CHAPTER 2

Review of Literature



2.1 INTRODUCTION

We had already addressed that customer oriented selling (or customer orientation) created greater long-term performance benefits salesperson/serviceperson relative to sales-oriented selling (or sales orientation). This aspect had been widely noted in prior literature (Brady and Cronin, 2001; Goff et al., 1997; Kelley, 1992; Langerak, 2001; Reicheld and Sasser, 1990; Saxe and Weitz, 1982; Thakor and Joshi, 2005). There existed considerable variance in the extent to which customer orientation was practiced despite these benefits (Boles et al., 2001; Brown et al., 2002). Customer orientation required a greater salesperson effort in customer relationship development activities. This was a key reason for sales personnel /service personnel persistence with sales orientation and reluctance to engage in customer orientation (Saxe and Weitz, 1982). It had been established that effort was determined by motivation (Deci and Ryan, 1985), henceforth, the salesperson motivation to engage in customer orientation was a precondition for its practice. Accordingly, it was necessary to identify the determinants of salesperson/serviceperson motivation to engage in this mode of selling, in order to explain the variance in the practice of customer orientation (Thakor and Joshi, 2005).

Kane and Lawler (1976) suggested that job performance or job evaluation referred to the record of the results when employees had practiced a job for a certain period of time. According to Schermerhorn (1989), job performance was the quality and quantity accomplished by individuals or groups after fulfilling a task. This was also applicable in the case of customer orientation. After a certain period of time, measurements of employees' job performance could serve as a criterion for promotions, wage adjustments, rewards, punishments and evaluations (Tsai et. al. 2010). Cascio (2006) suggested that managers must specifically define performance to allow the teams or employees to recognize the organizational expectations in order to fulfil the organizational goals be it customer orientation or sales performance. In other words, managers must set



concrete goals, trace the fulfilment degree and evaluate the teams' or employees' performance. Van Scotter and Motowidlo (1996) suggested that employees with a high degree of job enthusiasm might demonstrate extra effort and devotion, and might actively sought out solutions to problems at work in order to enhance their job performance or customer orientation. Robbins (1998) divided the measurement of job performance into job result, job behaviour and personal traits. Lee et al. (1999) divided job performance into efficiency, efficacy and quality. Efficiency referred to the employees' output rate and was the ability to accomplish tasks before deadline. Efficacy referred to the employees' goal accomplishment rate and proposals. Quality referred to the employees' error rate and complaint rate, supervisor satisfaction, customer satisfaction and colleague satisfaction. This study suggested that in the application of this construct to measure hospitality industry employees' job performance, efficiency should refer to the employees' speed in customer service and customer orientation. The efficacy here meant that the accomplishment of job expected by customers from the service personnel, and quality here meant the service personnel's performance in customer service in terms of customer orientation. The measurement suggested by Shore and Thornton (1986) indicated that selfevaluation allowed individuals to participate in performance evaluation and served as a criterion. Based on the above, according to the views of Lee et al. (1999), this study divided job performance into efficiency, efficacy and quality, and measured hospitality industry employees' job performance using employee self-evaluation. Smith et al. (1969) proposed the Job Description Index (JDI) to measure job satisfaction, with the constructs including wage, promotion, job, supervisors and colleagues. Black and Gregersen (1997) found a positive correlation between job satisfaction and job performance. Organ (1990) suggested that when employees were satisfied with their work, they were willing to sacrifice themselves and devote to their organization.

While reviewing literature we had come across that there were important gaps in our understanding of the factors that motivated customer orientation. Though



there existed a significant body of the prior literature on customer orientation, many important job related aspects had not been addressed by the researchers. First, the effect of the salesperson's/serviceperson's affective evaluation of their job on customer orientation had not been examined in prior literature (for an exception, see O'Hara et al., 1991) despite considerable evidence regarding the motivating propensity of jobs (Eby. et al., 1999; Hackman and Oldham, 1980). It had also been observed that the salesperson's/serviceperson's affective evaluation of their job and of their organisation had interrelated effects on salesperson motivation to engage in customer orientation, given that jobs existed within organisational contexts (Thakor and Joshi, 2005). The second limitation in the existing customer orientation research is that the interrelated effects of these two different motivational drivers on customer orientation had not been explored. The the compensation from the organisation was received bν salesperson/serviceperson in exchange for the exertion of their effort in jobs, needs to be considered for measuring customer orientation. So, understanding of the effects of the salesperson's/serviceperson's affective evaluations of their job and of the pay that they receive on their motivation to engage in customer orientation becomes very important. However, very little research had been done in this regard. The third limitation of existing customer orientation literature is that the effects of the different motivational drivers on customer orientation had not been explored.

In this research, we highlighted the SOCO (Sales Orientation Customer Orientation) Scale to measure the customer orientation of the service personnel working in service organisations as well as the job characteristics model (JCM) (Hackman and Oldham, 1980) to some extent to address these limitations in prior customer orientation research. The JCM was especially appropriate for the purposes of our research for two reasons: it explicitly focused on the motivating potential of jobs, and secondly, it explicitly identified the affective evaluations of the organisation context and pay as moderators of the relationship between the serviceperson's affective evaluation of their job and motivation, thereby



establishing the structure of the interrelationships among these motivational drivers.

2.2 REVIEW OF LITERATURE

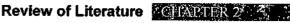
The conceptualisation of customer orientation had evolved from the definitions of marketing concept (McKitterck, 1957; Levitt, 1960; King 1965) and market orientation discourse (Kohli & Jaworski, 1990; Narver & Slater, 1990). The marketing concept was essentially a business philosophy or a policy statement, which suggested that the long-term purpose of the firm was to satisfy customer needs for maximising corporate profits (Webster, 1988). In the earlier times also there were people who accepted the importance of customers to the success of business. John McKitterick of General Electric in the year of 1957, had opined that the purpose of the organisation was to respond to the customer rather than to attempt to change the customer to fit the organisation's purposes in an extension of the original development of marketing concept (Lamberg, 2008). Levitt (1960) had made a seminal contribution of the development of marketing concept by stating that business definition should focus on customer needs rather than on the specific products used to satisfy those needs. The purpose of the total corporate effort should be helping customers solve selected problems; this had being proposed by King (1965) later on in his definition of the marketing concept. After going through all those early developments of the marketing concepts, it could be said that they all served as the foundation for the interest in customer orientation, which could be summarized as being a primarily philosophical concept.

