1997), and, to a lesser extent, job involvement (Cleveland & Shore, 1992; Rhoades & Eisenberger, 2002); and to personality variables such as customer service orientation (Susskind, Kacmar, & Borchgrevink, 2003; Fausz, 1994). In addition, role stress may be slightly decreased when POS is stronger (Stamper & Johlke, 2003). POS has also shown positive relationships with performance, work behavior, intent to remain with the organization, and individual organizational citizenship

behaviors (Cropanzano, et al., 1997; Eisenberger, et al., 1990; Rhoades & Eisenberger, 2002; Eisenberger, et al., 1997; Cleveland & Shore, 1992; Randall, et al., 1999; Stamper & Johlke, 2003; Wayne, Shore, Bommer, & Tetrick, 2002) and negatively related to turnover (Allen, Shore, & Griffeth, 2003), although some of these relationships are moderate or mixed (e.g., Stamper & Johlke, 2003, who found no relationship between POS and performance). These results taken together indicate that POS can have an effect on many other areas of organizational interest.

The consequences of a having high POS include having more people working together to fulfill goals and a more stable and predictable setting in which the employees can work (Cropanzano, et al., 1997). These consequences result in a resource advantage (where objectives are more likely to be achieved) and more confidence that high performance and loyalty will yield positive results for the employees (Cropanzano, et al., 1997).

Some researchers (Eisenberger, et al., 1986; Stamper & Johlke, 2003) have stated that employee perceptions of POS affect various organizational policies and practices, as well as rewards, praise, and involvement in the organizational operation. This is the crux of organizational climate. It is therefore expected that there will also be a positive relationship between POS and service climate, as noted in Figure 1.

Hypothesis 1: There will be a positive relationship between perceived organizational support and climate for customer service.

Organizational Structure

The second proposed antecedent, organizational structure, had been defined as “the arrangements of positions or jobs within the organization” (Hage & Aiken, 1967; p. 507). However, more recently, Robbins (1990), working within the framework of

organizational theory, modified the definition of organizational structure to include how tasks are allocated, who reports to whom, and the formal coordinating mechanisms and interaction patterns that will be followed. Robbins' (1990) definition states that organizational structure includes the internal processes and attributes of the organization.

In the extant organizational structure research, the four most common aspects of structure studied are complexity, centralization, formalization, and size (Ambrose & Schminke, 2003; Bartle & Davis, 1998; Schminke, Ambrose, & Cropanzano, 2000; Oldham & Hackman, 1981; James & Jones, 1976). Each will be discussed separately.

Complexity. Complexity refers to the number of activities or subsystems in an organization. The extent of differentiation in the company is shown by three different types of complexity (Bartle & Davis, 1998). I compare each aspect of complexity to an organizational chart for ease in understanding.

Horizontal complexity refers to the number of job titles or departments in the company. In the organizational chart, this would appear as the "width" of the organization. An organization with higher levels of horizontal complexity has many distinctly separate departments or divisions compared to one with lower levels of horizontal complexity. Vertical complexity refers to the levels in the organizational hierarchy; the number between the top and bottom levels of the company, between management and line-level employees. In the organizational chart, this would appear as the "height" of the organization. A more vertically complex organization would have more levels in the organizational hierarchy than a less vertically complex organization. Spatial complexity refers to the number of locations (generally geographical) in the company. In the organizational chart, this may appear as the "depth" of the company,

where different locations may appear on different pages of the chart. A more spatially complex organization, then, would have more locations than a less spatially complex organization.

Complexity, like all of the structural variables, is a relative term. An organization is not one of only two states: complex or simple. Rather, complexity reflects tendencies toward one end or the other of the continuum. A more complex organization will tend to have higher levels of the three types of complexity: horizontal (more departments); vertical (more levels in the hierarchy); and spatial (more locations). A simpler organization will have lower levels of the three types (Robbins, 1990).

A more complex organization (with more differentiation) generally requires more processes and procedures and may take a longer time with any customer service encounter. For example, it is more likely that the customer may need to talk with a different department, or even go to a different location to have a question answered or to complete an interaction in a more complex organization. Being shuffled around in this manner may result in a lower customer evaluation of the service quality of the company (James & Jones, 1976). In addition, this increase in process difficulties can affect employees. Employees may have trouble providing optimal service to customers in a more complex organization, where other departments, levels, or locations may be responsible for handling a certain aspect of the organization. This may lead to a feeling that the service climate of the organization is low. The routines and rewards of the company may not seem focused on service as the complexity increases.

Hypothesis 2a: There will be a negative relationship between complexity (horizontal, vertical, and spatial) and climate for customer service.

Centralization. Generally speaking, centralization reflects the locus of decision-making authority in the organization (Bartle & Davis, 1998) or the degree to which the power is distributed throughout the company (Tata & Prasad, 2004). In a centralized organization, any issues to be dealt with are not necessarily addressed by the individual workers, but are sent “up the hierarchy” for decision-making by senior executives. In a decentralized organization, decision-making is dispersed throughout the organizational levels, so that individual workers have some responsibility for their own issues (Robbins, 1990). Some researchers consider centralization as one construct (e.g., Andrews & Kacmar, 2001). However, more recently, centralization has been broken into two facets: authority hierarchy and participation in decision-making (Schminke, Ambrose, & Cropanzano, 2000; Schminke, Cropanzano, & Rupp, 2002; Tata & Prasad, 2004).

Authority hierarchy refers to the autonomy (or rather, the lack of autonomy) an employee has in deciding one’s *own* tasks, responsibilities, and priorities (a micro-level vision of centralization). A high level of authority hierarchy reflects a more centralized organization; where the individual employee has less autonomy in deciding, organizing, and prioritizing the tasks. A low level of authority hierarchy, where employees are allowed some authority regarding their own jobs and tasks, reflects a less centralized organization (Schminke, Ambrose, & Cropanzano, 2000).

The other factor, participation in decision-making, is a macro-level vision of centralization and works in the opposite direction. Participation in decision-making refers to the level of input an employee has in *company-wide* determinations. A high level of participation in decision-making reflects a less centralized organization. Employees have more opportunity to voice their opinions in organizational decisions,

instead of just job-level decisions. With a low level of participation in decision-making, employees have less input to organizational decisions. Therefore, a more centralized organization is characterized by lower participation in decision-making and higher authority hierarchy, and a more decentralized organization is characterized by higher participation in decision-making and lower authority hierarchy (Schminke, Ambrose, & Cropanzano, 2000; Schminke, Cropanzano, & Rupp, 2002).

A more centralized organization is generally related to lower perceptions of organizational justice and fairness in organizations (Schminke, Cropanzano, & Rupp, 2002). When employees have more voice in their jobs and in organizational decisions that affect them, they are likely to feel like the decisions and processes are more fair. In addition, employees who feel a greater sense of justice in the organization tend to have more positive attitudes toward their jobs and toward their work (Oldham & Hackman, 1981; Robbins, 1990). However, in addition to a connection to attitudes, having less voice may feel limiting for employees, which, in a service role, can be counterproductive. Part of delivering customer service involves being able to perform a variety of tasks and make decisions when in the middle of an interaction. If employees don't feel free to make decisions at the time of the service interaction, the service to the customer may suffer (e.g., it may take extra time to get a manager's approval to make a decision) (Tata & Prasad, 2004).

Hypothesis 2b: There will be a negative relationship between centralization (characterized by high authority hierarchy and low participation in decision making) and climate for customer service.

Formalization. Formalization reflects the degree to which rules, procedures, and regulations are explicit, written down, and enforced. A common negative connotation for

formalization is “red tape” (Tata & Prasad, 2004). The amount of role definition for each person in the organization is more strict in a formalized organization (Bartle & Davis, 1998; Robbins, 1990). This notion also includes how prescribed the communication channels are, and the range of variation allowed in any specific job or role.

A more formalized organization has strict, written rules about appropriate behavior, processes, and responses for each role or job within the organization. There is little flexibility in the prescribed roles. This is likely to affect employees who work with customers, as it is frequently necessary to be flexible when trying to meet a customer’s needs or desires. If an employee needs to follow a certain set of rules to the letter, individual considerations for the customers are lost.

The relationship between formalization and fairness, or justice, has been mixed. Schminke, Cropanzano, and Rupp (2002) show a positive relationship, while Schminke, Ambrose, and Cropanzano (2000) find no significant result. The written procedures assure a sense of consistency for each employee, but the flexibility necessary to provide higher level of custom service is lacking. Self-managing teams have been shown to perform at higher level in lower formalized organizations where there are fewer bureaucratic obstacles (Tata & Prasad, 2004). Formalization is expected, then, to have a negative relationship with climate for service.

Hypothesis 2c: There will be a negative relationship between formalization and climate for customer service.

Organizational size. The size of an organization can refer to many things – capacity, inputs/outputs, resources, and/or personnel (Kimberly, 1976; Schminke, Ambrose, & Cropanzano, 2000). A common reflection of size in the literature, however, has been a measure of the total number of employees in the organization (Kimberly,

1976; Oldham & Hackman, 1981; Schminke, Ambrose, & Cropanzano, 2000; Schminke, Cropanzano, & Rupp, 2002). This provides a simple measure that is easy to compare across organizations.

The size of an organization is related to other structural variables. Larger organizations tend to be more complex, more centralized, and more formal (Robbins, 1990; Bartle & Davis, 1998). However, it is also noted that the size of an organization can have a direct effect on organizational outcomes as well (Kimberly, 1976). Larger organizations tend to have more groups of people (such as interest groups) who may act in ways contradictory to other groups within the organization. This can make a single climate more difficult to maintain, as different groups may have different environmental foci (Schminke, Ambrose, & Cropanzano, 2000).

As organizations grow larger, the sense of individual consideration for each employee may become diluted. Personalized service may not be the prime focus of the company when there are many people to assist. This may lead to a diminished climate for service (Schminke, Ambrose, & Cropanzano, 2000; Randall, et al., 1999).

Hypothesis 2d: There will be a negative relationship between organizational size and climate for customer service.

Employee Attitudes

Predicting that perceived organizational support and organizational structure will influence a climate for customer service explains the first part of the conceptual model. Moving to the second part of the model, once a climate for customer service has been established, the climate may guide employees' attitudes toward the organization.

Attitudes, in the most general sense, refer to an evaluation, a belief state, or a predisposition to respond positively or negatively about a specific target (Ostrom, 1969).

Attitudes are not as stable as personality traits, which tend to remain consistent over time, but neither are they momentary like moods. Attitudes are generally formed based on previous experience, word-of-mouth, and expectations of the target. An attitude is not actually formed until an evaluation about the target is considered and determined (Eagley & Chaiken, 1993). Although there have been a variety of theories on what constitutes an attitude (from affective feelings to behavioral responses) the most recent definition involves a cognitive belief state, created by a favorable or unfavorable evaluation (see Hulin, 1991, for a review).

In the employment setting, attitudes of the employees and customers can have a dramatic effect on the performance of the employees, and by extension, the performance of the company (Brooke, Russell, & Price, 1988; Mathieu & Farr, 1991). It commonly has been found that attitudes are more proximally related to other attitudes and intentions than to actual behavior (Kinicki, McKee-Ryan, Schriesheim, & Carson, 2002). The smaller relationship between attitudes and behavior tends to occur because overall tendencies and beliefs don't necessarily compel action in any specific situation. There is an indirect effect of attitudes through intentions to behavior and performance (Eagley & Chaiken, 1993; Brooke, et al., 1988).

Attitudes can affect the success of a company, although they are not as explicit in their effects as marketing or advertising. That is, if the attitudes of the employees reflect a positive climate and positive experiences in the company (especially if the attitudes are consistent across the employees), then customers will tend to return to the company for service (Weitzel, Schwartzkopf, & Peach, 1989).

Attitudes are generally considered at the individual level of analysis. This is because each person's attitude is comprised of many different referents, expectations, and comparisons. However, the organizational level focus of this study leads to the possibility of an aggregated attitude measurement. Understanding attitudes at the organizational level would indicate an average attitude of all of the employees toward the organization or job. This aggregation is not without precedent. Ostroff and her colleagues (Ostroff, 1992; 1993; Ostroff, Kinicki, & Clark, 2002) used organizational-level satisfaction and other attitudes in studies on job performance and climate. Several researchers have aggregated job satisfaction to the group level (Hecht & Riley, 1985; Mason & Griffin, 2002; Ostroff, 1992, 1993; Ryan, Schmit, & Johnson, 1996) to some success. These studies showed a possibility for a different view of attitudes than had been studied before—a common attitude of employees toward a specific target.

Aggregation of attitudes is consistent with the attraction-selection-attrition model (ASA model; Schneider, 1987a). Schneider stated that organizations attract prospective employees who have similar traits, attitudes, skills, and values as current organizational members. These current members also tend to select new hires who are similar. Those employees who are dissimilar will tend to leave the organization, leaving a more and more homogenous workforce in an organization. Because of this, attitudes, values, and personality traits of employees also tend to be homogenous (Schneider, 1987a, 1987b). Aggregating attitudinal and personality measures provides an indication of the homogeneity of the employees. I believe other attitudes may be similarly aggregated for a reasonable indication of the average attitude of the employees.

Three organizational attitudes have been investigated most frequently in the organizational research: job satisfaction, job involvement, and organizational commitment. This study will focus on these three attitudes as outcomes of a climate for service. Each of these will be discussed individually in the following sections.

Job satisfaction. Job satisfaction is arguably the most researched of the job attitudes (Mathieu & Farr, 1991; Kinicki, et al., 2002). Historically, job satisfaction has been defined as an affective/emotional (vs. cognitive) state reflecting a response to one's specific job situation (Bartle & Davis, 1998; Brooke, et al., 1988). However, more recent attitude research (e.g., Schleicher, Watt, & Greguras, 2004; Schleicher, Watt, Greguras, & Casper, 2004; Stanton, et al., 2002; Mathieu & Farr, 1991) have defined attitudes as a cognitive "good/bad" evaluation toward a target. In this case, job satisfaction would be a cognitive evaluation of one's job.

