Influences of organizational investments in social capital on service employee commitment and performance

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1. Introduction

For service employees to provide great service to customers, they must be satisfied, motivated, and able to do their jobs without organizational obstacles (Bowen, 1996; Bowen & Lawler, 1992). Bowen (1996) contends that managerial behaviors critically shape organizational culture and that in world-class service operations managers leverage intangible aspects of employee coaching and development to help service employees better serve customers. Recent examples in the popular press include overviews of the innovative approaches that Customer Service Champs organizations employ to support and develop service employees (McGregor, 2009) and Lowe's strategic emphasis on building employee engagement and business-related learning through social media communications (Bingham & Galagan, 2009). However, the influence of human resource developmental approaches as a means of creating and managing employee commitment to service quality remains relatively under-examined in the services literature (Rust, 2004). Rather, extant services research focuses far more on managing customer relationships than on the dynamics of effectively supporting and developing the service personnel who interact with customers. This study assesses the influence of an organizational human resource developmental initiative on service employees' work-related attitudes, norms, and behaviors. Results from a field study of 407 customer-facing employees from multiple service organizations suggest that making organizational investments in social capital favorably influences service employees' commitment, job performance, and organizational citizenship behavior.

Influences of organizational investments in services research focuses on managing customer relationships than on the dynamics of effectively supporting and developing the service personnel who interact with customers (Bowen, 1996, 2010; Johlke & Duhan, 2000). Given the influence that service employees have on organizational success, a top priority for services research is to better understand how to establish and leverage organizational cultures that effectively support and develop service employees (Marketing Science Institute, 2010; Ostrom et al., 2010).

The notion of leveraging human resource developmental initiatives to improve employee commitment to service quality is consistent with the concept of internal marketing. A key premise of internal marketing is that to provide superior service experiences for external customers, organizations must first ensure that the needs of their internal employee customers are effectively met as service employees' ability to satisfy customers largely depends on the
support and guidance that they receive from their supervisors and organizations (Bowen, 1996; George, 1990). Previous research shows that when firms devote managerial effort and resources to support the needs of service employees, the employees provide exceptional levels of service to both customers and fellow employees (Berry, 2002). For superior service quality to emerge, managers must influence service employees’ attitudes and behaviors with cultural artifacts, patterns of behavior and management practices (Schweiker & Hartline, 2005; Singh, 2000). Internal marketing helps organizations impart the focus of an organization’s internal climate to service employees by reinforcing deep layers of culture. Creating organizational cultures that encourage employee commitment to the provision of superior service quality is imperative for service organizations (Bowen & Ostroff, 2004). Customer satisfaction and financial success often accompany positive organizational cultures (Bowen, 2010).

The current research draws upon social capital theory and the theory of reasoned action to propose and test a model that examines relationships between a human resource developmental initiative—organizational investments in social capital (OISC)—and service employees’ work-related attitudes, norms, and behaviors. The study responds to multiple calls for more insight into factors that improve service employee commitment to service quality and job performance and addresses several other gaps in the literature. First, as mentioned, the influence of human resource developmental initiatives as a means of creating and managing commitment to service quality is relatively under-examined in services research. Second, despite calls for research that examines how building social capital benefits organizations (e.g., Pastoriza, Ariño, & Ricart, 2008), with the exception of Merlo, Bell, Menguc, and Whitwell’s (2006) study, current research devotes little attention to the issue of leveraging social capital to generate work-related returns in service industries. Third, this work responds to Batt’s (2002) call for research to identify mediating employee variables that better explain the link between managerial practices and service employee performance by assessing the influence of OISC as a managerial practice. Fourth, the examination of the association between OISC and organizational citizenship behavior responds to MacKenzie, Podsakoff, and Ahearne’s (1998) call for research that investigates antecedents of extra-role performance.

The next sections review relevant literature, present an overview of the conceptual model and the theoretical bases, and propose study hypotheses. The following sections describe the study method and results. The final sections discuss the study findings, their contributions to services theory, implications for practicing managers, and offer some directions for future research.

