

**Customer Orientation of Service Employees (COSE), Service quality and Customer satisfaction.****Peerzada Shams ul Irfan****Research scholar****The Business School****University of Kashmir, 190006.****Abstract:**

*The performance of service personnel is an important constituent while evaluating service quality of an organization consequently the effects of employee's customer and service orientation on customer's perceptions of service evaluation is an important area of research. Many authors and academicians have regarded the customer orientation of employees in general and service employees in particular as a main determinant of an organization's long term success and growth. This paper attempts to understand and explore the concept of customer orientation of service employees along with proposing a theoretical model for the same, with the addition of showing how such a model may impact on the overall service quality and customer satisfaction of a service providing firm.*

*Keywords: Employees, Service industries, Customer orientation, Service Quality, Customer satisfaction.*

**INTRODUCTION:**

Due to the intangible and interactive nature of services, customers often rely on the behavior of service employees when judging the quality of a service. Consequently, the employees' level of customer orientation is considered an important leverage for service firms' economic success (Bitner et al., 1990; Bove and Johnson, 2000; Bowen and Schneider, 1985; Sergeant and Frenkel, 2000). Because of this reason the concept of customer orientation has emerged as one of the main fields of marketing research that has been extensively explored by researchers during the last decade. Past research supports the fact that the organizations that adopt a customer orientation perspective are more likely to provide quality, contribute to customer satisfaction and attain organizational goals more efficiently and effectively than competitors that do not pursue such an orientation (Brown et al., 2002; Donovan et al., 2004; Kotler, 1997). In view of the significance of service employees' attitude and behavior in service encounters, customer orientation in service firms is implemented through their service employees' interactions with customers (Dobni, 2002; Donovan et al., 2004). Therefore, the concept of customer orientation in service firms is highly attributed to their employees which is generally referred to as Customer Orientation of Service Employees in service literature. With the increase in attention on service quality evaluation and more efforts being made to identify and expound on factors affecting service quality new light has been thrown on the concept of customer orientation of service employees, although research in this field exists as mentioned above room for improvement is available and as such needs to be explored.

**Review of literature:**

It is well established among marketing theorists that firms which focus their activities on the needs of their customers, i.e. behave in a customer-oriented way, perform better than those companies that do not (Donavan et al., 2004). The studies by Narver and Slater (1990) and Jaworski and Kohli (1993) empirically substantiate the economic potential of a firm's customer orientation. At the same time, much less research has looked into the concept of overall firm customer orientation and analyzed what customer orientation means in terms of processes, policies, and employees. Because of the intangible nature of services and their high level of customer interaction and integration, customer orientation can be expected to play a crucial role in terms of economic success for service companies. In addition to researchers who have analyzed the role of service employees as a dimension of service quality (e.g. Parasuraman et al., 1988; Dabholkar et al., 2000), studies that explicitly address the concept of customer orientation of service employees are Kelley (1992), Brown et al. (2002), Donovan et al. (2004), and Hennig-Thurau and Thurau (2003). In the context of service quality research, it has been demonstrated that the behavior of service employees affects the customers' perception of the service (Bitner et al., 1990). Specifically, researchers have identified employee-related aspects of the service as dimensions of the customer's service quality assessment. For example, three out of five service quality dimensions of Parasuraman et al.'s (1988) SERVQUAL measure directly or indirectly address the behavior of employees (i.e. responsiveness, assurance, and empathy). Similarly, Dabholkar et al. (2000) identify personal attention and comfort as provided by a provider's employees as components of service quality. However, as the service quality construct represents a customer-sided view, it is a natural consequence that none of these authors uses a company perspective when modeling the different facets of employee behavior that impact service quality. Therefore, a service provider gains only limited information on the managerial action that is needed to select and train their service employees. Kelley (1992) was among the first researchers to study the construct of COSE. Building on the same premise as this paper, i.e. that the customer orientation of a service firm's frontline employees is crucial for business success, he proposes and empirically tests a conceptual framework of COSE determinants, including organizational constructs such as organizational climate and socialization, as well as personal constructs such as motivational effort and direction. Brown et al. (2002) define COSE as an "individual's tendency or predisposition to meet customer needs in an on-the-job context" and conceptualize it as two-dimensional. According to their thinking, COSE is composed of: .A needs dimension which covers the employee's belief that he or she can fulfill customers' wishes; and COSE: its impact 461 .An enjoyment dimension which represents the extent to which the employee enjoys interactions with customers. However, the authors list no arguments supporting the two-dimensional structure of COSE, but only refer somewhat vaguely to the work of Saxe and Weitz (1982) and "discussions with practitioners in the banking and hospitality industries". The focus of their study is on the intra-personal determinants of COSE and especially the impact of different personality traits on COSE, and on the role of COSE for intra-organizational performance ratings. Donovan et al. (2004) build on the findings of Brown et al. (2002) and adopt their definition of COSE. As with this paper, their interest is in the consequences of COSE, but while this paper analyzes the impact of COSE on the consumer, Donovan et al. (2004) apply an intra-organizational perspective and consequently consider the employee's organizational commitment and his or her job satisfaction as outcome variables of their structural model. In contrast to Brown et al. (2002), they argue that COSE consists of five dimensions, entitled "need to pamper", "need to read the customer", "need for personal relationship", "need to deliver", and "need to communicate". This structure was derived from "qualitative data from service managers, employees, and consumer", with no in-depth information on the process of the derivation of the dimensional structure provided. When applying a second-order confirmatory factor analysis, the "need to communicate" dimension was not