Job satisfaction can refer to the overall job or to a specific facet of the job, such as pay, promotion, supervisors, or coworkers (Kinicki, et al., 2002; Smith, Kendall, & Hulin, 1969). In this study, only global satisfaction will be used to reflect the overarching evaluation that employees have about their jobs. In addition, job satisfaction will be aggregated to the organizational level, and facet-level satisfaction (such as pay or promotion satisfaction) may have too many extraneous contributing factors for aggregation to be successful.

Job satisfaction has been found to be related to many organizational outcomes and phenomena, such as turnover and absenteeism (Bartle & Davis, 1998; Brooke, et al., 1988), but have been less related with actual performance (e.g., Mathieu & Farr, 1991). A meta-analysis on the relationship between job satisfaction and job performance (Judge,

Thoresen, Bono, & Patton, 2001) illustrate widely varied correlations in extant research. The lower relationship with performance could be due in part to the proposition that intentions tend to mediate the relationship between attitudes and performance (Kinicki, et al., 2002). Performance is a culmination of many forces, only one of which is the satisfaction one has with the job (Kinicki, et al., 2002).

A service climate, which provides a setting where employees are free to give individual attention to customers and do what is necessary to provide a service, often leads to a higher customer satisfaction, which is related to employee satisfaction (Schmit & Allscheid, 1995; Schneider, White, & Paul, 1998; Schneider, Wheeler, & Cox, 1992).

Hypothesis 3a: There will be a positive relationship between climate for customer service and job satisfaction.

Job involvement. Job involvement has been defined as a cognitive belief state reflecting the degree of psychological identification with one's job (Brooke, et al., 1988). Job involvement also implies a positive and relatively complete state of engagement of core aspects of one's self in the job (Brown, 1996).

A meta-analysis of job involvement by Brown (1996) indicated that people become more involved in their jobs when they perceive that their job holds the potential for satisfying salient psychological needs, such as socialization, remuneration, and challenge. People become less involved when they have a feeling of powerlessness and alienation about the job. It has been argued that alienation is the opposite pole of the job involvement continuum (e.g., Brown, 1996; Kanungo, 1981). Lodahl and Kejner (1965), however, define job involvement as having two facets: Performance - Self-Esteem Contingency and Part of Identity. Performance – Self-Esteem Contingency reflects the extent to which performance on the job affects a person's self-esteem, rather than other

areas of the person's life. Part of Identity refers to the extent to which a person identifies psychologically with work or the importance of work in one's total self-image (Brown, 1996).

Brown's (1996) meta-analysis also reported strong results for relationships between job involvement and other attitudes, such as job satisfaction and affective and normative organizational commitment. Job involvement was shown to be related to work behavior (especially for those with lower job involvement), as well as a moderate relationship with perceived organizational support. As with job satisfaction, a climate for service may influence job involvement. Rewarding service behavior can provide a boost to one's self-esteem, although it may be weaker than the relationship between service climate and job satisfaction.

Hypothesis 3b: There will be a positive relationship between climate for customer service and job involvement.

Organizational commitment. Organizational commitment refers to the bond or attachment an employee feels toward the organization for which the employee works (Allen & Meyer, 1990; Meyer & Allen, 1991; Mowday, Porter, & Steers, 1982). Organizational commitment includes identification with the organization and its goals, as well as a wish to retain membership in the organization (Mathieu & Zajac, 1990). Allen and Meyer (1990, 1996; Meyer & Allen, 1991) developed and empirically supported what is now a common three-factor structure for organizational commitment.

Affective commitment (AC) refers to how much the identity of an employee is linked to the organization as well as the emotional attachment of a person to the organization. Those with strong AC remain with an organization because they *want* to stay (Allen & Meyer, 1990, 1996). Continuance commitment (CC) refers to the

determination of the costs involved with leaving the organization (such as pay levels, seniority, and benefits). Because there are too many costs involved with leaving, those with a strong CC remain with an organization because they *have* to stay (Meyer & Allen, 1991).

Normative commitment (NC) involves an obligation to the company; perhaps because the company has invested time and effort in retaining and training the employee. As an obligation to the company, those with a strong NC remain with the organization because they feel they *ought* to stay (Allen & Meyer, 1996).

The three factors of commitment, while empirically found to be distinct, are not completely independent of each other (Allen & Meyer, 1996; Mathieu & Zajac, 1990). The interrelationships tend to be in the moderate to high range (although correlations range from $r=.06$ to $r=.70$; Allen & Meyer, 1990; Mathieu & Zajac, 1990; Meyer, Allen, & Smith, 1993). A meta-analysis shows a weak factor structure for normative commitment, leading the authors to argue that NC can be encompassed by the other two (Mathieu & Zajac, 1990). Due to the uncertainty about normative commitment and its weak relationship with other variables, only affective and continuance commitment will be measured in this study.

Organizational commitment, especially affective commitment, has been shown to have relationships with a number of organizational factors (see Mathieu & Zajac, 1990, for a full review). Job characteristics such as skill variety and challenge have moderate relationships with affective commitment, as do group-leader relations. Both affective and continuance commitment have been shown in the meta-analysis to have weak relationships with structural variables, such as centralization and organizational size

(Mathieu & Zajac, 1990). Large correlations were found between affective commitment and other attitudes, such as job involvement and job satisfaction as well as intentions to remain with the organization. Smaller relationships were found with outcome measures such as performance (a small positive relationship) and turnover (a moderate negative relationship).

As with the other attitudes, a climate for service may be related to affective organizational commitment. The organization rewarding service behavior (e.g., through monetary, recognition, or promotional rewards) can show an employee that high-quality performance in customer service is appreciated and rewarded, which may lead the employee to feel more committed to the organization. However, service climate doesn't appear to have a basis for a relationship with continuance commitment. Continuance commitment deals with sunk costs and an obligation to stay with the organization, which isn't necessarily related to the perceptions of the behaviors that are rewarded in an organization. Therefore,

Hypothesis 3c: There will be a positive relationship between climate for customer service and affective organizational commitment and no relationship between climate for customer service and continuance organizational commitment.

Hypotheses 1 through 3c, that perceived organizational support and organizational structure are related to climate, which is then related to employee attitudes, support the idea that mediation may occur. Mediation may also explain the relationships between perceived organizational support and attitudes mentioned above (Stinglhamber & Van den Berghe, 2003). It is not known how much the climate's relationship with attitudes is caused by structure and support. Therefore, an exploratory mediation analysis will determine if there is any mediating effect.

Personality and Customer Service Orientation

Though a relationship is predicted between service climate and employee attitudes, the relationship may be complex. The personality of an employee may affect this relationship. Specifically, the personality dimension of customer service orientation (Frei & McDaniel, 1998) may moderate this relationship.

There has been a debate for several decades about whether personality traits are related to job performance. While cognitive ability has been generally accepted as the largest single predictor of job performance in any position, both in the US and in other countries (Frei & McDaniel, 1998; Hunter & Hunter, 1984; Salgado, et al., 2003), the predictive ability of personality has not been as secure. For many years, personality traits were not considered to be a valid predictor of job performance, based on critical analyses by Guion and Gottier (1965).

However, based on better methodologies, more precise analysis, and norms based on non-clinical populations, there is some renewed confidence in personality assessment. More recent research has indicated significant relationships between personality variables and job performance (e.g., Avis, Kudisch, & Fortunato, 2002; Hogan & Holland, 2003; Organ & Konovsky, 1989; Schmidt & Hunter, 1998). Ackerman and Heggstad (1997) found that cognitive ability and aspects of personality are largely uncorrelated, indicating that personality can add incremental variance to general cognitive ability in predicting job performance. There tend to be stronger personality-performance relationships for some positions more than for others, such as those in the service industry and on contextual performance (Avis, Kudisch, & Fortunato, 2002; Campbell, et al., 1996; Mount, Barrick, & Stewart, 1998; Olesen, McDaniel, & Snell, 1998; Rossé, Miller, & Barnes, 1991).

This new research indicates that in addition to cognitive ability, service providers need to be able to deliver quality service to satisfy customers and the organization; that is, technical as well as interpersonal performance. Interpersonal performance can be predicted with personality variables (Mount, & Barrick, & Stewart, 1998).

Many researchers have studied the premise that employees may have dispositional traits for high quality service. Researchers have called this construct customer service orientation (e.g., Hogan, Hogan, & Busch, 1984). The premise is that some people are just more “customer service oriented” than others. They are predisposed to deliver a higher level of quality service. Hogan, Hogan, and Busch (1984), who published a seminal article on the measurement of customer service orientation, state that service orientation is “a set of attitudes and behaviors that affects the quality of the interaction between employees and (customers)” (p. 167). The construct is measured using items from the Likeability and Adjustment scales of the Hogan Personality Inventory (Hogan, Hogan, & Busch, 1984; Mabon, 1998).

Other companies, such as Personnel Decisions International (PDI), CORE, and London House also have measures of customer service orientation, often as a subset of a personality measure (cf. the meta-analysis by Frei & McDaniel, 1998). While often similar, there are some differences among the definitions. For instance, the Service First measure (Fogli & Whitney, as cited in Olesen, et al., 1998) contains a dimension of active customer relations, which includes having energy.

Frei and McDaniel (1998) determined that there were several common themes among most customer service orientation measures, including friendliness, reliability, responsiveness, and courteousness. Using the classic Five Factor Model of personality

(Barrick & Mount, 1991; Costa & McCrae, 1992; Digman, 1990), customer service orientation tends to fall under the three traits of Agreeableness, Conscientiousness, and Neuroticism (or Emotional Stability) (Cran, 1994; Eidson, Roth, Killen, Przybyla, & Fallon, 1999; Frei & McDaniel, 1998; Hurley, 1998; Mount, Barrick, & Stewart, 1998). Essentially, these findings suggest that delivering quality customer service is part responsibility and diligence (Conscientiousness), part calmness and stability (Emotional Stability), and part friendliness and helpfulness (Agreeableness). However, there are some studies that have shown contrasting results (e.g., Eidson, et al., 1999; Frei & McDaniel, 1998; Hurley, 1998; Liao & Chuang, 2004; Stewart & Carson, 1995). Some do not find significant relationships of customer service orientation with Neuroticism (e.g., Eidson, et al., 1999; Hurley, 1998; Liao & Chuang, 2004) while other studies find a significant relationship with a fourth factor, Extraversion (e.g., Alge, Gresham, Heneman, & Fox, 2002; Hurley, 1998; Liao & Chuang, 2004; Stewart & Carson, 1995). There has been very little relationship indicated between customer service orientation and the fifth factor, Openness to Experience (Frei & McDaniel, 1998).

In this particular case, a personality variable such as customer service orientation may provide a moderating effect on the relationship between climate for service and employee attitudes. Baydoun, Rose, and Emperado (2001) state that two factors may influence employees' tendency to deliver quality service: climate for service and individual characteristics. Those with high customer service orientation are more likely to have more positive attitudes when a climate for service is strong, given that the climate matches their orientation. However, with those who have a low customer service orientation, a climate for service may not affect (or may negatively affect) the way they

feel toward the company (Schneider, 1987b). Low quality service may result if there is not congruence between individual and organizational service orientation (i.e., individual customer service orientation and organization climate for service) (Baydoun, Rose, & Emperado, 2001). There is some research showing a relationship between job satisfaction and personality variables, especially in customer service positions (e.g., Lounsbury, et al., 2003; Frei & McDaniel, 1998).

Similar to attitudes, personality variables have been measured as individual-level constructs. However, due to the ASA framework (Schneider, 1987a) described above, consistent personality traits such as customer service orientation may dominate the workforce of a service organization. Some personality research has found that that aggregate personality measures may provide a stronger relationship with performance than individual-level measures (e.g., Jackson & Corr, 1998). Groups of people with consistent personality traits may provide a better indicator of success to a specific job than individual personality traits; e.g., better salespeople tend on average to be higher in Extroversion. This is perhaps a more concise observation than saying that extroverted people make better salespeople (Jackson & Corr, 1998). Similarly, it may be the case that better service providers tend on average to be higher in customer service orientation. Therefore, customer service orientation will be analyzed at the organization level.

Hypothesis 4: Customer service orientation will moderate the relationship between climate for customer service and employee attitudes, such that for those companies with a higher average customer service orientation, the relationship between service climate and employee attitudes will be positive, while for companies with a lower average customer service orientation, the relationship between service climate and employee attitudes will not be significant.

CHAPTER II

METHOD

Identifying Organizations

Organizations were initially identified as potential participants with the following criteria: (a) the organizations had at least 4 employees whose job included a service component, (b) accessible to the researcher, generally in the same geographic region. Care was taken to identify organizations from different industries. Contact was initially made with one person in each organization, usually someone in a managerial role. In some cases, a different person (generally higher up in the organization) was included as well. A letter explaining the study and what is asked of the organizations was given to a contact person (See Appendix C.1) and questions were answered. In 6 cases, contact was done via telephone or email because of location. If the organization agreed to participate, the contact person filled in an acceptance form (See Appendix C.2) and returned it to the researcher. This contact person was given the surveys in packets (explained in a later section) to distribute to employees. The contact person was asked to distribute the surveys to employees in the company who fit the following criteria: (1) worked in the geographical unit surveyed; (2) worked in some sort of service capacity; and (3) worked with the other individual respondents. Organizations were given between 4 and 11 surveys to complete, depending on the size of the company and the availability of participants. In 6 cases, surveys were mailed to the organization because of location.