1.1. Social capital

Social capital is a set of informal values and norms and subjectively-felt obligations that group members share, which are instrumental in shaping the relationships that make organizations work effectively (Adler & Kwon, 2002; Coleman, 1988; Fukuyama, 1995; Nahapiet & Ghoshal, 1999). The essence of social capital theory is that interpersonal relationships are the underlying drivers of measurable performance outcomes, and that fostering stronger connections within social networks by creating environments that promote trust, rapport and goodwill yields positive outcomes (Adler & Kwon, 2002; Maurer & Ebers, 2006). Researchers assess cognitive, structural and relational aspects of social capital in multiple contexts including national (Fukuyama, 1995), strategic (Hitt & Ireland, 2002), organizational (Cohen & Prusak, 2001), and retail store level (Merlo et al., 2006). As the need to identify developmental approaches to improve employee commitment and performance becomes more apparent, researchers increasingly examine aspects of social capital (Adler & Kwon, 2002; Arregle, Hitt, Sirmon, & Very, 2007).

Several research studies suggest that organizations can effectively create and retain positive social and human capital through managerial and human resource practices that emphasize and facilitate social networks. Thus, research indicates that social capital affects career development and positive work-related outcomes (Leana & van Buren, 1999), and plays an important role in the creation of workspaces that are conducive to employee development and retention (Coleman, 1988; Dess & Shaw, 2001). Luthans and Youssef (2004) argue that organizations should therefore place more emphasis on the development of latent resources, such as social, human, and psychological capital, to develop and maintain a competitive advantage. Batt (2002) also contends that building firm-specific human capital results in employee attachment and enhanced productivity. Shub and Stonebraker (2009) suggest that relationship-based managerial strategies that focus on organizational structure, culture, and empowerment generate employee loyalty and promote long-term relationships between the firm and its employees. Finally, in the current context, a recent empirical study indicates that retail organizations can create an internal culture that supports and encourages service employees by focusing on open communication, shared vision, and trust, which accompany building social capital (Merlo et al., 2006).

1.2. Investing in social capital

The organization is, in practice, an abstract entity. Since employee interactions and exchanges with the organization take place vis-a-vis its critical members (Settoon, Bennett, & Liden, 1996; Wayne, Shore, & Liden, 1997), supervisors assume a central role in human resource developmental initiatives. Researchers often link effective manager–employee communication to more positive work-related attitudes and behaviors like job satisfaction and performance (e.g., Gilmore & Carson, 1996; Johlke & Duhan, 2000). One such approach is the development of a favorable service climate or the surface layer of a deeply embedded culture. Although firms utilize many different approaches for creating favorable internal cultures, an essential part of promoting a positive service climate is developing an organizational culture for employee well-being that focuses on meeting employees’ needs through quality human resource practices (Bowen, 1996). The idea that managers build mutually beneficial relationships with employees to promote a positive service climate is consistent with research on psychological contracts (Hui, Lee, & Rousseau, 2004; Rousseau, 1995) that suggests supervisors are key representatives of the organization and have direct shaping effects on subordinates’ organizational experiences, and with Cohen and Prusak’s (2001) conceptualization of making organizational investments in social capital. Cohen and Prusak (2001) characterize social capital as a rare and endangered resource that enhances workplace environments and propose that investing in social capital is a key initiative for managers who focus on enhancing firm competitiveness. They base their conceptualization of making organizational investments in social capital on the premise that managerial behavioral norms and interpersonal connections represent incremental, daily investments in social capital. Cohen and Prusak contend that “every managerial decision and action represents an opportunity for a social capital investment or loss (Cohen and Prusak, 2001, p.3).” However, making organizational investments in social capital requires the devotion of significant managerial time and effort to enable and promote appropriate behavioral norms and values.

As firms increasingly leverage human capital for competitive advantage, the notion of investing in social capital as an organizational resource that improves work-related performance is becoming more prevalent in the literature. Drawing on the resource-based view, Hitt and Ireland (2002) propose that investing in organizational members’ social capital is equivalent to developing a strategic source. The stream of largely prescriptive research addressing the value of building organizational social capital suggests that this approach may represent a useful developmental strategy for enhancing
workplace environments by promoting internal cultures that improve service employee commitment to the firm and to service quality. Yet, the requisite norms and values for effecting such changes to internal organizational culture require deeper understanding (Merlo et al., 2006). Ellinger, Elmadağ, Ellinger, Wang, and Bachrach (2011) develop and validate a measure of OISC, as well as provide an initial nomological network. The current research examines the process by which OISC results in beneficial outcomes for service organizations.