The customer orientation had been considered to be developed from the discourse around market orientation based on these early conceptualisations of marketing concept. In both research and practice often the concept of customer orientation and market orientation were considered synonymous concepts (Shapiro, 1988; Deshpandé et al. 1993; Day, 1994; Brady and Cronin, 2001;



Kennedy. 2003) or was a central part of a broader definition of market orientation (Kohli and Jaworski, 1990). According to Shapiro (1988), the terms of "customer oriented", "market oriented", "market driven" and "close to the customer" terms were so close together in meaning, it seemed that few important distinctions between these terms existed. In general it had been found that the customer orientation was considered as the focal element of market orientation (Kohli & Jaworski 1990: Narver & Slater 1990, Narver et al. 1998; Hunt & Morgan 1995; Strong & Harris 2004; Gephardt 2006). On the other hand, Bruhn (1999) described that there were differences between market and customer orientation. In market orientation, we could found that the focus of an organisation's activities was on all market participants and interest groups, while in the customer orientation characterised by a bilateral relationship between the customer and the organisation. Henceforth, it could be concluded that market orientation focused on creating a general competitive edge, while customer orientation's primary objective was to fulfil individual customer expectations and their needs (Korunka, Scharitzer, Carayon, Hoonakker, Sonnek and Sainfort, 2007). However, in a very recent study, current sustainability strategies had three major deficiencies: they do not directly focus on the customer, they do not recognize the looming threats from rising global over-consumption, and they do not take a holistic approach (Sheth et. al., 2011).

Kohli & Jaworski's (1990) definition of market orientation included the importance of using information from customers. The definition of market orientation which they provided was the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence all across all the departments, and organisation-wide responsiveness to it. Furthermore, the emphasis was also given to the organisational activities related to the implementation of marketing concept as per the opinion of Kohli & Jaworski (1990). Thus, we could conclude that the definition given by Kohli & Jaworski (1990) was purely behavioural. On the other hand, market orientation



was considered as a business culture by Narver & Slater (1990). According to them, there were three behavioural components which were associated with market orientation. They were customer orientation, competitor orientation and inter-functional coordination. Along with this, there were also two decision criteria which were associated with market orientation; long-term focus and profitability. These efforts had served to extend the marketing concept from being a purely business philosophical organisation to representing the actions an organisation that could pursue in relation to their marketplace (Kosuge, 2006).

However, later on the general definition of market orientation had uniformed towards the Narver & Slater's (1990) proposition (Jaworski & Kohli, 1996), Again. according to Hooley et al. (2000) we found that the conceptualisation of Narver & Slater (1990) was both conceptually and operationally appealing because it encapsulated the main aspects of the Kohli & Jaworski's (1990) proposition of intelligence gathering, dissemination, and responsiveness constructs, while at the same time assessing the cultural factors. Thus, as a result of which we could observe a shift towards i.e. conciliation and integration of the two conceptualisations to some extent. However, we still see that the differences of the perspectives are occurring. Narver & Slater (1990) suggested that customer orientation would play the biggest role in market orientation. Furthermore, we also observed Hajjat (2002) indicated that over all other components the customer orientation must consider the precedence (Narver & Slater 1990) of market orientation, indicating that the best way to beat the competition was through customer orientation rather than competitor preoccupation (Perreault & McCarthy, 1997).

Researches on customer orientation indicated and suggested that a firm should concentrate on providing service that met customer needs (Noble et al., 2002). Moreover, it had been frequently argued by the researchers that the organisations should collect information from customers about their needs and wants and also use customer-supplied information to design and deliver total



offering for nurturing the organisational customer orientation (Schneider & Bowen, 1993). The customer orientation process treated the excellence in the functions like customer interactions, market and customer familiarity and thereby emphasised on co-operation (Deshpande et al., 1993; Noble et al., 2002).

In accordance with Dwyer & Tanner (2002) customer or market orientation was rare. It became a significant resource for sustaining a competitive advantage, as the orientation developed in an organisation. A customer oriented organisation selected its target market more wisely and tender a total offering better matched to customer preferences, compared to its internally focussed competitors (Lamberg, 2008). Various researches had indicated that those organisations which adopted customer orientation were more successful than those which did not (Narver & Slater, 1990; Kohli & Jaworski, 1990; Ruekert, 1992; Slater & Narver, 1994; Berry, 1997; Deshpande et al., 1993; Jaworski & Kohli, 1993, 1996; Fritz, 1996; Han et al., 1998; Day, 1999b; Becker & Homburg, 1999; Pelham, 1999; Sin & Tse, 2000; Slater & Narver, 2000; Webb et al., 2000; Gounadis et al., 2004; Souchon, et al., 2004). Thus it could be said that an immediate positive effect on an organisation's performance depended on the customer or the market orientation. An organisation's profitability was affected either directly or indirectly by customer or market orientation by the employee's satisfaction and attitudes (Jaworski & Kohli, 1993; Mengüc, 1996), sales force orientation (e.g. Siguaw, et al., 1994; Guenzi, 2003), organisational learning (e.g. Slater & Narver, 1995; Hurley and Hult, 1998; Baker & Sinkula, 1999), channel relations (Siguaw et al., 1998). On the other hand the strength of market orientation-performance relationship could not be affected by the competitive market environment (Slater & Narver, 1994). This meant that the benefits of the market orientation were long-term even though environmental conditions were often transient, and thus being market or customer oriented, it became costeffective in spite of any possible moderating effects of the environment.



There were three payoffs points to a sustainable competitive advantage from customer orientation (Dwyer & Tanner, 2002). Firstly, if the efforts fit the needs of the customers, then from better marketing programs a customer-oriented firm could be benefited. Secondly, spotting a customer-oriented firm by the competitors was very difficult. Lastly, customer orientation was very much apt to be unique. Due to its complexity, intangibility and exclusivity the customer orientation was typically a distinctive skill (Lamberg, 2008). Customer orientation required supportive administrative & social systems, formal and tacit routines, and professional associates who incorporated the orientation into their entire work life (Dwyer & Tanner, 2002). Organisations must focus on selecting their sales staff; contribute to the development, and enhancement of long-term business relationships with selected customer organisations, instead of paying attention to just single transactions. This had been indicated in various extensive researches of customer oriented selling in the industrial markets (Saxe & Weitz, 1982; Dubinsky et al., 1995; Williams, 1998; Schultz & Good, 2000; Kennedy et al., 201; Stock & Hoyer, 2002; Martin & Bush, 2003; Thakor & Joshi, 2005).

Furthermore, there were also various researches on market orientation and its relations to strategy design and performance (Slater & Narver, 1996; Morgan & Strong, 1998; Viand, et al., 2005), arguing that market orientation, was the antecedent to business strategy design and performance. In addition, scales had been developed to measure customer or market orientation in an organisation (Kohli et al., 1993; Hajjat, 2002), and of salespeople/service-people (Saxe & Weitz, 1982). Pecinova (2011) emphatically accentuated the need of differentiated care of individual customer's results in important changes in the value-creating process with significant influence on business performance and efficiency of both individual companies and all value chains. With CRM it was possible to increase the value of customer relationships and thus achieved higher performance of the enterprise. The essential assumption towards maintaining sustainable competitiveness and business achieving and performance was a long term balance between the benefits for the both -



customer and company. Only then were the both parties interested in long-term maintenance and development of the relationship.