A total of 67 organizations were approached to be included in the study. Three organizations refused, and three organizations were not included because of logistical issues (primarily how to distribute the surveys in these particular organizations). In one case, the surveys were mailed to the organization, who later revoked consent. In this case, the surveys were returned. Sixty organizations agreed to be included in the study. Useable data with a sufficient number of surveys were returned from respondents from 46 organizations. These organizations were grouped into 8 industry types (see Table 1). Governmental organizations represented the largest industry type, followed by educational organizations and “service” organizations, defined as private organizations that provide a service with no tangible product. Organizations in the service industry represent such services as legal offices, massage therapy, and medical offices.

Individual Respondents

A total of 456 surveys were distributed to individuals within the 60 organizations. Of these, 229 were returned from 54 organizations, for a 50.2% response rate. From five organizations, only 1 survey was returned. These were not included in further analysis, as they cannot be aggregated. Thirteen surveys from three organizations were not included due to problems with aggregation (see next section). A total of 211 surveys from 46 organizations were included in the final sample. The respondents include 170 service employees (referred to as “participants”, and 41 managers and supervisors (referred to as “supervisors”).

Table 2 shows the demographics of the final 211 respondents. There were more females in the participant group, more males in the supervisor group, and both groups were predominantly Caucasian. Most respondents had attended college; while in general,

supervisors were more educated than the other service employees. The average age of participants was 40.5 years old while supervisors averaged 47.5 years old. Participants averaged 6.8 years tenure in the company, and supervisors averaged 13.8 years in the company.

Establishing the Organizational Sample

Initially, 4 useable surveys per organization were considered the minimum for aggregation. This resulted in an initial sample of 37 organizations. Because of the small number of organizations this criterion yielded, aggregation analysis was also done on organizations that returned 2 or 3 surveys. A total of 49 organizations returned at least 2 useable surveys. Measures were aggregated by taking the mean score of all useable surveys within each organization for each scale. Within-group correlation was done on each of the study variables to determine if aggregation was suitable with the current data. $R_{wg(j)}$ was computed for multiple item measures, and r_{wg} was computed for the single-item measure. Research has indicated that an adequate correlation for aggregation is above 0.70 (James, Demaree, & Wolf, 1993, 1984; Kozlowski & Hattrup, 1992). More aggregation information on each measure is given in the materials section below. In all but three organizations, over half of the within-group correlations exceeded 0.70. These three organizations were excluded from further analyses. A final organizational sample consisted of 46 organizations. All aggregation information in the next sections refers to only the 46 organizations in the final sample.

Organizational level constructs such as structure and climate are commonly aggregated to the unit or organizational level in the research (e.g., Dietz, Pugh, & Wiley, 2004; Glick, 1985; Wiley & Brooks, 2000). The use of organizational climate instead of

psychological climate in this study calls for aggregation to the organizational level. Organizational structure is similarly considered. It is less common for the other constructs in the study to be aggregated however. Attitudes, personality, and perceived organizational support are generally considered individual-level constructs, and as such, have not been aggregated to other levels of analysis. There is some precedent in the research for the aggregation of attitudinal and personality measures as mentioned in previous sections (e.g., George, 1990; Griffin, 2001; Jackson & Corr, 1998; Mason & Griffin, 2002; Ostroff, 1992; Ostroff, Kinicki, & Clark, 2002).

Participant Measures

Participant measures included demographic information and measures for nine study variables, described below. Full measures can be found in Appendix C.3.

Demographic information. Demographic data were collected to assess subgroup differences for control purposes. Gender, age, ethnicity, educational level, tenure in the organization, and tenure in the present position were obtained from each participant.

Perceived organizational support. An 8-item short version of the 17-item scale developed and validated by Eisenberger, Huntington, Hutchison, and Sowa (1986) was used to measure POS. R. Eisenberger (personal communication, September 11, 2002) stated that any 7-8 items can be used as a short form as the scale is unidimensional and has stable reliability. This scale measures the extent to which a participant perceives the organization to support and value employees' contribution to the organization and cares about employees' well-being. An example item is "The organization cares about my opinions". Participants responded to each item using a seven-point Likert scale from *strongly disagree* to *strongly agree*. Internal consistency (using coefficient alpha) was

.95. The average within-group correlation across the 46 organizations was .81, with 83% of the within-group correlations over .70. Principal component analysis showed one component for all of the items.

Organizational structure: Formalization. Formalization, the degree of written role definition in an organization, was measured using a 5-item scale from Pugh, Hickson, Hinings, and Turner (1968). The items depict procedures that describe a formalized organization. An example item is “The organization has a large number of written rules and policies”. Items were measured on a five-point Likert scale from *very inaccurate* to *very accurate*. Coefficient alpha for this measure was .90 with principal component analysis supporting one component. Average within-group correlation was .73, with 78% of the correlations exceeding .70.

Organizational structure: Centralization. The concept of a centralized organization is generally split into two factors: participation in decision-making and authority hierarchy. Participation in decision-making was measured using a 4-item scale from Schminke, et al., (2000) on a five-point Likert scale from *rarely* to *always* (example item: “How frequently do you usually participate in the decisions on the adoption of new policies?”). Internal consistency for participation in decision-making was .94, and the average within-group correlation was .40. Only 39% of the correlations exceeded .70. Inspection of this low result reveals that there is a significant difference between supervisors and participants on this measure. This measure deals with being involved in organizational decision-making, particularly decisions that affect the organization as a whole, so it is understandable that supervisors have a different view than other employees on this measure.

Authority hierarchy was measured using a 5-item scale also from Schminke, et al. (2000) on a four-point Likert scale from *definitely false* to *definitely true*. (Example item: “Any decision I make has to have my boss’s approval”). Internal consistency for authority hierarchy was .92, and the average within-group correlation was .86 (with 91% of the correlations exceeding .70). Principal component analyses showed that the items fall cleanly on two related components along the theoretical scales. The two components were analyzed as separate measures.

Organizational climate for service. Climate for service was measured by a 15-item measure by Andrews and Rogelberg (2001). Participants responded to each item using a seven-point Likert scale from *strongly disagree* to *strongly agree*. The measure was adapted to reflect perceptions of the organization, rather than perceptions of the supervisor (e.g., items that say “my boss...” now say “my organization...”). An example item is “My organization appreciates high quality service”. Internal consistency for this measure is .95. Within-group correlations averaged .89, with 93% of the correlations exceeding .70. Principal components analysis supports a one-dimensional construct.

Attitudes: Job satisfaction. Aggregated global job satisfaction was measured with five items created by the researcher for this measure. The items included were the following: “I am satisfied with the work I do”, “I am satisfied with the feeling of accomplishment I get from the job”, “I enjoy my job”, “I would be more satisfied doing a different job”, and “I am content to stay in this job”. Participants responded on a seven-point Likert scale from *strongly disagree* to *strongly agree*. Within-group correlations averaged .87, with 89% of the correlations exceeding .70. Internal consistency for job

satisfaction was .88 and principal components analysis supports one component for all items.

Attitudes: Organizational commitment. Allen and Meyer (1990) created a multi-dimensional scale of organizational commitment. Two scales were used in this study. Affective commitment involves the degree to which the identity of a person is linked to the organization (example item, “I would be very happy to spend the rest of my career with this organization”). Continuance commitment is the degree to which a person feels bound to the organization because of extraneous factors such as pay and seniority (example item, “I feel that I have too few options to consider leaving this organization”). Each scale includes 8 items and was measured on a seven-point Likert scale from *strongly disagree* to *strongly agree*. Internal consistency for affective commitment was .92, and for continuance commitment was .84. Within-group correlation for affective commitment averaged .77, with 83% exceeding .70. For continuance commitment, the average within-group correlation was .48, and only 43% of the correlations were above .70. Principal components analysis on all organizational commitment items supports one dimension for affective commitment separate from 2 continuance commitment components (one for positively worded items, and one for negatively worded items).

Attitudes: Job involvement. Lodahl and Kejner’s (1965) measure of job involvement reflects the degree of psychological identification one has with one’s job and was measured with a 20-item scale on a seven-point Likert scale from *strongly disagree* to *strongly agree*. An example item was “The most important things that happen to me involve my work”. Internal consistency for job involvement was .88. Within-group correlation averaged .93, and all of the correlations were over .70.

Customer service orientation. Customer service orientation was measured using a 50-item measure developed by DeCotiis/Erhard, Inc. Twenty-five items are scored, while the other items were used as distracters. For each item, the respondent is asked how much of the time the item describes the respondent (There are five responses ranging from less than 10% to more than 90%). Example items include “Enthusiastic” and “Approachable”. Distracter items include “Industrious” and “Obedient”. The average within-group correlation was .98, and all of the correlations were above .70. While the principal-components analysis showed 5 components (corresponding with aspects of service orientation used when developing the measure), the measure has a high internal consistency ($\alpha = .90$) and has been utilized as one scale (B. Baker, personal communication, August 27, 2004).

Intent to remain. One item measured the intent to remain with the organization. The item was “On a scale from 1 to 10, where 1 is not at all likely, and 10 is very certain, how likely are you to remain with this company for the next six months?” Due to the high range restriction of the intent item (9.27 on a 10-point scale, with no supervisors rating below an 8), this item is not included in analyses.

Supervisor Measures

Supervisors in each organization completed all of the same measures that the participants completed, in addition to the following measures. The additional supervisor measures can be found in Appendix C.4. Only one supervisor survey was given to each organization; therefore, aggregation of these measures was not possible.

Demographic information. One supervisor in each organizational unit completed the same demographic data as the employees in the organization. In addition, the

supervisor provided the industry of the organization (measured as one open-ended item and coded by the researcher into one of eight industries).

Organizational structure: Size. Size was assessed by one item given to the supervisors, asking for the number of full-time employees in the company. A natural log computation reduces skewness in the distribution (Yasai-Ardekani, 1989; Kimberly, 1976; Schminke, Cropanzano, & Rupp, 2002).

Organizational structure: Complexity. Supervisors provided three aspects of complexity. One open-ended item was included for each type of complexity: horizontal, measured as the number of departments in the organization; vertical, measured as the number of levels from the bottom level to the president/CEO; and spatial, measured as the number of geographical locations in the organization. Internal consistency for these items was very low ($\alpha=.19$), so each item was analyzed separately.

Procedure

Organizations were solicited per the procedure described above. A packet was given directly to each respondent in the unit from the organizational contact person. Each packet contained an introductory letter explaining the study and what was being asked of the respondent (See Appendix C.5), two copies of a consent form (one copy for the respondent to return to the researcher, and one copy for the respondent to keep; See Appendix C.6), the survey (explained in the measures section above), a card to return if the respondent wished a copy of the summarized results, and two postage-paid return envelopes – one for the survey and one for the consent form. Contact people in the organizations were not told which participants returned surveys. The respondents were asked to return the survey directly to the researcher within two weeks.

CHAPTER III

RESULTS

Hypothesis Testing

Zero-order correlations for all relevant study variables were computed and are presented in Table 3. Hypothesized relationships were tested with a one-tailed correlation (because directionality was hypothesized), and all other relationships were tested with a two-tailed correlation (as directionality was not hypothesized). As can be seen from Table 3, service climate, the center of the theoretical model, is related to several of the antecedents. Service climate and perceived organizational support were strongly correlated ($r=.88$), supporting Hypothesis 1. This result indicates that organizations where employees feel a strong perceived organizational support tend to have a stronger service climate. The correlation between service climate and POS was high enough to suggest that the two scales may be measuring the same construct.

Hypotheses 2a through 2d posit relationships of service climate with organizational structure variables. Table 3 shows us that a negative relationship was found between service climate and horizontal complexity ($r=-.46$), indicating that organizations with fewer departments or divisions tend to have a stronger service climate. No significant correlation was found with either vertical or spatial complexity, although the correlations are in the predicted direction and approached significance ($r=-.23$; $p=.12$ for vertical complexity and $r=-.25$; $p=.13$ for spatial complexity). These relationships

provide partial support for Hypothesis 2a. None of the complexity measures were correlated with each other, indicating that organizations that are complex in one area are not necessarily complex in another.

The structural variable of organizational centralization is defined here as having two aspects: participation in decision-making and authority hierarchy. As expected, the two centralization variables are negatively correlated ($r=-.56$). Table 3 shows a strong positive correlation between service climate and participation in decision-making ($r=.51$), and a strong negative correlation between service climate and authority hierarchy ($r=-.54$). Taken together, these relationships support Hypothesis 2b, that more decentralized organizations (giving employees at all levels more freedom to make decisions that affect them) tend to have a stronger service climate. However, given the aggregation problem with participation in decision-making, all results need to be viewed with caution.

Formalization was not found to be related to service climate, contrary to Hypothesis 2c. Organizational size was moderately negatively related to service climate, indicating that smaller organizations tended to have a stronger service climate and providing support for Hypothesis 2d.

There were also several interrelationships among the predictors. Size was negatively related to perceived organizational support, meaning that employees tend to feel more organizational support in smaller organizations. Size was positively related to formalization, suggesting that larger organizations tend to have more explicit processes and procedures. Both size and formalization were positively related to organizational

complexity, indicating that larger organizations tend to have more departments, levels in the hierarchy, and locations, and these organizations tend to be more formal.

Taken together, there is some support that a strong service climate is related to the structure of an organization. Specifically, organizations that allow their employees the freedom to make decisions, or at least be involved in the decision-making process, tend to have a stronger climate for customer service. In addition, smaller organizations and those with fewer departments and divisions tend to have a stronger service climate.

Hypotheses 3a to 3c posit positive relationships between service climate and aggregated employee attitudes. Three of the four employee attitudes were related to service climate (See Table 3). Job satisfaction ($r=.69$), job involvement ($r=.64$), and affective organizational commitment ($r=.85$) were strongly and positively related to service climate. There was no significant relationship between service climate and continuance organizational commitment. These results provide support for the Hypotheses 3a to 3c, that a strong service climate is generally related to average employee satisfaction, job involvement, and affective commitment, but not related to average continuance commitment. Employee attitudes were strongly interrelated (with a range of correlations between $r=.56$ and $r=.74$), with the exception of continuance organizational commitment, which was unrelated to other attitudes.