found to load strongly on the second-order factor. Finally, Hennig-Thurau and Thurau (2003) define COSE as the employee's behavior in person-to-person interactions and suggest a three-dimensional conceptualization of COSE. Their approach is based on the requirements that must be met by service employees to satisfy consumers' needs during employee-consumer interaction processes. Drawing on the work of the German social psychologist Von Rosenstiel (1988), who distinguishes between "individual knowledge", "personal willingness", and "social allowance" as prerequisites for employees' general behavior, they introduce three COSE dimensions, entitled:

- (1) An employee's customer-oriented skills;
- (2) His or her motivation to serve customers; and
- (3) His or her self-perceived decision-making authority

#### **Rationale for the study:**

The elements of COSE as proposed by Hennig-Thurau and Thurau (2003) are briefly explained indicating their relevance to performance.

Employee Skill Hennig-Thurau and Thurau (2003) classified employee skills into technical and social skills that are required by a service employee in order to be able to interact qualitatively with the customers.

#### **Technical Skills:**

The employees' technical skills are recognized as a prerequisite to make desired things happen in the service interaction. Sahaf (2002) referred to these skills as a key resource that have no other substitute and without which a salesperson may find it difficult to make the best use of a sales opportunity. Argyle (1967) referred to them as the motor skills which a service employee must possess in order to fulfill the customers' needs during the personal interaction process. Hennig-Thurau (2004), in his study, referred to technical skills as service employees' knowledge and reported their positive and significant impact on desired customer outcomes or performance.

#### **Social Skills:**

Social skills enable a service provider to understand outcomes of interaction from customer's view point (Mead, 1934). Such an understanding in turn makes the service employee to behave in accordance to the customers' needs so identified and hence are assumed to enhance customer orientation (Hennig-Thurau and Thurau, 2003; Hennig-Thurau, 2004). Flavell et al. (1968) explains these skills within three subsets that collectively help an employee to understand the customer's perspective. Firstly, he or she understands visually as to what a customer sees and perceives. Secondly, he or she understands cognitively as to what a customer thinks. Finally, he or she understands emotionally as to how a customer feels. Employees' social skills exert a strong influence on customers' satisfaction, commitment and retention (Hennig-Thurau, 2004).

#### **Employee Motivation:**

The technical and social skills cannot make an employee to behave in a customer oriented way unless he or she is able and willing (motivated) to do so (Hennig-Thurau and Thurau, 2003). Drawing on the three dimensional model of Vroom (1967), a service employee's motivation to behave in a customer-oriented way depends upon three components, namely, a positive valence of customer-oriented behavior and