The antecedents of customer orientation within an organisation were relatively understudied and often described as in need for further study (Kelley 1992; Deshpande et al. 1993; Strong & Harris 2004). However, the insights into the outcome of customer orientation had been extensively studied (Srivasta, et al., 1998; Steinman et al., 2000). Obviously, there were some studies that had widened the examination of customer or market orientation to include inter-firm relationships (Siguaw et al., 1998; Helfert et al., 2002; Bigne & Blesa, 2003; Bigne et al., 2004; Tuominen, et. al., 2004; Blesa & Bigne, 2005; Zhao & Cavusgil, 2006). In these studies, the level of analysis generally was a relationship itself, and the main focus was the relationship of customer orientation on organisation and customer integration.

Moreover, the marketing literature was relatively silent on the implementation of this orientation. Transformation process was difficult to investigate, and researchers agreed that the understanding of implementing a customer focused culture was inadequate (Narver et al., 1998; Day, 1999a; Kennedy et al., 2003, Gephardt et al., 2006). Ndubisia, (2011) had drawn from the mindfulness theory in examining the effects of service reliability, pre-emptive conflict handling, and customer orientation on customer satisfaction and loyalty in healthcare service delivery in Malaysia. The findings of the study indicated that care reliability, information reliability, and pre-emptive conflict handling directly affect customer orientation; all four directly affect customer satisfaction, and indirectly affect customer loyalty via customer satisfaction. Thus, customer satisfaction was fully mediated in the relationship of care reliability, information reliability, pre-emptive conflict handling, and customer orientation with customer loyalty.



2.3 PROBLEMS OF THE MARKET ORIENTATION RESEARCH

Based on the researches described above, we observed that a lot of empirical studies had been carried out over the years. The substantial amount of empirical findings suggested that there was a positive relationship between market orientation and the organisation's performance. As a matter of fact, the next logical step was to investigate how market orientation could be developed. From the existing researches we found that those researches only modestly described about the processes for achieving this desired orientation. For instance, the investigation of Day (1994) put emphasised on business process redesign, either radically or gradually from the bottom up, combined with top down signalling of commitment and stretching of improvement targets. Moving in the same lines, Narver, Slater, and Tietje (1998) suggested two approaches for creating a market orientation that might be tailored and managed; the "programmatic" approach and the "market-back" approach. There were very few empirical investigations that had studied the process of developing market orientation. Kennedy, Goolsby, and Arnold (2003) clarified the roles of leadership, inter-functional coordination, and the processing of customer-focused data in the transformation process in a study conducted in a major public school district.

The prevailing conceptualisations of customer orientation may not be suited to investigate the how the construct may be operationalised. This was one of the possible reasons for the scarcity of empirical research on the process of developing market orientation. The customer orientation stream of research assumes homogeneous responses to market and customers within an organisation, as indicated by the measurement method. Henceforth, the existing research fails to provide context-specific guidance to fully understand this point by making such an assumption (Kosuge, 2006).



2.4 DEFINITIONS OF CUSTOMER ORIENTATION

There still seems to be nuance differences in the numerous definitions of customer orientation, although the basic message of the customer orientation concept was fairly consistent. If we try to frame out the main similarities of the definitions of customer orientation, we could find something worth noting. Firstly, each of the definitions of customer orientation focused on the customer as the core component of the definition, and secondly each of the definitions acknowledged the importance of being responsive to customers. The base of defining customer orientation originated mainly from the discussions associated with the marketing concept (McKitterick, 1957; Levitt, 1962; King, 1965; Vargo & Lusch, 2004), and also associated with the market orientation discourse (Kohli & Jaworski, 1990; Narver & Slater, 1990; Ruekert, 1992; Day, 1994; Hunt & Morgan, 1995; Deshpande & Farley, 1998; Narver et. al., 1998; Strong & Harrwas, 2004). Sales management was one of the most important bases of studying customer orientation. This concept clearly pointed towards the business to business sales activities (Saxe & Weitz, 1982; Williams, 1998; Thakor & Joshi, 2005). On the other hand, if we had to consider the premise of the definition of customer orientation, its conceptualisation could emphasise it towards characteristics (Shapiro, 1998). organisational а strategy perspective (Jayachandran, et al., 2005; Olson et al., 2005; Osarenkhoe, 2006), or have a relational view to it (Williams, 1998; Strong & Harris, 2004; Vargo & Lusch, 2004; Jayachandran et al., 2005; Osarenkhoe, 2006).

in a guest of finding out the perspective of the definition of customer orientation, we could see that there were some researchers, who emphasised customer orientation as a business philosophy (McKitterick, 1975; Levitt, 1960; King, 1960), some others said that it was a business culture (Narver & Slater, 1990; Narver et al., 1998; Jayachandran, 2005). Whereas, there were various other researchers, who saw the customer orientation more from the activity or organisational behaviour point of view. Henceforth, the perspective then became

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behavioural (Saxe & Weitz, 1982; Shapiro, 1988; Kohli & Jaworski, 1990; Hunt & Morgan, 1995; Thakor & Joshi, 2005; Osarenkhoe, 2006). Overall, it could safely be said that there were many more researchers, who saw the customer orientation as a synthesis, which comprised both the cultural and behavioural perspectives (Ruekert, 1992; Deshpande et al., 1993; Day, 1994; Deshpande & Farley, 1998; Williams, 1998; Strong & Harris, 2004; Olson, 2005; Vargo & Lusch, 2004).

As a matter of fact, if we try to keenly study the definitions of customer orientation, we could definitely come to a conclusion that all the definitions had customer as a component as well as being responsive to customer as another core component. We had already found according to the widely known statement about customer orientation given by McKitterick in the year 1957, emphasising that organisation should try to make the business do what was suitable to the interest of the customer. According to the other viewpoints of customer orientation given by other researchers, the customer orientation was related to the importance of knowing the customer (Shapiro, 1988; Kohli & Jaworski, 1990; Narver & Slater, 1990; Ruekert, 1992; Day, 1994; Hunt & Morgan, 1995; Williams, 1998; Vargo & Lusch, 2004; Thakor & Joshi, 2005), as well as satisfying (McKitterick 1957; Levitt 1960; Saxe & Weitz 1982; Ruekert 1992; Deshpande 1993; Day 1994; Deshpande & Farley 1998; Williams 1998; Thakor & Joshi 2005) and creating value (Narver & Slater 1990; Narver et al. 1998; Vargo & Lusch 2004; Olson et al. 2005) for the customer. Moreover, there were numerous definitions which emphasised that in order to satisfy the customers, it was mandatory to instil organisation-wide commitment and cross functional processes to enable cooperation between functions (Shapiro, 1988; Kohli & Jaworski, 1990; Deshpande & Farley, 1998; Narver et al., 1998; Vargo & Lusch, 2004; Jayachandran et al., 2005).



2.5 VARIABLES AND APPROACH ADDRESSING THE ISSUE

It was very much evident that there was an importance of the service employees' customer orientation towards the implementation of the marketing concept in various market-driven companies. However, research on this construct had been limited (Mowen, Brown, Donovan & Licata, 2002). In an attempt by Saxe and Weitz (1982) (which was obviously the first attempt to directly measure customer orientation at the individual level) developed a 24-item scale with two dimensions (12 positively phrased customer orientation items and 12 negatively phrased selling orientation items) to measure the extent to which a salesperson seeks to increase long-term customer satisfaction. Not many researchers (Michaels and Day, 1985; Tadepalli 1995) conducting follow up studies after Saxe & Weitz (1982) had investigated the possible determinants of customer orientation, although the former research indicated that customer orientation was related to sales performance.