Hypothesis 4 posited a moderating effect of customer service orientation on the relationship between service climate and employee attitudes. To test for moderation, a series of blocked regression analyses were run (Holmbeck, 2002). In the first block, each attitude was regressed on climate and customer service orientation. This block analyzed the relative main effects of service climate and customer service orientation on the

attitude. In the second block, the interaction term of service climate and customer service orientation was entered. A significant interaction indicates moderation. Results of the moderation analysis are shown in Table 4. For job satisfaction, job involvement, and affective organizational commitment, service climate was a strong main effect, but customer service orientation did not add any additional variance. There was a significant correlation between service climate and customer service orientation ($r=.49$), which may account for the lack of additional variance with customer service orientation. The interaction term was not significant for any of the three attitudes, meaning that the relationships between service climate and average job satisfaction, job involvement, and affective organizational commitment were not affected by aggregated employee customer service orientation. For continuance organizational commitment, there were no significant main effects or moderation. Thus, Hypothesis 4, that customer service orientation moderated the relationship between service climate and employee attitudes, was unsupported.

Exploratory Analyses

In addition to the direct relationships posited, the conceptual model is constructed to suggest a possibility of mediation. Specifically, it is possible that service climate mediates the relationship between the antecedents (perceived organizational support and organizational structure) and average employee attitudes. To determine if mediation existed, each antecedent was analyzed with each attitude separately. For each analysis, three blocks of regressions were run (Holmbeck, 2002). For the first regression, the criterion (each aggregated employee attitude) was regressed on the mediator (climate for service). In the second regression, the criterion was regressed on the predictor (structural

variable or perceived organizational support). For complexity, where there are three variables, and centralization, where there are two variables, the regressions include all variables for the construct in one block. For example, with complexity, job satisfaction was regressed on all three complexity variables entered as one block. Finally, in the third regression, the criterion was regressed on the mediator, controlling for the predictor (or multiple predictor variables as noted above). To support mediation, there must be significant relationships in each of the first two regressions, and in the third regression, the significance of the predictor relationship would decrease when the mediator is entered into the equation (Baron & Kenny, 1986). Initial analysis shows that mediation analysis is possible for several of the relationships; i.e., that the first two regression analyses were significant (see Table 5). For each of these possible mediation results, the third regression was run.

The first mediation analysis explored the possibility that service climate mediated the relationship between perceived organizational support and job satisfaction; i.e., that the relationship between POS and job satisfaction was significant due to the influence of service climate (See Table 5). Using the mediation analysis process delineated above, the criterion (job satisfaction) was first regressed on the mediator (service climate). This result was significant ($\beta = .88; p < .001$). Then, the criterion (job satisfaction) was regressed on the predictor (perceived organizational support). This result was also significant ($\beta = .66; p < .001$). Because the first two regression analyses were significant, the third analysis could be run. The criterion was regressed on the mediator, controlling for the predictor. With both POS and service climate in the regression, the beta coefficient for the predictor (POS) was reduced to non-significant (POS $\beta = .23; ns$). This

result indicates that service climate mediates the relationship between POS and service climate.

Similar analyses were run for each antecedent and each aggregated employee attitude (See Table 5). Service climate mediated the relationship between perceived organizational support and both job satisfaction and job involvement, but not affective commitment (i.e., the beta coefficient POS was still significant for affective commitment, even after service climate is entered into the equation). Continuance commitment was not analyzed for mediation because there was not a significant relationship between average continuance commitment and service climate. For centralization, results were similar to the POS results, that service climate partially mediated the relationship between centralization and both job satisfaction and job involvement, but did not mediate the relationship between centralization and affective commitment. Again, mediation with continuance commitment was not analyzed (See Table 5).

The results with centralization was more complicated due to having two predictors. For job satisfaction, only hierarchy authority was significant in the initial analysis. It became nonsignificant when service climate was entered into the equation. For job involvement and affective commitment, participation in decision-making was significant in the initial regression, and became nonsignificant in the second equation for job involvement, but not for affective commitment (See Table 5). Again, due to the aggregation problem of participation in decision-making, results using this variable should be taken with caution. For job satisfaction, the mediation analysis was performed again with only hierarchy authority included as a predictor. The result was virtually identical to the analysis using both centralization variables as predictors (see Table 6).

Service climate appears to partially mediate the relationship between hierarchy authority and job satisfaction.

For complexity, there was evidence of partial mediation with affective commitment, but no mediation for the other attitudes. As with centralization, multiple predictor variables were included for complexity, but only horizontal complexity was a significant predictor in the initial regression analysis. Further analysis was run using only horizontal complexity as a predictor, with results supporting partial mediation, nearly identical to the full mediation analysis (See Table 6). This result indicates that the relationship between complexity and average affective commitment (specifically vertical complexity) is partially exerted through service climate.

For organizational size, there was partial mediation with both job satisfaction and affective commitment. Service climate added a large amount of variance above and beyond organizational size with both attitudes, and organizational size decreased from a moderate correlation to nonsignificant. This result indicates that the relationship between size and average job satisfaction and average affective commitment is also partially due to service climate. Taken together, these analyses show support for some mediation effects of service climate on the relationships between the predictors and attitudes, particularly with job satisfaction.

Post-Hoc Analyses

Post-hoc analyses were performed to explore some relationships not hypothesized. The only hypothesis regarding customer service orientation involved a moderated relationship in the model (Hypothesis 4). As noted above, customer service did not add any incremental variance to the relationship between service climate and

organizational attitudes, nor did it moderate the relationship (See Table 4). Table 3 does show a significant negative correlation between customer service orientation and both centralization and size, and a positive correlation between customer service orientation and perceived organizational support.

Given the small number of organizations in the final sample, and the small number of usable surveys within many of the organizations, it is possible that aggregation of the variables is not appropriate. In addition, there may be individual differences that are masked by aggregating the data, even with acceptable levels of r_{wg} . Therefore, analyses were run on the individual data; i.e., not aggregated. The results of these analyses show mostly similar results to the aggregated data. Although there are more significant results with the individual data, this is likely due to the dramatic difference in sample size. The magnitude of the relationships between the two analyses is largely consistent.

Zero-order correlations for the individual level data are shown in Table 7. The sample size for the individual-level analysis is 211, except for variables only the supervisors completed (i.e., complexity and size), where the sample size is 41. Service climate is highly related to POS in the individual data ($r=.81$), as with the aggregated data, providing more evidence for Hypothesis 1. Service climate is strongly negatively related to horizontal complexity, but again not significantly related to either vertical or spatial complexity, providing partial support for Hypothesis 2a. As with the aggregated data, service climate is positively related to participation in decision-making and negatively related to authority hierarchy, providing support for Hypothesis 2b, that service climate is negatively related to organizational centralization. There was no

relationship between service climate and formalization, contradicting Hypothesis 2c, and there was a negative correlation between service climate and organizational size, supporting Hypothesis 2d. These results mirror the aggregated data.

Results for Hypotheses 3a to 3c were also mirrored in the individual data. There was a positive correlation between service climate and job satisfaction, affective commitment, and job involvement (See Table 7). There was no significant correlation between service climate and continuance commitment. These results provide support for Hypotheses 3a to 3c.

There were some differences between the individual-level data and the aggregated data on the moderation analysis for Hypothesis 4 (see Table 8). Using the aggregated data, customer service orientation was not found to moderate the relationship between service climate and employee attitudes. However, for the individual data, moderation was found for both job involvement and affective commitment. Detecting this moderation may be a function of the larger sample size for the individual-level data. Looking at the moderated relationships, it appears that in cases of lower service climate, affective commitment does not significantly differ between those with low customer service orientation and those with high customer service orientation. However, in cases of high service climate, affective commitment is higher for those with higher customer service orientation, providing partial support for Hypothesis 4 (See Figure 2). This result is similar for job involvement, although the difference between higher and lower climate is less than for affective commitment (see Figure 3). Moderation was not found for job satisfaction or continuance commitment (See Table 8).

Mediation analysis was also performed on the individual-level data (See Table 9). One noticeable change from the aggregated data was that continuance commitment was significantly related to service climate in the individual data, allowing for mediation analysis with continuance commitment. Analyzing the possible mediation of service climate on the relationship between perceived organizational support and employee attitudes, the beta coefficients for POS decreased for job satisfaction, job involvement, and affective commitment, but not for continuance commitment. The decreased beta coefficients were still significant, however, again likely due to sample size. This indicates that some mediation may be taking place, as was found with the aggregated data.

Similarly, analyzing the possible mediation of service climate on the relationship between centralization and employee attitudes, the beta coefficients for both participation in decision-making and authority hierarchy decreased for job satisfaction, job involvement and affective commitment, but not for continuance commitment (See Table 9). Again, the significance level of the betas did not always decrease, but the beta coefficients were reduced. This indicates partial mediation of the centralization-employee attitude relationship, similar to what was found with the aggregated data.

Mediation analysis between complexity and employee attitudes was only possible for job satisfaction, as complexity was not related to job involvement, affective commitment, or continuance commitment. Although the R^2 was significant when regressing job satisfaction on the three complexity variables, none of the beta coefficients were significant. After including service climate in the regression equation, the coefficients decreased slightly, but remained nonsignificant. There was not strong

evidence for mediation with complexity. This is not consistent with the aggregated data, where some mediation was found between complexity and affective commitment (See Table 5).

Similarly, mediation analysis between organizational size and employee attitudes was only possible for job satisfaction, as size was not related to job involvement, affective commitment, or continuance commitment in the individual-level data. Table 9 shows that the beta coefficient for size did decrease after including service climate in the equation, providing support for some partial mediation. Partial mediation was also found with the aggregated data for job satisfaction. However, partial mediation was also found with affective commitment in the aggregated data, but not with the individual data.

At the other end of the aggregation spectrum, organizations were grouped into one of eight industries (See Table 1). Analyses were run to see if there were industry differences among the variables and their relationships. Only formalization and perceived organizational support showed industry differences. It appears that governments are far more formal, and that pure services (such as legal and medical offices) were less formal than the other industries. Members of banking institutions tended to report higher perceived organizational support than other industries, while retail stores tended to report lower POS than other industries. There were no differences in the zero-order correlations and no differences in the moderation analyses when industry was entered as a control.

CHAPTER IV

DISCUSSION

The conceptual model of organizational climate proposed in this research received partial support from this study. Organizational climate for service does appear to be related to some of the hypothesized antecedents, including perceived organizational support and structural variables: centralization of decision-making; horizontal complexity; and organizational size. Average employee attitudes were also positively related to service climate, as hypothesized. No moderating effect of personality on the relationship between service climate and average employee attitudes was found in the aggregated data, however. Some mediation was found, such that service climate partially mediates the relationship between POS and aggregated employee attitudes, as well as the relationship between some structural variables and aggregated employee attitudes. Post-hoc analyses of individual-level data provided largely consistent results with the aggregated data. The largest difference between the aggregate and individual data involved the moderation of customer service orientation on the relationships between service climate and employee attitudes. Some moderation was found between service climate and job involvement, as well as between service climate and affective commitment in the individual data, while no moderation was found with the aggregated data.

This study demonstrates a promising beginning for understanding the mechanism by which organizational climate, here specifically a service climate, might influence an organization. Even with a small sample of organizations, significant relationships were found to illustrate how the structure of a company can influence climate. In this case, where a climate for service is the particular focus, smaller organizations with fewer divisions or departments tend to have a stronger service climate. Further, giving employees a voice in the decision-making both in organizational issues and in employees' own tasks was related to a stronger service climate in this study.

One reason a smaller organization may have a stronger service climate could be that there may be a more "familial" feel in the organization, with more individualized attention to each employee, which may translate to an expectation of more individualized attention to each customer. It also may be necessary for the service employee to be more involved in the service of customers, as there are fewer people to handle each service interaction. In a smaller organization, it is simply not as possible for an employee to have a niche – the employee may have to do whatever the customer asks for, because there are no other people to assist.

In similar fashion, an organization with fewer departments also tends to be less niche-oriented. An employee may handle every aspect of the customer interaction, because there aren't other departments for the customer to consult. Because there are fewer people and departments, it may be that the service employee needs to be all things to each customer. When this is the case, service may become a priority because it is the only point of contact the customer has. The customer's evaluation of the organization, and perhaps the decision to return or to refer the organization to others, is based on that

limited interaction. For an organization to remain viable, return customers and referrals are often necessary; therefore, customer service behavior needs to be evaluated positively by customers. In a larger organization, the number of people and departments a customer encounters also increases (as indicated by the strong relationship between size and all three measures of complexity in this study), which may diminish the importance of each individual interaction. The significance and responsibility of each employee may be diffused when there are a greater number of people to handle a customer's interaction. Future research on the diffusion of responsibility in larger service organizations may shed more light on this possibility.

It was hypothesized that spatial complexity, the number of locations in the organization, would also be related to service climate, but the data did not support this. One issue with spatial complexity in this study is that over half of the organizations who provided location data had only one location, perhaps skewing the results. In addition, vertical complexity - the number of levels in the organizational hierarchy - was also not significantly related to service climate. In this study however, there may be some practical significance in both relationships. Both vertical and spatial complexity accounted for 5% to 6% of the variance in service climate. A larger sample of organizations with more variability in complexity may provide more information on the relationships between complexity and service climate.