2. Theory

Two theories form the basis for the hypotheses in the proposed model: social capital theory and the theory of reasoned action. As the above section describes, the core theme of social capital research focuses on networks of informal social relations that contribute to organizational effectiveness by providing access to information, knowledge, and other resources (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1999). However, social network research distinguishes between the presence of a tie that provides access to the kinds of actual and potential resources that actors possess and the nature of those resources themselves. The current research applies social capital theory to propose that managerial behaviors consistent with making organizational investments in social capital are the resources that flow across the ties that the social network analogy expresses.

The theory of reasoned action (Fishbein & Ajzen, 1975) proposes that behaviors ultimately result from attitudes and subjective norms, through mediation by behavioral intentions. Implicit in this theory is that various factors catalyze the process leading from attitudes and subjective norms to behavior. However, consistent with subsequent extensions and modifications of the theory of reasoned action (e.g., Bagozzi, Baumgartner, & Yi, 1989; Bentler & Speckart, 1981; Bonfield, 1974; Zuckerman & Reis, 1978), the proposed model excludes the mediating influence of behavioral intentions and focuses on the direct influences of employee attitudes and subjective norms on work-related behavior.

The rationale for excluding behavioral intentions from the proposed model is that research suggests that employing service employees' perceptions of their actual behavior as the dependent variable is preferable to employing behavioral intentions as a proxy for or predictor of actual behaviors (Chan, 2009). As is well documented, behavioral intentions do not perfectly predict behaviors (Chandon, Morwitz, & Reinartz, 2005). In fact, a meta-analysis of studies that use the theory of reasoned action by Sheppard, Hartwick, and Warshaw (1988) results in only a .53 correlation between behavioral intentions and behaviors. Furthermore, Manski's (1990) assessment of the relationship between stated intentions and subsequent behavior concludes that researchers should not expect systematic associations between intentions and actual behaviors because of observed divergence. Therefore, the current research focuses on service employee behaviors as outcomes in the model, rather than their intentions to engage in those behaviors.

Fig. 1 presents a model that proposes that OISC act as a catalyst for the formation of an employee attitude, commitment to the firm, and an employee subjective norm, commitment to service quality. Consistent with prior literature (Peccei & Rosenthal, 1997), the model conceptualizes commitment to service quality as a subjective employee norm rather than an attitude because, while commitment to the firm is a global attitude driven by the firm's treatment of its employees (McCaul, Hinsz, & McCaul, 1995), research suggests that service firms strive to hire customer-oriented employees (e.g., Donavan, Brown, & Mowen, 2004; Lytle & Timmerman, 2006). Thus, many service organizations view commitment to service quality as an expected and standard employee norm rather than a cultivated employee attitude. As the theory of reasoned action predicts, the model proposes that commitment to the firm and commitment to service quality drive service employee behaviors (job performance and organizational citizenship behavior). Further, as indicated by social capital
theory, the model also predicts that OISC directly affects these two employee behaviors. Finally, consistent with established literature (e.g., Podsakoff, Ahearne, & MacKenzie, 1997), the proposed model predicts that job performance influences organizational citizenship behavior. This study examines each of the constructs in the model within the domain of service employees’ perceptions.

2.1. Commitment to the firm

A key premise of social capital theory is that positive outcomes result from the development of social capital. When organizations make investments in social capital by encouraging managers to create supportive and trusting internal cultures, service employees should feel a greater sense of commitment to the firm. Commitment to the firm is the desire to maintain a long-term association with the employing organization (Mowday, Steers, & Porter, 1979). Commitment to the firm, or organizational commitment, is a global attitude that employees have toward their firm (Maccall et al., 1995). Various researchers in the relationship marketing literature forward the established notion that trust is a major antecedent of commitment (e.g., Paltamier, Dant, Grewal, & Evans, 2006). Enabling trust is an essential part of OISC because organizations invest in social capital through effective communication and the development of a trusting culture (Merlo et al., 2006). Furthermore, investing in social capital creates an atmosphere of trust, mutual understanding, and commitment that benefits the organization (Cohen & Prusak, 2001). Therefore:

**H1.** Organizational investments in social capital are positively related to commitment to the firm.

2.2. Commitment to service quality

Social capital theory and services research both suggest that managers create and reinforce positive cultural norms by communicating effectively with service employees. Communicating norms, expectations, and requisite knowledge to service employees is extremely important for the adoption of organizational values (Kelley, 1992). One of the benefits of social capital is that strong social norms and compliance with behavioral expectations develop (Adler & Kwon, 2002). Thus, employees within a particular organizational culture experience pressure from others to conform to group expectations and codes of conduct, ultimately internalizing and making a commitment to group values (Jaworski, 1988; Schwepker & Hartline, 2005). One such norm is a commitment to service quality, which involves engagement in continuous improvement and the exertion of effort for the benefit of customers (Peccei & Rosenthal, 1997). Research studies in diverse organizational contexts indicate that employee development initiatives and managerial behaviors influence employees’ commitment to service quality. For example, previous research links quality circles (Dale & Lees, 1986) and total quality management initiatives (Lashley, 2001) to increased commitment to service quality throughout the organization. Schwepker and Hartline (2005) also find that management of the firm’s ethical climate through dialogue results in higher employee commitment to service quality. Therefore:

**H2.** Organizational investments in social capital are positively related to commitment to service quality.

2.3. Behavioral outcomes

Job performance and organizational citizenship behavior are the two behavioral outcome variables of interest in this study. Job performance is conceptually obligated, work-related activity (Babin & Boles, 1996). Organizational citizenship behavior is conduct that enhances the social and psychological context that supports task performance (Organ, 1997). The conceptual framework indicates that OISC directly influences these employee behaviors. Furthermore, the model suggests that the attitude of commitment to the firm and the subjective norm of commitment to service quality partially mediate the relationship between OISC and these outcomes. The following hypotheses are consistent with both social capital theory, which predicts that social capital results in positive work-related outcomes, and with the theory of reasoned action, which predicts that attitudes and norms drive behaviors.

Operationally, OISC reflects managerial behaviors that serve to enhance employees’ work-related experiences. The intention of these investments is to boost employee perceptions of interactional fairness and organizational support. Well-established associations between human resource developmental initiatives and employee performance are found in the management and human resources literature (e.g., Batt, 2002; Huselid, 1995; Shub & Stonebraker, 2009). Bienstock, DeMorgan, and Smith (2003) show that management’s treatment of service employees influences organizational citizenship behavior. In their study, Bienstock et al. (2003) associate social rights (managers treating service employees equitably), civil rights (managers rewarding service employees for hard work and merit), and political rights (solicitation of opinions and clear communication about problems and issues) with increased levels of organizational citizenship behavior. Considerable conceptual overlap exists between the managerial behaviors that Bienstock et al. (2003) describe and the notion of managers developing relationships with employees that make organizations work effectively that is inherent in OISC. Accordingly:

**H3.** Organizational investments in social capital are positively related to a) job performance and b) organizational citizenship behavior.

Consistent with the theory of reasoned action, the conceptual model also proposes that a service employee attitude mediates the influence of OISC on work-related behavior. Hundreds of studies examine the effect of the attitude of commitment to the firm, or organizational commitment, on job performance. Two recent meta-analyses review support an association between these variables (Rikatta, 2002; Wright & Bonnett, 2002). In a service context, Malhotra and Mukherjee (2004) find that affective commitment to the firm has a positive relationship with the quality of service that employees offer customers. Thus, service employees who are committed to their firm are more likely to want the firm to do well and are therefore more likely to strive to perform their jobs better.

Similarly, when service employees are committed to the firm, they often help the firm by being good organizational citizens and helping their co-workers. Service providers who are strongly committed to their organizations often have the will to work beyond required duties (Elmadag, Ellinger, & Franke, 2008; Lee, Nam, Park, & Kyung, 2006). As part of a larger study on front-line service employees, MacKenzie et al. (1998) show that commitment to the firm increases organizational citizenship behavior. Thus, based on existing literature and consistent with the theory of reasoned action’s prediction that attitudes lead to behaviors:

**H4.** Commitment to the firm is positively related to a) job performance and b) organizational citizenship behavior.

As the theory of reasoned action predicts, subjective norms also influence employee behaviors. Therefore, when commitment to service quality is the norm within an internal culture, service employees should exhibit their observance of that norm by performing their jobs well and by helping fellow employees through organizational citizenship behaviors. Evidence for these relationships can be found in the extant literature. Elmadag et al. (2008) find that employee commitment to service quality predicts job performance and organizational citizenship behavior. Additionally, in a recent study, key respondent managers report that employee commitment to service quality highly correlates with organizational citizenship behavior (Bienstock &
Therefore, the conceptual model also proposes that:

H5. Commitment to service quality is positively related to a) job performance and b) organizational citizenship behavior.

Finally, when employees find more efficient ways to do their jobs, they often help each other with work-related problems. By doing so, they are likely to enhance the quality and quantity of their work through learning and collaboration. Existing literature suggests the relationship between job performance and organizational citizenship behavior. For example, Podsakoff et al. (1997) find a positive relationship between organizational citizenship behavior and group work performance. Accordingly:

H6. Job performance is positively related to organizational citizenship behavior.

3. Method

3.1. Sample

Consistent with established methodology (e.g., Gwinner, Gremler, & Bitner, 1998), undergraduate students in a marketing research class were trained as data collectors. The students identified and contacted service employee acquaintances as potential respondents either in person or by telephone to request participation in the research study. Participants were given the URL to an online survey. A total of 415 surveys were completed. Eight of the surveys contained insufficient data, leaving a total of 407 usable questionnaires. The data collection process continued for approximately three weeks. Random follow-up calls were made to 10% of the sample to confirm respondents’ actual participation, demographic information, and job-related information, such as being a non-manager and not working for the same firm as the other respondents.

The respondent pool is a convenience sample of full-time employees over 21 years of age from multiple organizations in a wide range of service industries in the Southeastern United States. Two hundred and fourteen respondents are female (52%) and respondent tenure is 11 years (SD=10.03). The most frequently represented service industries are: retail (18%); healthcare (14%); banking and real estate (4%). The remaining 32% of the respondents come from a wide variety of service industries.

3.2. Measures

Established, validated measures for the five constructs examined in the study are used in the survey. The measures are shown in Table 1. All items are measured on a seven-point scale ranging from 1 (strongly disagree) to 7 (strongly agree). Ellinger et al.’s (2011) 7-item scale measures OISC, the focal independent variable in the study. Five items capture commitment to the firm (Jaworski & Kohli, 1993; Mowday et al., 1979), or the extent to which service employees are fond of, see their future tied to, and are willing to make personal sacrifices for the organization. Five items measure commitment to service quality (Hartline & Ferrell, 1996) that is operationalized as an affective desire to improve the unit’s service quality. Five items measure job performance (Babin & Boles, 1996). This scale taps the service employee’s view of his or her job-related performance in terms of both behavioral aspects and performance self-assessments. Finally, Settoon and Mossholder (2002) six-item task-focused organizational citizenship scale is used to measure organizational citizenship behavior. Task-focused organizational citizenship behavior measures service employees helping and cooperating with one another in terms of instrumental tasks arising in the course of work-role performance and involving the exchange of job-related resources.

4. Results

4.1. Reliability and validity

The authors use LISREL 8.8 (Jöreskog & Sorbom, 2006) to test both the measurement and structural model. Table 1 presents the results from the confirmatory factor analysis, which tests the measurement model. Overall, this analysis yields adequate fit for the hypothesized five-factor model ($\chi^2_{(331)} = 862.13 \ p < .01$). While chi-square values are typically significant for samples of this size, several other key fit indices demonstrate good fit (Kenny, Kashy, & Cook, 2006). The normed chi-square statistic ($\chi^2/df$) that accounts for sample size is at an acceptable level of 2.60, the mean square error of approximation (RMSEA) is .063, the non-normed fit index (NNFI) is .98, the comparative fit index (CFI) is .99,
and the standardized RMR is .049. The error covariances of nine pairs of items are allowed to correlate within the same scales, as items within the same scale are expected to be correlated with one another. As seen in Table 1, each of the standardized factor loadings is significant \((p < .01)\), at a moderately high level, with the lowest loading being .69.