In this particular study, we tried to define customer orientation as an employee's tendency or predisposition to meet the customer needs in a context of this job. Furthermore, we also tried to propose through this research that the customer orientation in a service setting was composed of two dimensions. They were the needs dimension, which represented the employees' belief about their ability to satisfy customer needs and was based on Saxe and Weitz's (1982) conceptualisation of customer orientation. The other dimension was the enjoyment dimension, which represented the degree to which interacting with and serving customers was inherently enjoyable for an employee in an organisational setting. We also strongly believed that both the components were really necessary to fully understand a service worker's ability and motivation to serve customers by meeting their needs.

It was already established that the personality traits existed at various levels of abstraction, on which many theorists and researchers had argued upon (Allport,



1961; Eysenck, 1947; Lastovicka, 1982; Mowen and Spears, 1999; Paunonen. 1998). By keeping consistency with Mowen and Spears (1999) argument, we did not try to employ a hierarchical model in which basic personality traits (i.e., introversion, emotional stability, conscientiousness, agreeability, openness to experience, and need for activity) combined with a specific context for performance (i.e., the role of the service worker) to produce surface traits (i.e., customer orientation) or enduring dispositions, inclinations, or tendencies to behaved within the context.

The term "surface trait" was first used by Allport (1961) for the purpose of describing summaries of surface behaviours (as opposed to specific focal behaviours). It was Mowen & Spears (1999) who worked from this viewpoint, to define a surface trait as an enduring disposition to behave within a specific situational context. According to their research they proposed that the centre point of the situations, such as the role demands of a job as a server in a restaurant, exerted enough pressures to behave in specific ways. The creation of the surface traits were actually the result of these situational pressures combine with more basic personality traits. Based on a given person's general disposition to perform behaviours may diverge in different aspects of life, the surface traits were considered as contextual (e.g., a service worker was seemingly insensitive to the needs of family members when at home, however he was also attuned to the needs of customers when at work). Since, they represented an enduring tendency to behave, albeit within particular situational contexts, they were classified as traits. According to those researchers (Bowers, 1973; Endler & Rosenstein, 1997; Mischel, 1968) who had noted that situations interact with dispositions to influence behaviour, the above mentioned ideas remained consistent. However, we could say that because our research interest was considering the understanding of the service worker's customer orientation, we tried to limit our research to the context in which it operated (i.e., the employee's degree of customer orientation in a service setting).



Here in the study eight different variables had been taken into consideration. These were customer orientation, organisational identification, experienced meaningfulness, pay satisfaction, job stress, job autonomy, job variety and job supervision. Previous researches however had not incorporated so many dimensions altogether while exploring the employee's customer orientation in the service setting.

Primarily, in this research, we tried to focus our attention on customer orientation. There were obvious reasons behind this. The key characteristic of customer orientation implied that customers had preferences both in the immediate and long term benefits. As a result of which there was a focus on uncovering and satisfying the customer's long-term needs by listening to and working with customers (Thakor & Joshi, 2005). However, what we could get to know that, short-term preferences (or wants) were felt and clearly articulated whereas longterm preferences (or needs) tended to remain latent (Thakor & Joshi, 2005). According to Saxe and Weitz (1982), who had stated that, "highly customer oriented salespeople avoided actions which sacrificed customer interest to increase the probability of making an immediate sale". From this time forth, a customer-oriented salesperson/serviceperson had a target of exposing and satisfying these latent needs (Thakor & Joshi, 2005). Relative to the sales orientation, the salesperson/serviceperson had to be motivated to expend greater effort in customer-related interactions, in order to be customer oriented, (Saxe and Weitz, 1982). Rewards either being intrinsic to activity performance or external to the activity and whose procurement was enabled by activity performance and from this time forth, motivation to expend effort was generated through rewards (Deci and Ryan, 1985). We already knew that compensation or payments that were received in exchange for activity performance enabled the individual to obtain outcomes of value and hence were regarded as an extrinsic motivator (Lawler, 1971, 1973).



As a matter of fact, we had incorporated the pay satisfaction as an important variable which the study was an extrinsic motivator. salesperson/serviceperson's ability to obtain valued outcomes grows higher; when the magnitude of the reward received by them was also in the higher end. Thus, pay satisfaction motivated salesperson/serviceperson effort by enabling the salesperson/serviceperson to pursue valued outcomes (Lawler, 1971, 1973). It was also expected that there was a positive effect of pay satisfaction based customer orientation (Chebat, et al., 2002). Again it was expected that a salesperson/serviceperson's motivation to engage in customer orientation may be enhanced because they received both intrinsic and extrinsic rewards in exchange for effort investment, whenever high pay satisfaction was coupled with high experienced meaningfulness (Thakor & Joshi, 2005). On the other hand, based on the JCM (Hackman and Oldham, 1980), there were arguments that the positive relationship between experienced meaningfulness salesperson/serviceperson motivation to expend the effort required by customer orientation may be enhanced when pay satisfaction was high.

In continuation with the motivational factor by keeping consistency with the argument related to prior researchers had found that experienced meaningfulness to be positively related to intrinsic motivation (Eby et al., 1999). We had included the experienced meaningfulness variable as an important predictor of Customer Orientation in the study. It had been observed that if the salespeople/service people believe that they were likely to experience a feeling of accomplishment from their activity then the salespeople/service-people were likely to expend the additional effort that was required by customer-oriented selling (Thakor & Joshi, 2005). Salespeople/service-people had to perceive customer-oriented selling as being an important activity in order to develop this sort of belief (Hall, 1976). According to Hackman and Oldham, (1980) the experienced meaningfulness enhances the activity importance by making the work "count" in the salesperson / serviceperson's "own system of values". Thus, could experienced observe that meaningfulness we generated



salesperson/serviceperson's belief that they may experience a feeling of accomplishment from having successfully engaged in customer-oriented selling by fostering the perception of activity importance (Thakor & Joshi, 2005).