Organizational centralization is one of the stronger relationships found with service climate, indicating that organizations that allow employees to be involved in both organizational decisions and personal task-related decisions are likely to have a stronger climate for service. A decentralized organization allows each employee the freedom to

make decisions at the moment of the customer interaction, rather than having to get a manager or other employee to make a decision. This saves time for both the employee and customer, allowing the interaction to run more smoothly and efficiently. For example, a customer may have an unusual request or complaint, such as dissatisfaction with a telephone company. The customer on the telephone does not have to wait or talk with multiple people to have the issue resolved. Likewise, an employee who is empowered to make decisions as needed may feel more connected with an organization, knowing that the upper management has faith in the employee to do what is necessary to provide service and has allowed the employee to have a voice in the decision-making process.

Organizational formalization is the only structural variable completely unrelated to service climate. In fact, formalization is unrelated to many of the study variables. It would appear from this study that the importance of service in an organization is not necessarily related to how explicit the rules and regulations of the organization are. This lack of relationship may be due to the fact that formalization as defined here deals with explicitly written rules, and service priority may be handled with informal routines and rewards, rather than in a written policy manual. The service climate perceptions may be more implicit, and the written policies do not deal with service. Until further research can clarify the role of formalization, I would not suggest that formalization be included in a model with organizational structure and climate.

Perceived organizational support, however, is very strongly related to service climate. In fact, the relationship is so high that construct redundancy may be a possibility with these two measures. In addition, looking at the correlations with other study

variables (See Table 3), POS and service climate have very similar relationships with other variables, adding support to construct redundancy. POS reflects a perception that the organization and its members care for and value the employees. Service climate may be thought of as caring for and valuing the customers. It seems reasonable that caring for one stakeholder would be similar to caring for another, especially in organizations where service is a necessary part of business success. It is possible, though, that climates with other foci may not have such a strong relationship with POS. For example, an organization with a strong climate for innovation or for speed may not feel the need to show support to employees as much as an organization with a strong service climate may.

On the other side of the model, service climate showed strong relationships with average employee attitudes. Affective organizational commitment, in particular, was highly related to service climate and had many similar relationships with the other study variables. This may indicate some construct redundancy with climate and affective commitment. It is possible that all three variables – POS, service climate, and affective commitment – are measuring some of the same information. For service employees, being rewarded for the behaviors that are an important part of their position and feeling that the organization cares for them and values them may create an affective reaction; specifically, an attachment to the organization. Providing an expectation for service and rewarding that service shows consistency and fairness on the organization's part, which may create a perceived obligation on the employees' part to return that consistency and fairness as organizational commitment. Research to explicate these three variables will be necessary to refine their relationships, definitions, and measurement.

Service climate was strongly related to job satisfaction and job involvement, although this relationship was slightly less than the relationship of service climate with affective commitment. Using Schneider's (1987a) attraction-selection-attrition model, it is consistent with the theory that employees who choose to stay in a service organization are those who share the values of that organization. These shared values can be perceived as service climate. These employees would therefore be satisfied in that job, and involved in the position, as well as affectively committed to the organization because their values match those of the organization.

Continuance commitment was not related to service climate. The perceptions of the behaviors that are expected and rewarded (climate) may not necessarily be related to the costs an employee has sunk into the organization. The reason for someone with high continuance commitment to stay at the organization may only be due to not wanting to give up the "equity" built up in the organization, rather than being in agreement with the perception of climate. The analysis of continuance commitment suffered from aggregation difficulties, making results based on this scale suspect. However, the individual-level analysis showed similar findings.

With significant results for both hypothesized antecedents and outcomes of service climate, mediation analysis was warranted. Results of this analysis on each individual antecedent and outcome showed several promising results. Service climate partially mediated the relationship of perceived organizational support with both job satisfaction and job involvement. This indicates that a relationship between perceived organizational support and these attitudes is due in part to service climate. Organizations that "show" that they value employees may lead to a stronger climate for service, which

may lead to stronger employee satisfaction and job involvement. The directionality is not definitive due to the fact that this was cross-sectional data.

While the standardized beta for POS decreased slightly for the affective commitment mediation analysis (an indicator of partial mediation), POS was still significantly correlated with affective commitment. POS appears to be strongly related to affective commitment, independent of the service climate in the organization. This is consistent with the Social Exchange Theory framework (Thibault & Kelly, 1959), when the organization shows commitment to the employees (as POS), the employees will reciprocate with commitment to the organization (as affective commitment). It is also possible that construct redundancy between the three variables may account for the mediation result.

The analysis of aggregate customer service orientation did not indicate any significant moderation between service climate and average employee attitudes. Given the small sample size, it is possible that there was not enough power to detect moderation. With the individual-level data, some moderation was found, indicating that customer service orientation may have some effect on the relationship between service climate and employee attitudes. However, it is worth noting that with the move to individual-level data, the variable of climate moves from organizational climate (the shared perceptions) to psychological climate (individual perceptions). Psychological climate is a personal perception of the organization, not a shared perception.

The mean score on the customer service measure was 4.05 on a scale from 1 to 5. While this seems like it might be a high score, average scores from the restaurant industry range between 4.2 and 4.4 (B. Baker, personal communication, August 27, 2004). This

indicates that the scores on this measure are not unusually high for service organizations, which is also consistent with the attraction-selection-attrition model (Schneider, 1987a). Those who are selected into a service organization may be more likely to have a service orientation, especially if they stay in the organization for any length of time. For this study, however, it appears that the personality measure needs to be considered more fully before a definitive statement can be made about its relationship with service climate and employee attitudes. A final model based on the results of this study is presented in Figure 4.

Strengths and Limitations

This study considers a practical issue in the workplace today - the importance of service in current society. While much research has been undertaken on the selecting and training of employees in the service sector and performance of service personnel, relatively little research has examined the role of organizational variables in service performance. This study supports the idea that organizations might want to consider their structure and organizational climate when preparing for service interactions, as well as when creating and developing organizations. In addition, looking at the organizational level of analysis provides new information on the service relationship.

This study took into account multiple organizations, going beyond the idiosyncratic views of one company that unfortunately dominates much of the extant knowledge gained from organizational research. In addition, not only were multiple organizations included, but also multiple industries. The addition of multiple sites increased the applicability of the results to organizations.

Processes and other aspects inherent to an organization, such as organizational structure, have not been studied extensively in the service research, and the inclusion of structural variables in this study increases the use of the results to both theoreticians and practitioners. In addition, the aggregation of the variables in the study has also not been studied extensively, and this new view provides additional information for understanding service climate and service organizations as a whole.

There were some weaknesses in this study. First, all of the measures were self-report, which may allow for some method bias. However, as the data were aggregated to the organizational level, this concern is lessened. The aggregation of data provides a more “objective” look at organizational-level data, as it is not based on one person’s perception, but a shared perception, which, when consistent across respondents, indicates a more objective, stable result. The aggregation of the variables provides a different viewpoint for the study variables and relationships, which is a strength of the study.

Second, the sample was relatively small, and some of the aggregation was based on as few as 2 surveys. The power of the study was weakened by the sample size, especially in the moderation and mediation analyses. However, significant results were still found, and the practical results have been noted, even where traditional significance was not achieved. The most conspicuous problem of the small sample size is the fact that hierarchical linear modeling (HLM) was not possible. HLM provides for cross-level analysis that is more effective than traditional regression analysis. It is notable, though, that individual-level analysis showed largely similar results to the aggregated data analysis.

Third, no customer or performance data were available as an outcome to the model. One goal of the study was to explicate factors that may improve customer service behavior and customer retention and referral. Without actual customer or performance data, the results can only be inferred based on previous research. The intention measure, which was intended as a proxy for performance, was not usable in this study due to extreme range restriction. In retrospect, including an intent measure that specified whether the respondent would remain at the organization because of the service climate may have been a more effective variable. In future research, inclusion of other outcome data will strengthen and extend the model hypothesized here.

Fourth, the aggregability of some of the measures was suspect. Specifically, continuance commitment and participation in decision-making did not aggregate well. While these two variables were still used in the study, any conclusions based on the results must take into consideration this problem. In the post-hoc analysis, however, individual level data was analyzed, and the results were similar to the aggregated data results.

Finally, nearly all of the organizations were in one geographic region of the United States. This may limit somewhat the generalizability of the results. Organizations in other areas of the country or in other countries may find different relationships. A strong national culture may supercede an organizational climate in some areas.

Implications and Future Research

While this study has provided some valuable results, future research will provide stability and possible replication of the results. Using organizations from a variety of

geographic areas will improve the generalizability of results, as will using organizations with a wider variety of structure. In addition, adding outcome measures, such as performance data, better intention variables, and organizational profit and sales will provide context for the results of this study.

The introduction of organizational structure to the service climate literature adds another dimension to both climate research and customer service research. Social Exchange Theory (Thibault & Kelly, 1959) is applicable not only for the inclusion of perceived organizational support, but for the structural variable of centralization as well. When employees feel they are being treated fairly (including being given a voice in decision-making) and are valued (with organizational support), they “repay” the organization with commitment to the organization and other positive attitudes and behaviors. This perception is seen to a certain extent through their shared perception of the rewards and routines of the organization, or the climate. This study focused on service climate, but future research should evaluate whether other climate foci may benefit from this model as well.

Three of the variables - perceived organizational support, service climate, and affective organizational commitment - were very highly interrelated and had similar relationships with the other study variables. It is possible that part of this relationship is due to method bias or other measurement issues. However, it may be the case that there is some construct redundancy between two of the variables (especially service climate with one of the other two variables), or perhaps among all three. While some research has found distinction between organizational commitment and perceived organizational support (e.g., Randall, et al., 1999), more research is needed to determine if these three

are in fact separate constructs. It is possible that all three constructs are varying attitudes that can be combined in one form or another.

Personality, as measured in this study, was not found to moderate any of the other relationships in the aggregate data, although some moderation was found with the individual-level data. It is possible that this is due to a measurement issue, or to the choice of construct. It is also possible that customer service orientation does not enter into the relationship between service climate and other variables. Future research looking at other customer service orientation as well as other personality variables may clarify the results.

While aggregation was a strength of this study, more powerful analyses may give a better picture of the results. Exploring large samples with HLM may demonstrate a more stable relationship among the variables. Replicating the study with other organizations, industries, and different geographic regions will increase the applicability of this study.

Some recent organizational research has focused on the idea of “customer experience” rather than on customer service or expectation (Pullman & Gross, 2004). This research focuses on designing evocative experiences for customers that are geared toward increasing a positive affective state and, eventually to loyalty behaviors. Pullman and Gross (2004) studied specific VIP experiences, designed to increase satisfaction and loyalty with customers, and found some direct and indirect effect of relational experiences (i.e., interactions with company staff and with other customers) and loyalty. Customer experience design may provide another avenue to discovering how organizations can increase customer satisfaction and loyalty behaviors.

Practically speaking, customer service is a large part of society, especially American society. Anything that can assist organizations in increasing the quality of service will be useful. Using “real-world” organizations and employees allows the results of this study to be more applicable to practical conclusions. The results of this study support the proposition that organizations can increase the service climate of their organizations by taking into consideration the way they are structured, especially the locus of decision-making control and the size and breadth of their workforce. People starting a new company need to be mindful of the organization of their workforce, as it may affect subsequent organizational success. Smaller organizations and those with fewer divisions or departments tend to have stronger service climate, so as organizations become successful, they need to consider thoughtfully the impact of growth.

Allowing employees to be involved in decisions that affect both themselves and the organization may create a stronger service climate, which is related to positive employee attitudes. Including employees in the decision-making process for organizational decisions (from upgrades in facilities to planned products and services to possible mergers) not only creates the perception that the organization values employee input, but it also helps employees identify with the organization and become more personally attached to the organization. Giving employees a voice indicates that organizations support their employees, which also leads to greater commitment and satisfaction of the employees (e.g., Schmit & Allscheid, 1995).

On a more micro-level, organizations that allow employees the freedom they have decision-making authority of their own tasks and job responsibilities shows a level of trust and confidence in the employees. Employees who have the flexibility to make job-

related decisions without needing to get the approval of a manager tend to also be more committed to the organization, be more satisfied with their jobs, and believe in a stronger service climate, which allows them to focus on serving customers.

Organizations that infuse every aspect with a priority for service (i.e., have a strong service climate) tend to have more satisfied and committed employees. Satisfied and committed employees has been shown to lead to satisfied and committed customers, better employee performance, and retention of both employees and customers. One aspect of the organization may include selecting employees with a high customer service orientation. High service oriented workers may enhance the workforce of a service organization if the organization is committed to service and provides a strong service climate. It is not known if customer service orientation will enhance organizations that are not strictly service organizations (such as manufacturing plants). Although some manufacturing was included in this study, a larger study of non-service organizations, as well as non-service personnel in organizations will provide more clarification.

Understanding the structure and climate of an organization does not discount other organizational processes not included in this study, such as selecting and training employees, human resource policies, and performance appraisal. Utilizing both organizational processes and structural considerations will likely make an organization stronger, more service oriented, and possibly, more profitable in the highly competitive service world.

Conclusion

Our society in the 21st century is heavily reliant on service, and service organizations make up the majority of the workforce. To sustain competitive advantage,

organizations can increase the quality of their service behaviors for their customers. One aspect of service quality is having a strong climate for service in the organization. This study illustrates one possible way organizations can look to improve the service climate, which may lead to higher quality service behavior. Specifically, organizations can focus on their structure (including giving employees a voice in decision-making, controlling the size of the organization, and minimizing the number of individual departments within the organization) and on their treatment of employees (showing employees that they are valued) to help increase their service climate. This may then help to increase the positive attitudes of the employees within the organization, leading to increased quality service.

It may be, in fact, that high-quality service organizations do something different from lower-quality service organizations before a customer ever walks in the door. Paying attention to the structure of the company, the treatment of the employees, and the priorities of the organization may lead to a more successful organization in our ever-competitive “post-industrial” society.