Table 2 reports alpha reliabilities, average shared variance estimates, and inter-construct correlations. Construct reliability is evaluated using Cronbach’s alpha. All of the measures exhibit acceptable levels of reliability with the minimum coefficient alpha at .90. Fornell and Larcker’s (1981) index of the average variance in each latent factor accounted for by its indicators is above .50 for all constructs. Evidence for discriminant validity comes from the fact that the shared variance among any two constructs is less than the average variance explained in the items (\(\rho_{uv}^2\)) by their intended construct. Collectively, these results provide evidence of adequate convergent and discriminant validity and indicate that tests of the study hypotheses are appropriate.

4.2. Hypothesis tests

To test the hypotheses, a structural equation model is estimated, using the maximum likelihood method of parameter estimation. Fig. 2 displays the final structural model. The overall fit of the model is acceptable \((\chi^2(328) = 805.16, p < .01)\). Accounting for sample size, the normed chi-square statistic of 2.45 is within an acceptable range. Several other key fit indices also provide evidence of good fit; the root mean square error of approximation (RMSEA) is .060, the non-normed fit index (NNFI) is .99, comparative fit index (CFI) is .99, and the standardized RMR is .046. The same correlated error covariances from the measurement model are present in the structural model, with the exception of two additional pairs or error covariances within commitment to the firm and one pair within commitment to service quality.

H1 predicts that OISC is positively related to commitment to the firm. The results support this relationship \((\gamma = .61, t\text{-value} = 12.38, p < .01)\). Contrary to H2, the results do not support the direct relationship between OISC and commitment to service quality \((\gamma = .03, t\text{-value} = 0.65, p = ns)\). These results indicate that OISC have a significant direct influence on employee commitment to the firm, but that the developmental initiative does not directly influence employee commitment to service quality. However, prior research supports the conception that organizational commitment does not directly influence employee commitment to service quality. However, prior research supports the conception that organizational commitment does not directly influence employee commitment to service quality. Thus, employees, who are highly committed to their organizations, may try to help their organizations reach their organizational goals by increasing their commitment to service quality. Consistent with this logic, the authors modify the study model to include a structural path from commitment to the firm to commitment to service quality. This change yields an indirect effect of OISC on commitment to service quality with commitment to the firm serving as a partial mediator (standardized indirect effect \(= .47, t\text{-value} = 10.09, p < .01\)).

Hypotheses H3a and H3b predict direct relationships between OISC and job performance and organizational citizenship behavior. The results support both of these relationships \((H3a: \beta = .14, t\text{-value} = 2.87, p < .01; H3b: \beta = .30, t\text{-value} = 5.05, p < .01)\). H4a and H4b propose that the employee attitude, commitment to the firm, should have a positive influence on the two behaviors, job performance and organizational citizenship behavior. However, the results do not support either of these hypotheses \((H4a, \beta = -.012, t\text{-value} = -1.61, p = ns; H4b, \beta = 0.05, t\text{-value} = 0.58, p = ns)\). H5a and H5b examine the organizational norm of commitment to service quality’s impact on job performance and organizational citizenship behavior. While H5a receives support \((\beta = .80, t\text{-value} = 11.29, p < .01), H5b does not \((\beta = .14, t\text{-value} = 1.37, p = ns)\). Finally, consistent with previous research, the direct positive effect of job performance on organizational citizenship behavior proposed in H6 receives support \((\beta = .21, t\text{-value} = 2.59, p < .01)\).

The final structural model implies that in addition to direct relationships, OISC has an indirect relationship with both behaviors in the model. Although no formal mediating hypotheses are proposed, examination of the indirect effects is essential for more complete understanding of the current findings. In their comparison of methods for testing mediation, MacKinnon, Lockwood, Hoffman, West, and Sheets (2002) note that researchers use a variety of statistical tests.

5. Discussion

A recent industry survey of over one million employees working in more than fifty global, multinational and U.S.-based organizations of all sizes reports that employees perceive that opportunities to learn and grow at their workplaces are decreasing (Sirota Survey Intelligence, 2010). Yet, the importance of supporting and developing customer-facing personnel is especially critical in the current age of service-dominant logic (Vargo & Lusch, 2004) where research increasingly demonstrates that service employees and customers co-create value. This study evaluates the influence of an organizational employee development initiative by proposing and testing a model that examines relationships between managerial behaviors consistent with the notion.
of making organizational investments in social capital and service employee work-related attitudes, norms and behaviors. Overall, the study findings suggest that the human resource developmental initiative of OISC contributes towards creating an internal organizational culture that favorably influences employee work-related commitment and performance.