Organizational identification and organizational commitment go side by side. The most popular definition of organizational commitment used in the relevant literature was the three component model of organization commitment namely affective, normative and continuance commitment (Ogunnaike, 2011). The understanding of affective commitment could include identification with, and involvement in the organization (psychological attachment). Employees with strong affective commitment or organizational identification remain with the company because they observe their goals and values to be congruent with that of the organization. Continuance commitment included the cost awareness when leaving the organization. Employees with strong continuance commitment remain in the company because they needed to do so. McGee and Somers suggested that continuance commitment was subdivided into high sacrifice commitment (personal sacrifice associated with leaving). Normative commitment reflected a feeling of obligation to the company. Strong commitment in this situation was where employees feel they ought to remain with the company based on a sense of duty, loyalty or moral obligation. Affective, normative and continuance commitments were distinguishable, but affective and normative commitments appear to be related. Research shows that employees who were more committed, demonstrate higher job performance, less job displeasure, more ethical behaviour, and diminished intent to leave, less stress and organizational citizenship. Furthermore, they perceive the value of organizational goals and think of their goals and those of the organizations in personal terms, thereby a lot of cost efficiencies accrue from committed employees. Originally, the goal congruence approach conceptualized organizational commitment as a unidimensional construct and defined it as the relative strength of an individual's identification with, and involvement in a particular organization. Affective commitment was defined as employees (here in this case service personnel)

emotional attachment to, identification with, and involvement in the organization and its goals. It results from and was induced by an individual and organizational value congruency. As a result, it becomes almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organizational factors which help create intrinsically rewarding situations for employees to be antecedents of affective commitment. These factors include such job characteristics as task significance, autonomy, identity, skills variety and feedback concerning employee job performance, perceived organizational support or dependence. This concept essentially conveys the feeling on the part of the organization to consider the concern of employees when making decisions that affect employment conditions and work environment. The organization should also consider the extent as to how much the employees were involved in the goal-setting and decision-making processes. As far as normative commitment was concerned, it refers to the employee's feelings of obligation to stay with the organization. Such a feeling of obligation often results from what was characterized as "generalized value of loyalty and duty." This was an almost natural predisposition to be loyal and committed to institutions such as family, marriage, country, religion and employment organization as a result of socialization in a culture that places a premium on lovalty and devotion to institutions. This view of commitment holds that an individual demonstrates commitment behaviour solely because he or she believes it was the moral and right thing to do. This feeling of moral obligation was measured by the extent to which a person feels that he or she should be loyal to his or her organization, make personal sacrifice to help it out and not criticize it. On the other hand, continuous commitment refers to the commitment based on the costs that the employee associates with leaving the organization. Continuance commitment was defined as willingness to remain in an organization because of personal investment in the form of non-transferable investments such as close working relationships with co-workers, retirement investments and career investments, acquired job skills which were unique to a particular organization, years of employment in a particular organization, involvement in the community in which



the employer was located, and other benefits that make it too costly for one to leave.

The Social Identity Approach or SIA (Haslam, 2004) which were, in essence, internally structured groups (Hogg and Terry 2000, see Haslam, 2004) also explains a wide range of behaviours in organisations that had been successfully applied in recent years. In accordance to it the key variable studied in organisational contexts was organisational identification. This indicates the extent to which "people engage in a process of self-stereotyping whereby their behaviour was oriented towards, and structured by, the content of that group's or organisation's defining characteristics, norms and values, resulting in the internalisation of a particular organisational identity" (Haslam,, et al., 2003), Precisely the organisational identification variable had generated genuine interest to modern service organisations aiming at the dissemination of the marketing concept throughout the organisation. From now on, organisational identification becomes an important element of determining customer orientation of service employees (Wieseke, Ullrich, Christ & Van Dick, 2007). It had been found that, the more employees identify with their organisation, the more their attitudes and behaviours were likely to become consistent with the core characteristics of their organisation based on the self-definitional nature of organisational identification. Furthermore, it is because of the basic motivational power the organisational identification ultimately leads the service personnel to act on behalf of the organisational (Wieseke, Ullrich, Christ & Van Dick, 2007).

The constructs of organisational identification and organisational commitment was closely related with each other which was being addressed by some researchers (Miller et al., 2000). On the other hand, according to some recent studies it had been said that identification and commitment were different in their meaning (Meyer et al., 2006). The key point here was that organisational identification was the "perception of oneness with or belongingness to the organisation" (Ashforth and Mael, 1989), including both a self-definitional and an



emotional meaning for the individual, whereas organisational commitment defined as "a force that binds an individual to a course of action that was of relevance to a particular target" (Meyer and Herscovitch, 2001) which merely refers to an (emotional) attachment to the organisation (Allen and Meyer, 1990). This was the reason behind the inclusion of organisation identification as a variable in the study.

Blau (1981) defines stress as the incompatibility between a person's competency. and environment. Job stress extends upon the general definition of stress and was a kind of conceptual process that implies a person's cognition and reaction to danger or threats (Fleming et al., 1984). Pearson and Moomaw (2005) suggest that job stress was caused by work situations and people would have unpleasant feelings such as anger, tension, frustration, worry, depression and anxiety. Cooper et al. (1988) attributed job stress to factors intrinsic to the job, management's role, relationships with others; career and achievement, organizational structure, home and work. The sources of stress influence job performance. When an employee could no longer handle the stress, he would fail in his work (Jamal, 1990). Blau (1994) suggests that stress source could divide into external stressors and internal stressors. In addition, stress in the workplace especially in situations like customer orientation frequently hits service personnel with a double whammy of two-way pressures that come from a combination of both internal and external stressors (Stress management tips, 2010). Matteson and Lancevich (1982) suggest that proper stress results in sense of challenge or satisfaction for people. Without such stress, a person would lack motivation and originality. In past research on the influence of stress on job performance, the Yerkes-Dodson principle indicated a reverse U relationship between job stress and job performance (Yerkes and Dodson, 1908). In other words, an increase in work stress would enhance job performance. However, after work stress reaches a certain degree, the increase would reduce job performance. An Empirical study by Huber (1981) also reached a similar finding. However, excessive job stress may increase employee turnover rate (Parasuraman and Alutto, 1984) and



further enhance the personnel and training costs of firms. Based on the view of Blau (1994) and characteristics of the hospitality industry, this study divided employees' job stress in the hospitality industry into external pressure an internal stress thus: (1) Organizational external stress: an excessive workload, business stress and load. (2) Organizational internal stress: a lack of participation in job decision-making, without supervisory support, health advantages after changing jobs, anxiety, tension, etc.

In marketing, job stress or role stress (Cordes & Dougherty, 1993) plays an important role in the job related outcomes. Researchers agree that extreme job stress invariably results in an erosion of performance and job-related attitudes ("distress"). However, moderate levels of job stress may increase performance as stress stimulates individuals to excel (Seyle, 1976). Therefore, the job stress had become an important variable in the customer orientation. This was because it was this customer orientation which was also a job outcome of service personnel. There were various researches which indicate that there were three important elements associated with the job/role stress. They were Role conflict (RC) was the degree of incompatibility of expectations associated with the role/job; (2) role ambiguity (RA) was the degree to which clear information was lacking about the expectations associated with a role/job, methods for fulfilling role expectations, and/or consequences of role performance; (3) role overload (RO) exists when role expectations were far greater than the individual's abilities and motivation to perform a task (Singh, Goolsby & Rhodes, 1994). After reviewing the past literature we had included job stress as a variable in the study which would have a strong association with customer orientation.