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APPENDIX A

Tables

Table 1

Industry Split of the Organizational Sample

Industry	Frequency	Percentage
Restaurant/Hospitality	2	4.3%
Retail	4	8.7%
Government	14	30.4%
Services	8	17.4%
Manufacturing	6	13.0%
Banking	2	4.3%
Education	8	17.4%
Non-Profit	2	4.3%
Total	46	

Table 2

Demographic Information for the Sample

	Participants ^a		Supervisors ^b	
	Frequency	Percentage	Frequency	Percentage
Gender				
Male	44	25.9%	27	65.9%
Female	121	71.2%	13	31.7%
<i>Missing</i>	5	2.9%	1	2.4%
Ethnicity				
African-American	0	0.0%	1	2.4%
Asian	1	0.6%	1	2.4%
Caucasian	139	81.8%	37	90.2%
Hispanic	15	8.8%	1	2.4%
Native American	5	2.9%	0	0.0%
Other	3	1.8%	0	0.0%
Multi-Ethnic	1	0.6%	0	0.0%
<i>Missing</i>	6	3.5%	1	2.4%
Educational Level Completed				
High School Degree	13	7.6%	2	4.9%
Some College	65	38.2%	7	17.1%
College Degree	58	34.1%	14	34.1%
Some Grad School	9	5.3%	1	2.4%
Master's Degree	15	8.82%	11	26.8%
Doctoral Degree	6	3.5%	5	12.2%
<i>Missing</i>	4	2.4%	1	2.4%

^an = 170. ^bn = 41.

Table 3

Intercorrelations and Reliabilities of Study Variables

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Perceived Organizational Support	.95													
2. Vertical Complexity	-.36*	N/A												
3. Horizontal Complexity	-.43*	.24	N/A											
4. Spatial Complexity	-.17	.11	.10	N/A										
5. Participation in Decision-Making	.61**	-.34*	-.10	-.01	.94									
6. Authority Hierarchy	-.68**	.11	.13	-.14	-.56**	.92								
7. Formalization	-.22	.42**	.28	.33*	-.04	-.05	.90							
8. Size	-.38*	.57**	.56**	.45**	-.16	.02	.48**	N/A						
9. Service Climate	.88**	-.23	-.46**	-.25	.51**	-.54**	-.16	-.31*	.95					
10. Job Satisfaction	.66**	-.39*	-.10	-.16	.45**	-.48**	-.11	-.32*	.69**	.88				
11. Affective Commitment	.89**	-.38**	-.40*	-.17	.65**	-.54**	-.31*	-.36*	.85**	.72**	.92			
12. Continuance Commitment	-.31*	.13	.29	-.05	-.25	.32*	.03	.16	-.24	-.06	-.18	.84		
13. Job Involvement	.59**	-.25	.01	-.18	.49**	-.45**	-.14	-.21	.64**	.74**	.56**	-.18	.88	
14. Customer Service Orientation	.43**	-.22	-.20	-.02	.49**	-.39*	.01	-.35*	.49**	.43**	.48**	-.09	.45**	.90

Note: N=46; Values on diagonal refer to Cronbach's alpha estimates of internal consistency reliability. * $p < .05$; ** $p < .01$

Table 4

Stepwise Regression of Customer Service Orientation Moderating Service Climate and Employee Attitudes

	Job Satisfaction		Job Involvement		Affective Commitment		Continuance Commitment	
	β		β		β		β	
Step 1								
Service Climate	.62**		.54**		.81**		-.26	
Customer Service Orientation	.13		.19		.08		.04	
Total R²	.48**		.43**		.72**		.06	
Step 2								
Service Climate	-.82		-.95		-.15		-3.33*	
Customer Service Orientation	-.45		-.40		-.34		-1.17	
Climate X CSO	1.80		1.86		1.33		3.82	
ΔR^2	.02		.02		.01		.07	

Note. * $p < .05$; ** $p < .01$.

Table 5

Stepwise Regression of Service Climate Mediating Antecedents and Employee Attitudes

	Job Satisfaction	Job Involvement	Affective Commitment
	β	β	β
SERVICE CLIMATE			
<i>Regression 1</i>			
Service Climate	.69**	.64**	.85**
Total R²	.47**	.40**	.72**
PERCEIVED ORGANIZATIONAL SUPPORT			
<i>Regression 2</i>			
Perceived Organizational Support	.66**	.59**	.89**
Total R²	.43**	.35**	.79**
<i>Regression 3</i>			
Perceived Organizational Support	.23	.13	.64**
Service Climate	.48*	.52*	.29*
ΔR^2	.05*	.06*	.02*
ORGANIZATIONAL CENTRALIZATION			
<i>Regression 2</i>			
Participation in Decision-Making	.27	.34*	.50**
Hierarchy Authority	-.32*	-.26	-.26
Total R²	.28**	.28**	.46**
<i>Regression 3</i>			
Participation in Decision-Making	.10	.19	.29**
Hierarchy Authority	-.11	-.08	.00
Service Climate	.58**	.50**	.70**
ΔR^2	.22**	.16**	.32**

Note. * $p < .05$. ** $p < .01$.

Table 5, Cont.

Stepwise Regression of Service Climate Mediating Antecedents and Employee Attitudes

	Job Satisfaction	Job Involvement	Affective Commitment
	β	β	β
ORGANIZATIONAL COMPLEXITY			
<i>Regression 2</i>			
Vertical Complexity	N/A	N/A	-.22
Horizontal Complexity			-.34*
Spatial Complexity			-.14
Total R²			.23*
<i>Regression 3</i>			
Vertical Complexity			-.18
Horizontal Complexity			.01
Spatial Complexity			.04
Service Climate			.82**
ΔR^2			.49**
ORGANIZATIONAL SIZE			
<i>Regression 2</i>			
Organizational Size	-.32*	N/A	-.36*
Total R²	.10*		.13*
<i>Regression 3</i>			
Organizational Size	-.16		-.12
Service Climate	.52**		-.79**
ΔR^2	.24**		.56*

Note. * $p < .05$. ** $p < .01$.

Table 6

Stepwise Regression of Service Climate Mediating Antecedents and Employee Attitudes with Individual Predictors

	Job Satisfaction	Affective Commitment
	β	β
SERVICE CLIMATE		
<i>Regression 1</i>		
Service Climate	.69**	.85**
Total R²	.47**	.72**
ORGANIZATIONAL CENTRALIZATION		
<i>Regression 2</i>		
Hierarchy Authority	-.48*	N/A
Total R²	.23**	
<i>Regression 3</i>		
Hierarchy Authority	-.15	
Service Climate	.61**	
ΔR^2	.26**	
ORGANIZATIONAL COMPLEXITY		
<i>Regression 2</i>		
Horizontal Complexity	N/A	-.40*
Total R²		.16*
<i>Regression 3</i>		
Horizontal Complexity		-.03
Service Climate		.82**
ΔR^2		.54**

Note. * $p < .05$. ** $p < .01$.

Table 7

Intercorrelations and Reliabilities of Study Variables-Individual Data

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Perceived Organizational Support	.91													
2. Vertical Complexity		N/A												
3. Horizontal Complexity	.22**		N/A											
4. Spatial Complexity	-.38*	.42*		N/A										
5. Participation in Decision-Making	-.02	.23	.10		N/A									
6. Authority Hierarchy	.47**	-.33*	-.46**	.08	.91									
7. Formalization	-.54**	.13	.08	-.19	-.43**	.86								
8. Size	.00	.19	.32*	.26	.09	-.01	.85							
9. Service Climate	-.28	.72**	.57**	.44**	-.28	-.01	.44**	N/A						
10. Job Satisfaction	.81**	-.15	-.65**	-.13	.46**	-.48**	.06	-.39*	.94					
11. Affective Commitment	.59**	-.18	-.40*	-.09	.36**	-.41**	.08	-.36*	.59**	.86				
12. Continuance Commitment	.76**	-.21	-.39*	.00	.54**	-.46**	-.03	-.24	.75**	.66**	.88			
13. Job Involvement	-.27**	.17	.03	-.07	-.15*	.22*	.03	-.13	-.17*	-.14	-.11	.81		
14. Customer Service Orientation	.47**	-.11	-.22	-.18	.42**	-.30**	.06	-.22	.49**	.58**	.52**	-.11	.84	
	.28**	-.05	-.31	-.28	.18*	-.12	.11	-.23	.31**	.35**	.34**	-.01	.33**	.91

Note: N=211 except #2,3,4,8, where N=41; Values on diagonal refer to Cronbach's alpha estimates of internal consistency reliability. * $p < .05$; ** $p < .01$

Table 8

Stepwise Regression of Customer Service Orientation Moderating Service Climate and Employee Attitudes-Individual Data

	Job Satisfaction		Job Involvement		Affective Commitment		Continuance Commitment	
	β		β		β		β	
Step 1								
Service Climate	.54**		.42**		.71**		-.19*	
Customer Service Orientation	.18**		.20**		.12*		.05	
Total R²	.38**		.27**		.57**		.03*	
Step 2								
Service Climate	-.21		-.89		-.70		-1.21	
Customer Service Orientation	-.22		-.51		-.64*		-.50	
Climate X CSO	.96		1.68*		1.80**		1.30	
ΔR^2	.01		.02*		.02*		.01	

Note. * $p < .05$; ** $p < .01$.

Table 9

Stepwise Regression of Service Climate Mediating Antecedents and Employee Attitudes-Individual Data

	Job Satisfaction	Job Involvement	Affective Commitment	Continuance Commitment
	β	β	β	β
SERVICE CLIMATE				
<i>Regression 1</i>				
Service Climate	.59**	.49**	.75**	-.17**
Total R ²	.35**	.24**	.56**	.03**
PERCEIVED ORGANIZATIONAL SUPPORT				
<i>Regression 2</i>				
Perceived Organizational Support	.59**	.47**	.76**	-.27*
Total R ²	.34**	.22**	.58**	.07*
<i>Regression 3</i>				
Perceived Organizational Support	.31**	.23*	.45**	-.39**
Service Climate	.34**	.30**	.38**	.15
ΔR^2	.04**	.03**	.05**	.01
ORGANIZATIONAL CENTRALIZATION				
<i>Regression 2</i>				
Participation in Decision-Making	.22**	.36**	.41**	-.07
Hierarchy Authority	-.32**	-.15*	-.29**	.19*
Total R ²	.21**	.20**	.35**	.05*
<i>Regression 3</i>				
Participation in Decision-Making	.06	.25**	.22**	-.05
Hierarchy Authority	-.15*	-.03	-.08	.16*
Service Climate	.49**	.35**	.60**	-.08
ΔR^2	.17**	.09**	.25**	.00

Note. * $p < .05$. ** $p < .01$.

Table 9, Cont.

Stepwise Regression of Service Climate Mediating Antecedents and Employee Attitudes-Individual Data

	Job Satisfaction	Job Involvement	Affective Commitment	Continuance Commitment
	β	β	β	β
ORGANIZATIONAL COMPLEXITY				
<i>Regression 2</i>				
Vertical Complexity	-0.26	N/A	N/A	N/A
Horizontal Complexity	-0.28			
Spatial Complexity	-0.03			
Total R²	.21*			
<i>Regression 3</i>				
Vertical Complexity	-0.10			
Horizontal Complexity	.05			
Spatial Complexity	-0.01			
Service Climate	.62**			
ΔR^2	.20**			
ORGANIZATIONAL SIZE				
<i>Regression 2</i>				
Organizational Size	-0.36*	N/A	N/A	N/A
Total R²	.13*			
<i>Regression 3</i>				
Organizational Size	-0.13			
Service Climate	.57**			
ΔR^2	.28**			

Note. * $p < .05$. ** $p < .01$.

APPENDIX B

Figures

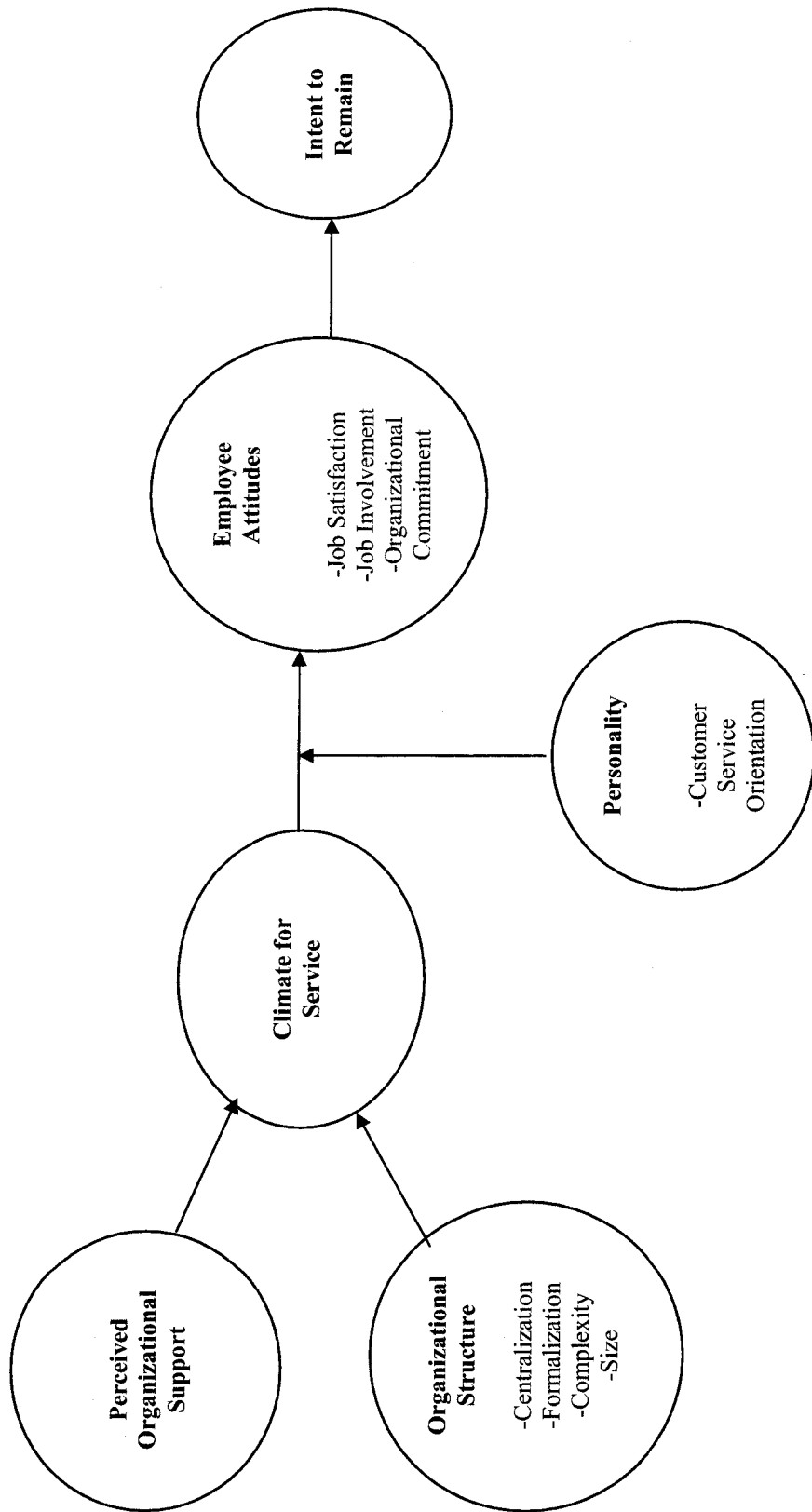


Figure 1. Conceptual model for study.