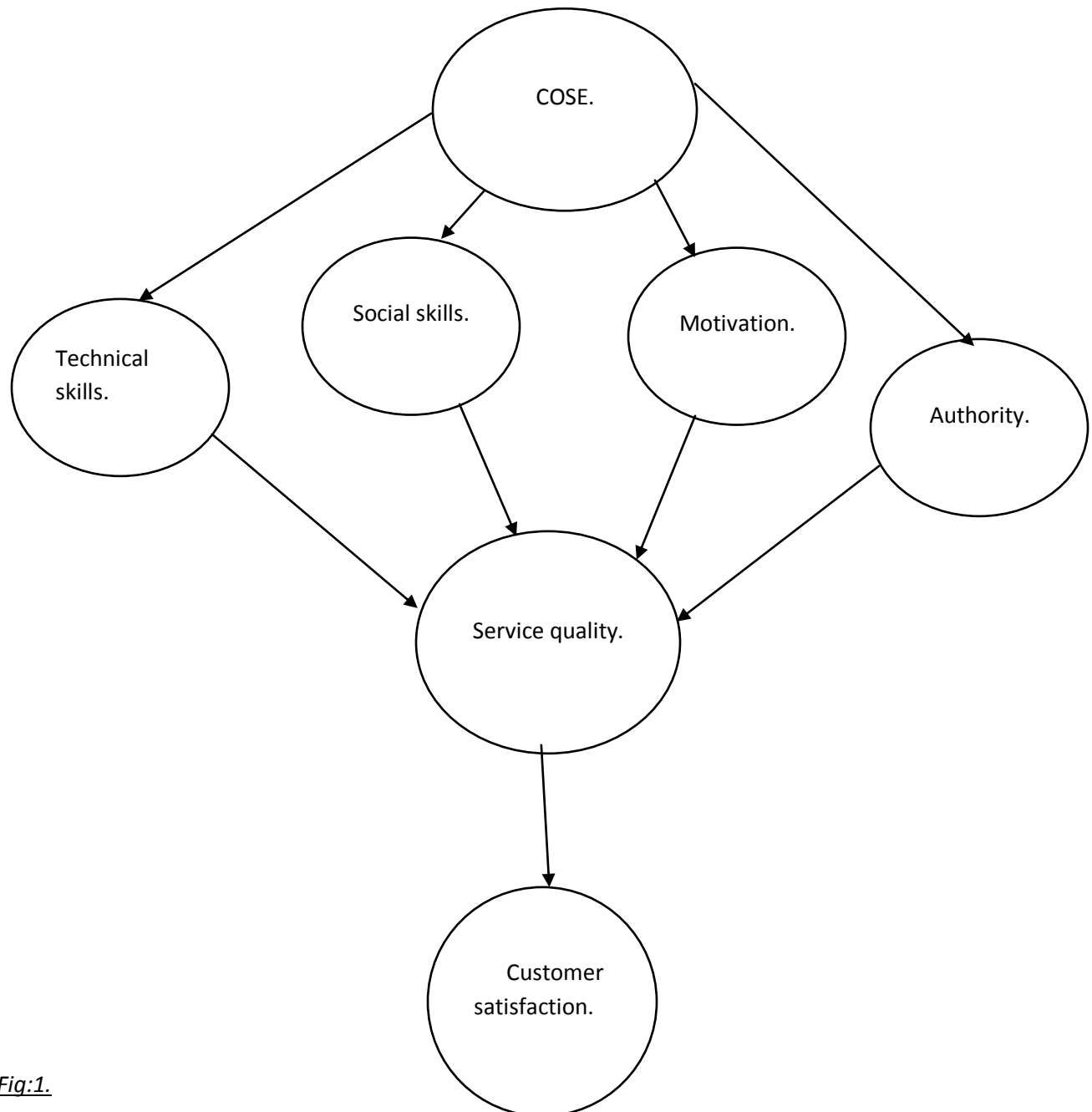
the consequences associated with such behavior on the part of the employee (valence); the employee's self-perception of being able to behave in a customer-oriented way (instrumentality); and finally his/her expectation of reaching the desired outcome by engaging in such a behavior (expectancy). The service managers have to ensure that the desired abilities and beliefs as advocated by Vroom's (1967) model are imbibed in the service personnel. Such abilities and beliefs will help the service employees to attain the desired motivation that is essential for them to behave in tune with the needs and expectations of the customers.

**Authority:**

The concept of 'feeling authorized' is generally associated with the empowerment of service personnel. However, 'feeling authorized' is a subjective concept, whereas empowerment is seen as an objective concept. The employee's behavior is based on his or her own subjective perception and evaluation of 'formal authorization', rather than on the formal authority itself. It is the degree of authority used by the employee that ultimately determines the level of customer-orientation (Hennig- Thurau and Thurau, 2003). The interactive nature of service provides empowered employees with an opportunity to rectify mistakes and increase sales (Gronroos, 1990). Therefore, empowerment can lead to both attitudinal and behavioral changes like increased job satisfaction, reduced role stress and role ambiguity (Rafiq and Ahmad, 1998). Such changes are recognized as key factors not only in breaking the 'cycle of failure' in services and maintaining customer satisfaction (Schlesinger and Heskett, 1991) but also in increasing employees' adaptability to behave in a customer-desired way (Scott and Bruce, 1994).

Service researchers have long acknowledged the significance of customer oriented, service driven organizations which is posited to result into various favorable psychological and social benefits (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Kelley, 1992). Past studies also indicate a positive relationship between these benefits and employee attitudes which in turn is considered the foundational ingredient for the creation and delivery of superior customer service. Among the psychological variables the focus in the present study is on employee service effort, job satisfaction, esprit de corps and commitment, in service organizations, customer orientation is implemented through its service employees. Accordingly, when service employees perceive that their organization, following customer orientation philosophy, emphasizes customer service, they are likely to respond by investing more time and energy in their work activities (i.e. engage in more service effort). Thus, based on this discussion, it is proposed that customer orientation will positively influence service employees' service effort.

Also it is well known that customer's perceived service quality and their satisfaction is one of the most important performances achieved by service employees in customer- employee interactions. During the early stages of service quality research it was common to measure perceptions of service quality as a proxy measure of customer satisfaction (Cronin et al., 2000). However, now there appears to be a consensus emerging that satisfaction refers to the outcome of individual service transactions and overall service encounter, whereas service quality is the customers' overall impression of the relative inferiority /superiority of the organization and its services (Bitner and Hubert, 1994). Satisfied employees are motivated and have motivational resources to deliver adequate effort and care. They have enough emotional resources to show empathy, understanding, respect and concern, thus positively affecting their behavior towards customers and consequently the customer's service quality perception and satisfaction.

**Model proposed:**

*Fig:1.*

**Implications for managers:**

Managers should remember that customer's perceptions of service encounter quality are positively related to customer's perceptions of service quality and customer satisfaction. Customer's perceptions of individual service encounters have an important part to play in the service evaluation process as the quality of each individual service encounter could influence both customer's overall service quality perceptions and their satisfaction, which in turn influences loyalty behaviors. It shows that each and

every service encounter is important, and managers need to make their employees aware of this. This highlights the importance of being able to maintain high levels of consistency in service delivery.

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