According to various literatures it had been considered that the notion of job autonomy was a key requirement for the employees (especially the service personnel) to be able to behave in a manner consistent with their attitudes and beliefs. In fact if we consider job autonomy as a variable in this study, it refers to a situation in which a manager gives the service personnel the discretion to make

day-to-day decisions about job related activities (Bowen and Lawler, 1992; Conger and Kanungo, 1988). Supporting the job autonomy at the work place removes the constraints imposed on customer-contact employees, which give them room to manoeuvre as they attempt to serve customers' needs (Bandura. 1977; Gist, 1987). Hereafter, in this study, we thus felt that a work environment was very much essential for the employees may or may not have that level of empowerment in their prescribed roles. This was because, a degree of job autonomy permits employees to act upon their level of identification with the organisation by responding with favourable or unfavourable behaviours. It was already known that a sales/service job was typically demanding because of the challenging marketplace and the performance-based compensation system. Salespeople/service-people need both the freedom (i.e., job autonomy) and the skills to meet the challenges (Karasek, 1979). Among job related factors (skills variety, task identity, task significance, autonomy, and feedback), job autonomy was probably the most relevant variable to study the salesperson / serviceperson learning and self-efficacy because the perception of job autonomy reflects two of the efficacy enhancing information sources specified by Bandura (1986): enactive mastery and persuasion. Hereafter, we had incorporated this variable in this study as a key determinant in predicting the customer oriented behaviour.

Job autonomy signals a transition away from traditional development that confined people's role to that of passive recipients, effectively rendering them dependent on handouts in the form of foreign aid (O'Gorman, 1995). Bowen and Lawler III (1992) define job empowerment or job autonomy as sharing with frontline service persons' four organizational ingredients: (1) Information about the organization's performance; (2) rewards based on the organization's performance; (3) knowledge about contributing to organizational performance; (4) power to make decisions that influence organizational direction and performance. Murat and Thomas (2003) suggest that job autonomy do not simply refer to telling employees (here in this case service personnel) that they were empowered, but aims to allow the service personnel to recognize what power

Review of Literature CHARLER 2

had been authorized. Boudrias, et al. (2004) suggests that in managerial circles, job autonomy application includes two types: (1) Empowering the responsibility of decision-making to subordinates while emphasizing rich work environments and diverse authority, information, resources and support, and providing the opportunity to learn in order to improve performance; (2) psychological empowerment, which refers to service personnel's experiences of job autonomy that were inferred as a mediating variable of empowerment and expected results. According to Sherman (1996), job empowerment or job autonomy acknowledges that the service personnel had the power to change in order to encourage employees to increase their competency. Kanter (1993) suggested that job empowerment or job autonomy could keep employees from feeling helpless. Organizations could thus reduce negative effects such as low morale especially in the situations of a failed deal in a customer interaction process. The most significant effect of job autonomy was to enhance service personnel abilities and self-efficacy (Conger and Kanungo, 1988). Bowen and Lawler III (1992) suggest the advantages of empowerment for organizations below: (1) To rapidly respond to customer demands and questions; (2) a high degree of service personnel job satisfaction; (3) positive interactions with consumers; (4) service personnel with creative thoughts; (5) the creation of loyal customers. About the definition of psychological empowerment, Spreitzer (1995) define this concept as the psychological state that the service personnel must experience for managerial empowerment interventions to be successful. Spreitzer's (1995) measure of job empowerment or job autonomy was used to define psychological empowerment and comprise of four components: Self-determination, competence, impact, and meaning. (1) Self-determination reflects autonomy in the choices and decisions an individual could make regarding work allocations. (2) Competence refers to self-efficacy specific to work or the task—the confidence that one could perform well within a particular work domain. (3) Impact was the degree to which an individual could influence strategic, informational, or administrative decisions made at the organizational level. (4) Meaning involves the fit between a person's values and beliefs and work role requirements.



The simplest explanation of job variety as described by Price & Mueller (1986), was the degree of variation in the job. Based on various researches done on job characteristics, it was seen that it was just opposite to the routinisation task. Not only that, it was also found that there were jobs, which require role performance that was highly repetitive, while other jobs had significant degree of variety in the required tasks and how they were performed (Mueller, Boyer, Price & Iverson 1994). According to Ross and Reskin (1992), "job autonomy and non routine work signal occupational self-direction, "which was a positive outcome for most employees. In various other researches it had been seen that job variety had a significant impact on service personnel and their organisational commitment. It appeared that those personnel want jobs that had variety and allow them to learn new things (Allen, Lambert, Pasupuleti, Tolar and Ventura, 2004). Thus, by considering the above facts in this research, we focus on job variety as another key variable.

Supervisor was a person who guides and directs the employees in an organisation. Obviously, job supervision was not a constant and uniform activity and thus it varies from organisation to organisation. Supervisors were expected to give direction and feedback necessary for employees to complete their tasks within organisational specifications (Bruce & Blackburn, 1992). Subordinates look to their supervisors to help them to cope up with the demands of the job (Poulin, 1994). There were studies which reflect that high-quality supervisor-employee relationships were positively correlated with employee job satisfaction. Supervisor-employee relationship serves to build upon the leader-member exchange theory by providing interesting insight into the initiatives supervisors could embrace to develop high-quality supervisor-employee relationships to influence employee job satisfaction (Stringer, 2006). On the other hand, if supervisors were perceived as failing, particularly in terms of support and consideration, employees were less likely to be satisfied with their work and were less committed to the organisation (Babin & Boles, 1996; Glisson & Durick,



1988). The employees who had a low quality supervisor-employee relationship with their supervisor, may only feel superficially connected to their organisation (Memmi, 1974; Noddings, 1984) and may only trust to share that which was minimally necessary to perform required tasks and roles (Kahn, 1998) which could result in an increase in the likelihood of dissatisfied employers. It may result in increased chances of employee alienation, burnout, absenteeism and turnover (Stringer, 2006). On one hand it had been observed that supervisors who provide quality, open and supportive supervision may motivate employees to a considerate extent. On the other-hand, there were supervisors who were inconsistent, do not motivate employees to meet high standards, had poor communication styles and were unfriendly and unfair (Allen, Lambert, Pasupuleti, Tolar and Ventura, 2004) fact to persuade employees to contribute more for the organisation.

As far as the supervisor's initiation of customer orientation was concerned, it appeared to have a strong impact on customer-oriented attitudes. Thus, by serving as a role model, supervisors could help develop positive customer oriented attitudes in their salespeople / service-people. In addition, by showing consideration and developing positive relationships with salespeople / servicepeople, supervisor could spawn positive impact on customer-oriented attitudes (Stock and Hoyer, 2002). Thus, in this research, we also focus on job supervision also as another key variable.

2.6 RESEARCH GAPS IN PREVIOUS STUDIES

Most of the studies reported in the literature were relating to the behaviour of the employees in the developed markets where the condition of working life, benefits, level of education, customer relationship management, the structure of the organisation were diametrically opposite to the working condition prevailing in our service sector. The scales that had been used by researchers may be culturally



different and hence, need to be modified before conducting a study in our developing markets.