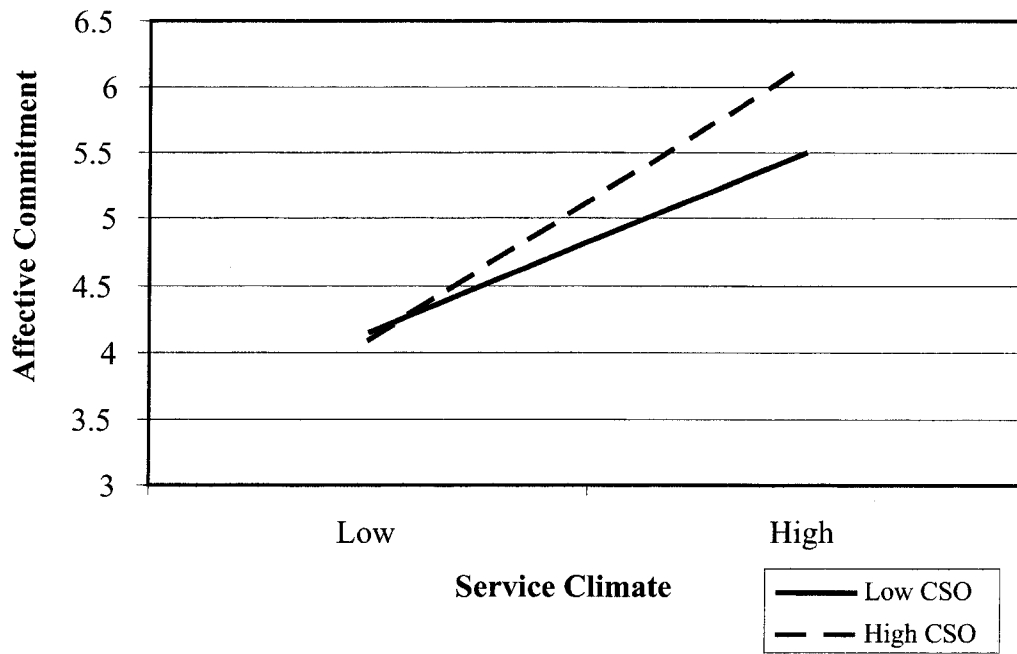


Figure 2. Customer service orientation (CSO) moderating service climate and affective organizational commitment.

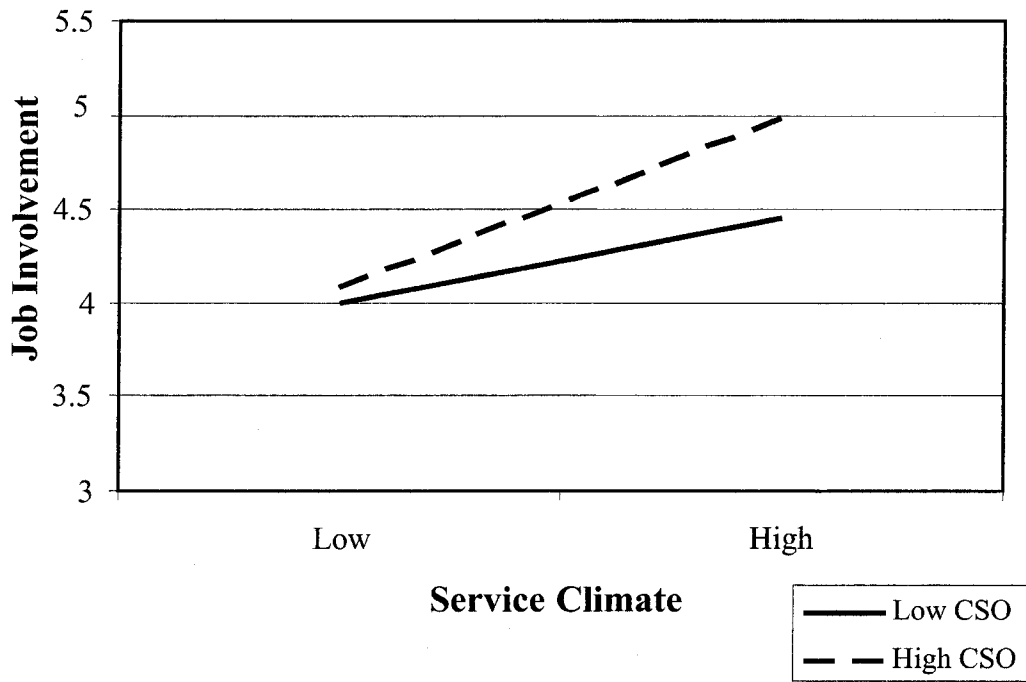


Figure 3. Customer service orientation (CSO) moderating service climate and job involvement.

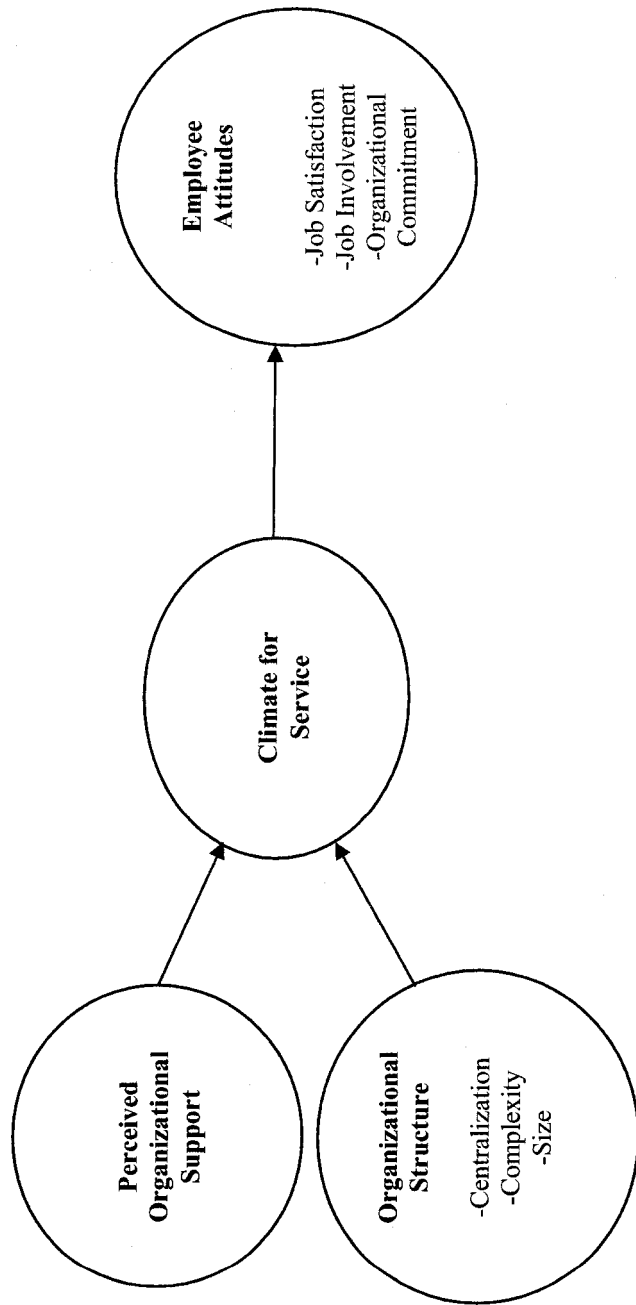


Figure 4. Amended model based on study results.

APPENDIX C

MEASURES AND MATERIALS

Appendix C.1

Request Letter to Organizations

To Whom It May Concern:

My name is Kelly McIntyre. I am a Ph.D. candidate at Colorado State University in industrial/organizational psychology studying under the direction of Eric Heggstad, Ph.D. I am conducting a study regarding how organizational climate is developed and how it affects employee attitudes. I am asking for your assistance in this study.

The purpose of this research is to understand why some companies consistently perform well and deliver high-quality service. I believe that some companies perform well in the customer service arena because of the climate of the company – the behaviors employees believe to be expected and rewarded by the company. If a company values service and rewards service behaviors, it has a high service climate, and this may be translated into high quality service. Information collected in this study will be used to gain information about what causes a positive service climate and how a positive service climate can affect individual attitudes of employees.

What we are asking from you is this: We would like the opportunity to give some of your employees a questionnaire packet. This packet includes a survey regarding the climate and policies of your company and some attitudes about their job and your company. We ask that the employees who participate work at least part of the time with either external customers or internal customers and that these people work in the same geographic location (such as the same branch or unit).

The information we gather from employees will be kept **completely confidential**. We will not ask for their names; they will return the surveys directly to us, and the data will not be shown to anyone except us. In addition, the responses from your employees will be aggregated to the team level; meaning their responses will not be identified individually.

If you choose to allow us to ask your employees to participate, please read the enclosed letter of agreement and sign it for our records. In addition, we would like you to fill out a similar survey to provide some information on the company (such as size and number of locations of the company). It is expected that this survey will take approximately 20-30 minutes to complete. If you and the employees wish, this survey can be completed at home.

All participants are welcome to receive a copy of the summarized report of results. These results will be aggregated over all of the companies surveyed and will not include specific information about any company. In addition, we would be happy to return to your company to present the results of the study.

Thank you for your time and consideration, and I look forward to talking with you about this study.

Sincerely,

Eric Heggestad, Ph.D.
Principal Investigator
(970) 491-4940

Kelly S. McIntyre, M. S.
Co-Investigator
(970) 454-3905

Appendix C.2

Letter of Acceptance Template for Organizations

Dear Dr. Heggstad and Ms McIntyre:

I have read the information regarding your study entitled "Understanding Climate for Customer Service". I understand that you would like to ask employees in this company, _____, to participate in your study. It is understood that these surveys will be kept confidential, that this company will not know which employees participated, that individual information will not be communicated to anyone, and that our employees have the right to choose whether or not they participate. In addition, you will be willing to provide us with a presentation of the report if we wish. I understand that we can withdraw our consent for research at any time.

_____ I wish for you to provide a presentation to our company.

_____ I do not wish for you to provide a presentation to our company.

By signing this letter, I allow you to survey our employees for Ms. McIntyre's dissertation study.

Signature

Printed Name

Title

Date

Address of company

UNDERSTANDING A CLIMATE FOR SERVICE

Participant Survey

Please evaluate each statement based on your impression of the organization where you currently work. For each section, refer the table at the top of the section for response options, as different sections have different response options. Please place your response on the blank beside each item.

Section 1

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree

- _____ 1. My organization is committed to improving the quality of our service.
- _____ 2. My organization appreciates high quality service.
- _____ 3. I receive adequate support from management to do my job well.
- _____ 4. If I perform my job well, I receive appropriate recognition and reward.
- _____ 5. My organization recognizes me for delivering high quality service.
- _____ 6. My organization supports employees when they come up with new ideas on how to improve customer service.
- _____ 7. My organization encourages me to deliver high quality service.
- _____ 8. There is effective two-way communication between my organization and I.
- _____ 9. If I provide high quality service, I will be rewarded.
- _____ 10. My organization sets definite quality standards for good customer service.
- _____ 11. My organization uses rewards to let employees know what kind of job they are doing.
- _____ 12. Customer satisfaction is the number one priority of the business.
- _____ 13. I meet regularly with my organization to discuss my service performance.
- _____ 14. My organization tells me that high quality customer service is expected.
- _____ 15. High quality service is emphasized as the best way to keep customers.

Section 2

- _____ 1. The organization really cares about my well-being.
- _____ 2. The organization fails to appreciate any extra effort from me.
- _____ 3. The organization strongly considers my goals and values.
- _____ 4. The organization would ignore any complaint from me.
- _____ 5. The organization disregards my best interests when it makes decisions that affect me.
- _____ 6. The organization is willing to help me when I need a special favor.
- _____ 7. The organization shows very little concern for me.
- _____ 8. The organization cares about my opinions.

Please continue to the next page.