As shown in Fig. 2, the results support several of the hypotheses in the proposed model, while some others are not. Consistent with the basic tenets of social capital theory, the proposed direct relationships between OISC and employee commitment to the firm, job performance, and organizational citizenship behavior receive support. These results lend credence to Cohen and Prusak (2001) and other researchers’ largely prescriptive contentions that an association exists between OISC and beneficial work-related outcomes. The findings are also in line with the internal marketing concept and with previous services research studies that show when firms devote managerial effort and resources to support the needs of service employees, the employees are more committed to serving their customers and helping their fellow employees (e.g., Berry, 2002; Bowen, 1996; George, 1990).

However, some of the hypothesized relationships fail to emerge as originally anticipated. Instead, the revised final model in Fig. 2 reveals an intriguing sequence of partially mediating effects from OISC to service employee behavior. The complexity of these associations reinforces Batt’s (2002) contention that mediating variables may better explain the link between managerial practices and employee performance. In particular, failing to confirm the expected association between OISC and employee commitment to service quality provides support for the conceptual distinction made earlier in this paper between commitment to the firm and commitment to service quality in service organizations. While commitment to the firm represents a global attitude that employees develop according to how their organizations treat them, commitment to service quality is a norm that can be sought out during the hiring process in service organizations. Studies that show commitment to service quality may be a function of hiring customer-oriented service employees (e.g., Donavan et al., 2004; Lytle & Timmerman, 2006) provide a basis for this reasoning.

Taking this logic one step further, the lack of support for direct relationships between employee commitment to the firm and job performance and between employee commitment to service quality and OCB offers support for the distinction between commitment to the firm and commitment to service quality in service organizations. Thus, an employee who is highly committed to the firm may not have the same direct level of commitment towards serving its customers. Likewise, an employee who is highly committed to service quality may not have the same direct level of commitment to helping fellow employees. However, the robust series of partially mediating effects suggests that firms may be able to leverage OISC to transform employee commitment to the firm into commitment to service quality that ultimately yields superior internal and external work-related performance.

5.1. Theoretical contributions

The Marketing Science Institute’s (2010) research priorities and Ostrom et al.’s (2010) agenda for services inquiry both contend that the services field requires research to better understand the nuances of creating and managing more customer-focused service organizations that more effectively motivate and engage the service employees who so greatly influence customers’ service experiences. Previous studies examine relationships between employee commitment to the firm, commitment to service quality, job performance, and organizational citizenship behavior. However, the current study extends this stream of research by responding to Bagozzi, Baumgartner, and Yi’s (1992) call for research that examines antecedents of these work-related employee variables.

Most importantly, this work extends the increasingly critical but relatively under-researched domain of human resource development in service provision contexts by demonstrating positive associations between OISC and service employee attitudes and behaviors. From an internal marketing perspective, service employees are equivalent to internal customers who buy their jobs with their time and effort in a similar way to how external customers exchange the firm’s goods and services for money. To provide more favorable working environments for internal customers, firms should extend the same devotion of effort and resources to their employees as they devote to satisfying external customers (Bowen, 1996; George, 1990). When service employees feel that their needs are being met through a positive internal organizational culture for employee well-being, they are more likely to create more positive service experiences for customers. This research study contributes to the internal marketing literature by identifying OISC as a means of better serving internal customers so that they can improve levels of commitment towards serving external customers and co-workers. The findings also extend services marketing theory by suggesting that organizations can favorably influence their customers’ service experiences by making investments in social
capital that create more favorable working environments for their service employees.