Another important aspect that we had encountered in previous literature was the narrow application of the practice of customer orientation to a specific service sector. Not much study had been considered in the past literature by administering the job related variables to predict customer orientation covering a wide range of service sectors. We had made an attempt to make a thorough comparison of the variables that we had taken in our study for six contrasting service industries.

It seems logical to think that the variables that we had taken in our study unlikely to vary across service sectors included in our study. Though Annova was a valid measure to establish significant differences among the means of different variables considered in our study but to our knowledge no systematic effort had been undertaken to find out the contribution of different variables for which the "F" value was found to be significant.

Moreover, for this type of research the marketing data were collected using either by administering Likert scale or Semantic differential scale which were interval in nature. As such, it was required to apply non parametric statistical tests to corroborate the findings of parametric tests. Most of the parametric tests were based on the assumption of normality which may not be true in reality. The researcher must apply both these types of tests to draw conclusions from a study. For this reason, we had employed both parametric and non parametric tests to process the data for drawing inferences.

2.7 HYPOTHESIS DEVELOPMENT

An important part of sales person's task was to help consumers make purchase decision that would suite the requirement of the customers (Saxe and Weitz, 1982; Spiro and Weitz, 1990). To selling strategies were widely discussed in the



literature - customer oriented selling and sales oriented selling. In this empirical paper, in the context of retail business we concentrated our study by incorporating some job related variables and measuring its impact on customer orientation.

Job stress was generally defined in the literature as an employee's anxiety, worry, frustration etc. Studies had revealed that (Gliss, 2001) job stress is negatively related with job satisfaction. A dissatisfied employee is not likely to expend his energy for delivering customer oriented service. Hence we hypothesize that higher the perceived stress of an employee the lower would be the customer orientation.

Job autonomy was regarded as the degree of freedom that the employee had in marketing related decision. Variety on the other hand allows the worker to do various types of jobs as desired by the organisation. Both job autonomy and variety were expected to enhance employee's belongingness with the organisations. In view of this we may tentatively hypothesize that higher the job autonomy and job variety, higher would be the customer orientation.

Open, supportive and quality supervision was hypothesized to have a positive effect on the job satisfaction and organisational commitment of employees. Supervisors were expected to give direction and feedback necessary for employees to complete their task. Given the situation, the employees were expected to practice customer orientation instead of selling orientation due to pro-employee attitudes of supervisory tasks.

Pay satisfaction refers to the positive affective evaluation of the magnitude of the reward that was received in exchange (Churchill et. al., 1974; Walker et. al., 1977). When pay satisfaction was high, sales person motivation to engage in customer orientation would also likely to be enhanced. Keeping this argument we



propose higher the level of pay satisfaction, higher would be the practice of customer orientation.

2.7.1 Research Hypothesis

Keeping in view the above objectives of the study this study simply tries to answer to following questions:

While there had been several studies that had explored the causes of job stress and its impact (Cushman, Evans, Namerow 1995; Gibson, McGrath & Reid 1989; Himle, Jayaratne & Thyness 1989; Siefert, Jayaratne & Chess 1991), far less research had examined the impact of job stress on job satisfaction of service personnel.

 H_{01} There is no significant relationship between customer orientation and job stress.

According to Ross and Reskin (1992), "job autonomy and non routine work signal occupational self-direction, "which is a positive outcome for most employees.

 H_{02} Customer orientation is not directly influenced by the job variety and job autonomy.

The supervisor's initiation of customer orientation appears to have a strong impact on customer-oriented attitudes. Thus, by serving as a role model, supervisors could help develop positive customer oriented attitudes in their salespeople / service-people. In addition, by showing consideration and developing positive relationships with salespeople / service-people, supervisor could have a further positive impact on customer-oriented attitudes (Stock and Hoyer, 2002).

H₀₃ Positive job supervision does not affect the customer orientation in a cross section of service industries.



The greater the magnitude of the reward that was received, the greater is the salesperson's / serviceperson's ability to obtain valued outcomes. Pay satisfaction motivates salesperson effort by enabling the salesperson to pursue valued outcomes

H₀₄ Pay satisfaction does not persuade workers to practice customer orientation.

If the sales personnel/service personnel believe that they would experience a feeling of accomplishment from this activity they may be motivated to expend the additional effort that is required by customer-oriented selling.

H₀₅ Experienced meaningfulness does not have any significant impact on the practice of customer orientation by service employees.

As a matter of fact, we argue that when organizational identification is high among the salespeople / service-people, they were likely to regard customeroriented selling as an important activity, which in turn shapes their belief that they may experience the feeling of accomplishment upon successful completion of this activity.

H₀₆ Organisational Identification does not significantly influence the customer oriented behaviour.

This study is expected to provide sufficient insight into the relationship between various perceptual variables incorporated in explaining the practice of customer orientation.

2.8 PSYCHOMETRIC PERFORMANCE OF THE SCALES

In order to access the scale dimensionality a confirmatory factor analysis is employed using Oblique rotation procedure. Since we had considered seven independent or explanatory variables and one dependent variable, we had obtained eight distinct factors. As we know that the objectives of factor analysis



were twofold: data reduction and identifying underlying latent dimensions in the data structure for establishing scale dimensionality.

Table 2.1: Structure Matrix

Table 2.1: Structure Matrix										
Variables	Component									
Organizational Identification 1	.277	2	3	4 707	5	6	7	8_		
Organizational Identification 2	.277	.033	174 208	737	.027	.311	084	.029		
Organizational Identification 3	.337	099		813 790	.103	.191	.126	.117		
Organizational Identification 4	.235	156	203 199	499	.162 .101	.250	034	.085		
Organizational Identification 5	.235	168	280	749	.130	.216 .257	114	102		
Organizational Identification 6	.320	027	141	538	.133	.201	.147	.006		
Organizational Identification 7	.339	.090	211	800	.048	.289	.372 .132	.066		
Experienced Meaningfulness 1		025								
Experienced Meaningfulness 2	.200	025 014	180 081	197	.859 .836	.161	.052	019		
Experienced Meaningfulness 3	.178	123		086 131	.701	.125	026	019		
			036			.118	.052	.043		
Pay Satisfaction 1	.306	087	169	<u>1</u> 21	.085	.082	.797	.279		
Pay Satisfaction 2	.311	032	252	- 138	162	.058	.701	.258		
Pay Satisfaction 3	.199	174	337	081	081	.335	.761	113		
Pay Satisfaction 4	.183	230	280	060	270	.339	.621	150		
Job Stress 1	131	.817	.079	.040	101	061	038	.037		
Job Stress 2	216	.863	.065	.059	.025	087	071	.011		
Job Stress 3	186	.881	004	<u>0</u> 10	.007	115	101	013		
Job Stress 4	176	.860	.008	.031	079	045	086	.008		
Customer Orientation 1	.829	106	295	349	.048	.386	.105	.211		
Customer Orientation 2	.880	119	334	373	.025	.301	.292	.174		
Customer Orientation 3	.841	273	387	381	.112	.362	.186	.144		
Customer Orientation 4	.835	274	264	326	.229	.319	.209_	.203		
Customer Orientation 5	.858	226	382	327	.198	.309	.156	.174		
Customer Orientation 6	.830	149	225	300	.142	.256	.140	.233		
Customer Orientation 7	.682	133	~.255	317	.289	.217	.254	.230		
Job Variety 1	.404	15 <u>8</u>	236	305	.102	.823	.244	.204		
Job Variety 2	.272	-,086	146	273	.156	.757	.091	.230		
Job Variety 3	.276	- 130	133	307	.193	.797	.060_	.276		
Job Variety 4	.414	.019_	204	330	.028	.790	.143	.287		
Job Variety 5	.331	004	149	261	.106	.754	008	.265		
Job Autonomy 1	.245	060	257	- 169	.073	.329	.115	.839		
Job Autonomy 2	.266	013	147	059	078	.277	.342	.665		
Job Autonomy 3	.250	009_	165	- 100	<u>097</u>	.345	035_	.722		
Job Supervision 1	.084	018	-,700	194	.195	.068	.140	<u>04</u> 8		
Job Supervision 2	.390	078	877	224	.055	.187	.145	.123		
Job Supervision 3	.300	058	873	- 187	027	.168	.125	.190		
Job Supervision 4	.395	061	853	<u>213</u>	.050	.203	.258_	.201		
Job Supervision 5	.348	.000	870	268	.057	.192	.146	.169		
Job Supervision 6	.355	028	556	273	.036	.211	.246_	.165		