Section 3

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree

- _____ 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.
- _____ 9. I am not afraid of what might happen if I quit my job without having another one lined up.
- _____ 10. It would be very hard for me to leave my organization right now, even if I wanted to.
- _____ 11. Too much in my life would be disrupted if I decided I wanted to leave my organization now.
- _____ 12. it wouldn't be too costly for me to leave my organization now.
- _____ 13. Right now, staying with my organization is a matter of necessity as much as desire.
- _____ 14. I feel that I have too few options to consider leaving this organization.
- _____ 15. One of the few serious consequences of leaving this organization would be the scarcity of available alternatives.
- _____ 16. One of the major reasons I continue to work for this organization is that leaving would require considerable personal sacrifice—another organization may not match the overall benefits I have here.

Section 4

- _____ 1. I am satisfied with the work I do.
- _____ 2. I am satisfied with the feeling of accomplishment I get from the job.
- _____ 3. I enjoy my job.
- _____ 4. I would be more satisfied doing a different job.
- _____ 5. I am content to stay in this job.

Please continue to the next page.

Section 5

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Slightly Disagree	Neither Agree nor Disagree	Slightly Agree	Agree	Strongly Agree

- | | | |
|-------|-----|---|
| _____ | 1. | I'll stay overtime to finish a job, even if I'm not paid for it. |
| _____ | 2. | You can measure a person pretty well by how good a job he does. |
| _____ | 3. | The major satisfaction in my life comes from my job. |
| _____ | 4. | For me, mornings at work really fly by. |
| _____ | 5. | I usually show up for work a little early to get things ready. |
| _____ | 6. | The most important things that happen to me involve my work. |
| _____ | 7. | Sometimes I lie awake at night thinking ahead to the next day's work. |
| _____ | 8. | I'm really a perfectionist about my work. |
| _____ | 9. | I feel depressed when I fail at something connected with my job. |
| _____ | 10. | I have other activities more important than my work. |
| _____ | 11. | I live, eat, and breathe my job. |
| _____ | 12. | I would probably keep working even if I didn't need the money. |
| _____ | 13. | Quite often, I feel like staying home from work instead of coming in. |
| _____ | 14. | To me, my work is only a small part of who I am. |
| _____ | 15. | I am very much involved personally in my work. |
| _____ | 16. | I avoid taking on extra duties and responsibilities in my work. |
| _____ | 17. | I used to be more ambitious about my work than I am now. |
| _____ | 18. | Most things in life are more important than work. |
| _____ | 19. | I used to care more about my work, but now other things are more important to me. |
| _____ | 20. | Sometimes, I'd like to kick myself for the mistakes I make in my work. |

Please continue to the next page.

Section 6

1	2	3	4	5
Never	Rarely	Sometimes	Often	Always

- _____ 1. How frequently do you usually participate in the decision on the adoption of new programs?
- _____ 2. How frequently do you usually participate in the decisions on the adoption of new policies?
- _____ 3. How frequently do you usually participate in the decision to hire new staff?
- _____ 4. How frequently do you usually participate in the decisions on the promotion of any of the professional staff?

Section 7

1	2	3	4
Definitely false	False	True	Definitely true

- _____ 1. There is little action here until a supervisor approves a decision.
- _____ 2. A person who wants to make his own decisions would be quickly discouraged.
- _____ 3. Even small matters have to be referred to someone higher up for a final answer.
- _____ 4. I have to ask my boss before I do almost anything.
- _____ 5. Any decision I make has to have my boss's approval.

Section 8

1	2	3	4	5
Very inaccurate	Inaccurate	Neither accurate nor inaccurate	Accurate	Very accurate

- _____ 1. The organization has a large number of written rules and policies.
- _____ 2. A "rules and procedures" manual exists and is readily available within this organization.
- _____ 3. There is a complete written job description for most jobs in this organization.
- _____ 4. The organization keeps a written record of nearly everyone's job performance.
- _____ 5. There is a formal orientation program for most new members of the organization.

Please continue to the next page.

Section 9

Please read each item carefully, and decide how much each word describes who you are by using the following 5-point scale. Scoring of this inventory is based on a *pattern* of responses rather than on any particular response. This means that a 5 is not necessarily better than a 1 or a 3. Once again, describe yourself honestly by indicating how much each word describes you. There is no time limit, but do not over-think your ratings or spend too much time on any one item. Respond with your first impression of yourself.

This word describes me...

1	2	3	4	5
<u>Very Little</u>	<u>Somewhat</u>	<u>Moderately</u>	<u>Mostly</u>	<u>Completely</u>
10%	25%	50%	75%	90%+
Of the time	Of the time	Of the time	Of the time	Of the time

I am...

- | | | |
|--|-----|--|
| | 1. | Enthusiastic: Easily excited about activities or tasks. |
| | 2. | Frank: Open and direct; straightforward with others. |
| | 3. | Concerned: Caring about the needs of others. |
| | 4. | Good Natured: Easy to get along with; quick to laugh. |
| | 5. | Upbeat: Seeing the bright side of things. |
| | 6. | Funny: Able to make others laugh. |
| | 7. | Considerate: Mindful of other people's feelings. |
| | 8. | Social: Preferring group activities over doing things alone. |
| | 9. | Thorough: Completing all parts of a task. |
| | 10. | Hostile: Showing ill will toward others. |
| | 11. | Active: Seldom at rest; always doing something. |
| | 12. | Playful: Wanting to play and have a good time. |
| | 13. | Giving: Generous with my own resources. |
| | 14. | Industrious: Hard-working and giving a steady effort. |
| | 15. | Cheerful: Full of joy. |
| | 16. | Independent: Reliant on my own ideas and judgment. |
| | 17. | Attentive: Seeing to the needs of others. |
| | 18. | Serious: Deep in thought, straight-faced. |
| | 19. | Determined: Strong-willed; committed to getting something done. |
| | 20. | Stubborn: Showing a strong resistance to change. |
| | 21. | Alert: Ready for action. |
| | 22. | Jocular: Able to cheer other people up. |
| | 23. | Thoughtful: Showing kindness toward others. |
| | 24. | Lighthearted: Able to see the humorous side of things. |
| | 25. | Approachable: Open to other people; easy to meet. |

Please continue to the next page.

Section 9, continued

This word describes me...

1	2	3	4	5
<u>Very Little</u>	<u>Somewhat</u>	<u>Moderately</u>	<u>Mostly</u>	<u>Completely</u>
10%	25%	50%	75%	90%+
Of the time	Of the time	Of the time	Of the time	Of the time

I am...

- | | | |
|-------|-----|--|
| _____ | 26. | Planful: Organizing ways to get things done. |
| _____ | 27. | Cordial: Polite and warm toward others. |
| _____ | 28. | Spirited: Animated and expressive. |
| _____ | 29. | Responsible: Showing sound judgment while meeting obligations. |
| _____ | 30. | Party Animal: Playing and partying hard and often. |
| _____ | 31. | Energetic: Vigorous; having energy. |
| _____ | 32. | Persevering: Sticking to it in spite of difficulties. |
| _____ | 33. | Generous: Helping others in real ways. |
| _____ | 34. | Fast-paced: Moving quickly; working fast and urgently. |
| _____ | 35. | Outgoing: Able to make acquaintances easily; not shy. |
| _____ | 36. | Amiable: Easy to get along with; open to friendship. |
| _____ | 37. | Helpful: Meeting the needs of others. |
| _____ | 38. | Fun-loving: Looking for ways to make things enjoyable to do. |
| _____ | 39. | Dependable: Behaving the same from situation to situation. |
| _____ | 40. | Impatient: Having a hard time with people who do things slower than I would like. |
| _____ | 41. | Eager: Strongly interested in getting started on activities. |
| _____ | 42. | Gregarious: Actively seeking the company of others. |
| _____ | 43. | Caring: Willing to go the extra mile for others. |
| _____ | 44. | Obedient: Following directions from someone in authority. |
| _____ | 45. | Lively: Full of physical energy; always doing something physical. |
| _____ | 46. | Intense: Focusing hard on only one activity at a time. |
| _____ | 47. | Friendly: Kind and warmhearted. |
| _____ | 48. | Loyal: Devoted to those with whom a relationship is established. |
| _____ | 49. | Deliberate: Carefully judging, deciding, and considering things. |
| _____ | 50. | Afraid: Feeling fearful about things. |

Thank you for taking the time to complete this survey. Please place this survey into the postage-paid envelope provided in your packet and return it to the researcher.

UNDERSTANDING A CLIMATE FOR SERVICE

Supervisor Survey

Appendix C.5

Letter to Respondents

April 22, 2004

Dear Participant:

My name is Kelly McIntyre. I am a Ph.D. candidate at Colorado State University in industrial/organizational psychology studying under the direction of Eric Heggstad, Ph.D. I am conducting a study regarding how organizational climate is developed and how it affects employee attitudes. I am asking for your assistance in this study.

The purpose of this research is to understand why some companies consistently perform well and deliver high-quality service. I believe that some companies perform well in the customer service arena because of the climate of the company – the behaviors employees believe to be expected and rewarded by the company. If a company values service and rewards service behaviors, they have a high service climate, and this may be translated into high quality service. Information collected in this study will be used to gain information about what causes a positive service climate, and how a positive service climate can affect individual attitudes of employees.

What we are asking from you is this: included in this packet of information is a survey that includes questions about the climate of your company, the policies of your company, and some attitudes about your job and the company. In addition, there are two copies of a consent form. First, please read the consent form, and if you choose to participate, please sign one copy of the consent form. Then, we would like you to take about 30 minutes to complete the survey. Please mail back one copy of the consent form and the survey in separate envelopes to ensure that your name is not associated with your responses on the survey. Two postage-paid envelopes have been included for that purpose. If you wish, this survey can be completed at home. Please return this survey within 2 weeks of receiving it.

The information we gather from you will be kept completely confidential. No one at your company will see this information and we are not asking you to provide your name on the survey. In addition, the responses from your survey will be aggregated to the team level; meaning your responses will not be identified individually.

You are welcome to receive a copy of the summarized report of results. These results will be aggregated over all of the companies surveyed, and will not include specific information about any company. If you would like a copy of the results, please complete and return the postcard included in this packet. Please send this postcard separately from your survey and consent form, again so that we cannot associate your name with your survey responses. If you do not wish to receive a copy of the results, you do not need to send in the postcard.

Thank you for your time and consideration, and I look forward to talking with you about this study.

Sincerely,

Eric Heggstad, Ph.D.
Principal Investigator
(970) 491-4940

Kelly S. McIntyre, M. S.
Co-Investigator
(970) 454-3905

Appendix C.6

Consent Form

COLORADO STATE UNIVERSITY INFORMED CONSENT TO PARTICIPATE IN A RESEARCH PROJECT

TITLE OF PROJECT: Understanding Climate for Customer Service

NAME OF PRINCIPAL INVESTIGATOR: Eric Heggstad, Ph.D.

NAME OF CO-INVESTIGATOR: Kelly S. McIntyre, M.S.

CONTACT NAME AND PHONE NUMBER FOR QUESTIONS/PROBLEMS: Kelly S. McIntyre,
970-454-3905

PURPOSE OF THE RESEARCH: The purpose of this study is to develop an understanding about why some companies consistently perform well and deliver high-quality service. Specifically, some companies may perform well in the customer service arena because of the climate of the company – the behaviors employees believe to be expected and rewarded by the company.

PROCEDURES TO BE USED: Included in this packet of information is a survey that includes questions about the climate of your company, the policies of your company, and your attitudes about your job and the company. If you agree to participate in this study, please initial both pages and sign the second page of one copy of this consent form and return it to us in one of the enclosed postage-paid envelopes. The other copy is for you to keep. Then, we would like you to take about 30 minutes to complete this survey and mail it back in the other envelope we have included.

RISKS INHERENT IN THE PROCEDURES: There are minimal risks regarding your participation in this study. The biggest concern is maintaining confidentiality. We have taken every precaution to reduce the loss of your confidentiality. It is not possible to identify all potential risks in research procedures, but the researchers have taken reasonable safeguards to minimize any known and potential, but unknown, risks.

BENEFITS: There are no direct benefits to you for completing this survey. The information you provide will be used to gain information about what causes a positive service climate, and how a positive service climate can affect individual attitudes of the employees.

CONFIDENTIALITY: We ensure that this survey will be kept **completely confidential**. No one at your company will see this information and we are not asking you to provide your name on the survey. Also, the responses we receive from you will be combined with those of your coworkers. We are coding the surveys so that a survey cannot be identified with your company. We are asking you to mail the survey and the consent form directly to us in separate envelopes. After the data has been entered, the hard copies of the surveys will be destroyed, and the electronic copy of the data will have no identifying information.

Page 1 of 2 Participant's initials _____ Date _____

LIABILITY: The Colorado Government Immunity Act determines and may limit Colorado State University's legal responsibility if an injury happens because of this study. Claims against the University must be filed within 180 days of the injury. Questions about participants' rights may be directed to Celia S. Walker at (970) 491-1563.

PARTICIPATION: Your participation in this research is voluntary. If you decide to participate in this study, you may withdraw your consent and stop participating at any time without penalty or loss of benefits to which you are otherwise entitled.

Your signature acknowledges that you have read the information stated and willingly sign this consent form. Your signature also acknowledges that you have received, on the date signed, a copy of this document containing 2 pages.

Participant name (printed)

Participant signature

Date

Witness to signature (project staff)

Date

If you have any questions or concerns, please feel free to contact us.

Thank you. This research is not possible without your help and we sincerely appreciate your time and effort.

Obtain your parent's permission ONLY if you are under 18 years of age.

PARENTAL SIGNATURE FOR MINOR

As parent or guardian you authorize _____ (print name) to become a participant for the described research. The nature and general purpose of the project have been satisfactorily explained to you by _____ and you are satisfied that proper precautions will be observed.

Minor's date of birth

Parent/Guardian name (printed)

Parent/Guardian signature

Date

Page 2 of 2 Participant's initials _____ Date _____