The study findings are also in keeping with previous studies in the management literature that report positive relationships between human resource developmental initiatives and performance (e.g., Batt, 2002; Huselid, 1995; Shub & Stonebraker, 2009). The research study empirically reinforces normative conceptualizations of organizational social capital as a strategic resource that firms can leverage to enhance competitive advantage (e.g., Hitt & Ireland, 2002; Maurer & Ebers, 2006; Prusak & Cohen, 2001). In addition, this study responds to Batt’s calls for the identification of mediating variables that better explain the link between managerial practices and employee performance by highlighting a series of partially mediating effects between OISC (managerial practice) and employee performance. In particular, the notion that commitment to the firm and commitment to service quality may have differential effects on employee behavior in service organizations is an important consideration for firms seeking to improve customers' service experiences. While superior customer service yields a competitive advantage, industry reports frequently suggest that indifferent customer service and low levels of employee commitment to service quality are commonplace in many organizations. The study findings may therefore help practicing managers in service organizations to more effectively create and manage employee commitment to service quality by providing additional insight into interrelationships between human resource developmental practices and attaining the firms' key objective of improving customer service.

The results of this study provide actionable implications for service organizations. Encouraging managers and supervisors to embrace behaviors consistent with the notion of making investments in social capital appears to be a viable approach for improving the work-related attitudes, cultural norms and behaviors of service employees. Cohen and Prusak’s (2001) conceptualization of OISC offers a roadmap of managerial behavioral norms that may help service firms to more effectively achieve these ends. From a diagnostic perspective, the OISC measure is a tool that managers and researcher may use as a means for assessing discrepancies between employee and managerial perceptions of OISC, thus providing an indication of potential problem areas and opportunities for elevating the quality of working environments.

5.3. Limitations and future research

Readers should view these results in light of the constraints of the design of this research. Firstly, this study uses a convenience sample that may not be representative of the population of service employees. While random sampling is always preferable to convenience sampling, random sampling is not feasible in this context because no comprehensive and exhaustive list of service employees available. However, an advantage of the current study’s approach is that the sample comprises over 400 service employees from multiple and diverse service-related workplace settings. In addition, although the respondents are drawn from a variety of industries, the sample consists purely of employees. While numerous studies attest to the validity of the self-report key informant data collection method (e.g., Chan, 2009; Phillips, 1981), self-reported measures are not completely objective. However, an advantage of self-report data collection is that the approach is purported to most accurately capture perceptual data. Thus, many researchers contend that self-report measures are necessary when assessing self-referential respondent perceptions like job satisfaction, mood, and perceived organizational support (Chan, 2009). Further, according to Podsakoff and Organ (1986), self-reports may represent more accurate estimates of population parameters than behavioral measures and are therefore virtually indispensable in many organizational research contexts. In the current context, although by no means perfect, self-report data may represent the best way to assess the domain of service employees’ perceptions.

Despite these advantages, the authors acknowledge that the use of self-report performance data as a potential limitation of the study is that service employee respondents may be biased judges of their own work-related attitudes and performance. For more objective measures, future studies should compare service employee perceptions of OISC with alternative sources such as customers, managers and other internal customers. Finally, as with majority of empirical research, this study draws on cross-sectional data that precludes the development of causal inferences about the influence of OISC. Longitudinal data would enable researchers to more precisely evaluate the influences of organizational developmental initiatives on service employees.

The current findings also suggest other avenues for future research in service provision contexts. This study provides a foundation for better understanding how OISC may help organizations to more effectively support and develop service employees’ commitment to the firm, service quality, and work-related behaviors. However, other potential attitudinal and behavioral antecedents and consequences of OISC and moderators and mediators of the relationship between OISC and employee performance remain. Examples include individual traits of upper and operational level managers, employee retention rates, employee engagement, and the efficacy of alternative developmental approaches like coaching, mentoring, and reward systems such as cash bonuses and recognition. In addition, evidence from the sociology literature suggests, social capital can sometimes have a dark side in the form of exclusion of outsiders, excess claims on group members, restrictions on individual freedoms and downward leveling norms (e.g., Portes, 1998). However, to date, research does not address the potential negative influences of social capital in service organizations.

Such research would help to broaden what service researchers know about the role of social capital, and help service organizations to better serve customers by more effectively addressing the needs of employees who serve those customers. Case analyses, field observations, and in-depth interviews are appropriate research approaches for crafting a more comprehensive understanding of the potentially diverse support and developmental needs of service employees. The authors hope that these study findings and the questions they raise will stimulate further research on the support and development of service employees, an important, but relatively dormant area in the services literature.

References