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

The latent variable structure amply demonstrates that eight factors had emerged as separate dimensions establishing the construct validity of the scale. However,



we had come across from the structure matrix that some factor loadings more than 0.3 had loaded with the underlying dimensions that we wanted to extract. It should be mentioned that there were no established criteria for retaining the factor loadings, though by convention researchers report factor loadings which were more than 0.3. In some instances we had encountered the problem of split loadings which was also common phenomenon in factor analytic model. It was very interesting to discern that mis-loadings were almost absent in our factor analysis involving the aggregate data drawn from a variety of service employees.

Table 2.2: Table of Eigenvalues

Component -	Initial Eigenvalues						
	Total	% of Variance	Cumulative %				
1	9.818	25.176	25.176				
2	3.235	8.294	33.469				
3	2.999	7.689	41.158				
4	2.466	6.324	47.483				
5	2.094	5.370	52.853				
6	1.987	5.095	57.948				
7	1.815	4.655	62.603				
8	1.312	3.364	65.967				

The table of Eigenvalues represents that the initial factor explains more than 25 percent variability in the original data and the Eigenvalue was nearly 10 which was not uncommon since, the first factor explains the most of the variability in the original data structure. The eight item solution explains nearly 66 percent variability in all the variables included in the factor analytic model. The findings of our study were compatible with other similar studies reported in the social science field. The scree plot given below also substantiates that the factor analysis is quiet acceptable.

Fig 2.1: Scree Plot

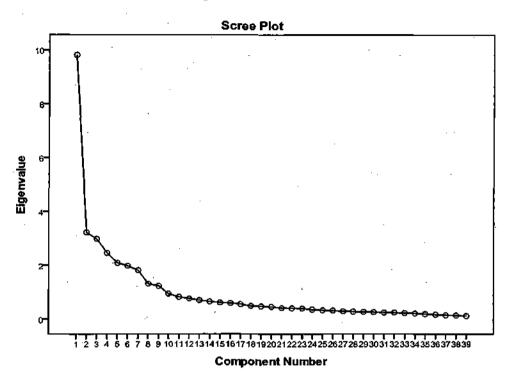
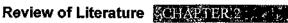


Table 2.3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
	Approx. Chi-Square	12160.893
Bartlett's Test of Sphericity	df	741
	Sig.	.000

In SPSS Output we had reported the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. The KMO statistic varies between 0 and 1. A value of 0 indicates that the sum of partial correlations is large relative to the sum or correlations, indication diffusion in the pattern of correlations (hence, factor analysis was likely to be inappropriate). A value close to 1 indicates that patterns of correlations were relatively compact and so factor analysis should yield distinct and reliable factors. Kaiser (1974) recommends accepting values greater than 0.5 and 0.7 were mediocre, values between 0.7



and 0.8 were good, values between 0.8 and 0.9 were great and values above 0.9 were superb (Hutchenson & Sofronniou, 1999). For these data the value was 0.93, which falls into the range of being superb: so, we should be confident that factor analysis was appropriate for these data.

Bartlett's measure tests the null hypothesis that the original correlation matrix was an identity matrix. For factor analysis to work we need some relationships between variables and if the R-matrix were an identity matrix then all correlation coefficients would be zero. There, we want this test to significant (i.e. had a significance value less than 0.05). A significant test tells us that the R-matrix was not an identity matrix; therefore, there were some relationships between the variables we hope to include in the analysis. The test statistic chi square was significant beyond p<.000 for these data, Bartlett's test was highly significant (p<0.000), and therefore factor analysis was appropriate.

Variables Cronbach's Alpha N of items .828 Organisational Identification 7 Experienced meaningfulness .773 3 .756 4 Pay Satisfaction 4 Job Stress .883 7 **Customer Orientation** .922 .867 5 Job Variety Job Autonomy .729 3 Job Supervision .880

Table 2.4: Reliability Statistics

2.8.1 Cronbach's alpha measure

The results of Cronbach's alpha were presented in table 2.4. In spite of a small number of items in some cases the alpha values were found to be more than 0.7, which establish scale reliability. It could be seen that the alpha values were comparatively bigger in magnitude where the scale items were higher. This could be established if we delve into the process of computing the alpha values which is briefly presented below:



Cronbach's a is defined as:

$$\alpha = \frac{K}{K-1} \left(1 - \frac{\sum_{i=1}^{K} \sigma_{Y_i}^2}{\sigma_X^2} \right)$$

Where, K is the number of components (K-items or test lets), σ_X^2 the variance of the observed total test scores, and $\sigma_{Y_i}^2$ the variance of component i for the current sample of persons (Develles, 1991).

Alternatively, the Cronbach's α could also be defined as

$$\alpha = \frac{K\bar{c}}{(\bar{v} + (K-1)\bar{c})}$$

Where, K was as above, \bar{v} the average variance, and \bar{c} the average of all co variances between the components across the current sample of persons.

2.9 CONCLUSION

In this chapter we had discussed the review of literature in the field of customer orientation behaviour. The review of literature suggests that the study of customer orientation is regarded as an important variable for evaluating the performance of employees. Altogether seven job related independent variables had been considered in our study excluding the dependent variable of customer orientation. The results of factor analysis reveal that the scales that we had used in our study were construct valid. The factor analysis results were quite satisfactory. The KMO Bartlett test of Sphericity also found to be significant. The study reveals that the scales that we had developed fulfil the psychometric performance of the scale. The total variance explained is also on the higher side. In the subsequent studies the scales had been employed to capture the various dimensions related to the job of the employees vis-a-vis their intention to serve the customers.



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