Does bureaucracy kill individual initiative? The impact of structure on organizational citizenship behavior in the hospitality industry

Steffen Raub*

EHL, Le Chalet-à-Gobet, CH — 1000 Lausanne 25, Switzerland

Abstract

In their quest for improved service quality, hospitality organizations face a paradox. Standardization and centralization are generally perceived as essential to maintaining high service standards. These bureaucratic mechanisms, however, are suspected to have a negative impact on spontaneous "organizational citizenship" behaviors, which are equally essential for flawless service delivery. Empirical results from the Swiss hotel industry suggest that "helping" behavior is more widespread than "voice" behavior among hotel employees. The results also provide support for the hypothesis that "helping" and "voice" behaviors are negatively affected by a centralized organization structure. Theoretical and practical implications of these results are discussed.
© 2007 Elsevier Ltd. All rights reserved.

Keywords: Bureaucracy; Organizational citizenship behavior; Centralization; Formalization; Hotel industry; Service quality

1. Introduction

Research on the service–profit chain (Heskett et al., 1994) has firmly anchored the notion that employees — in particular, those at the front line of service operations — occupy a central position in the service delivery process. From the customer's perspective, perception of service quality is largely determined by the interaction with employees during the "service encounter" (Czepiel et al., 1985; Surprenant and Solomon, 1987). When customers observe gaps between the organization's general service standards and the specific performance of a service employee, the result will be customer disappointment. Conversely, the customer–employee interaction during the service encounter can also be an opportunity to demonstrate "behavioral differentiation" (Bacon and Pugh, 2004, p. 65) which may lead to increased customer satisfaction and loyalty.

A substantial amount of research on service quality has yielded conceptual models (Parasuraman et al., 1985) as well as specific measures of service quality (e.g. SERVQUAL, Parasuraman et al., 1988, 1991). Unfortunately,

research on the factors that enable better service delivery is much less frequent and its results are more ambiguous. As Bitner et al. (1990, p. 72) put it, "the human interaction component of service delivery is essential to the determination of satisfaction/dissatisfaction". But what exactly can hospitality firms do to facilitate human interaction during the service encounter?

A very common approach consists of establishing various forms of bureaucratic control. This can be achieved, for instance, by establishing and enforcing specific service standards as a means for improving service quality. Employees may be instructed to use or avoid specific vocabulary, to pick up the telephone before the third ring or to deliver room-service orders within a specified time.

While service standards are a useful tool for improving service quality, they also face certain limitations. Service operations are generally characterized by a substantial amount of uncertainty. Fluctuations in demand are considerable and customer needs may be both highly diverse and subject to rapid change (Sasser et al., 1978; Wright, 1999). Hence, there are elements during a service encounter that cannot be anticipated nor standardized. From time to time, service employees must inevitably decide for themselves how to strike an appropriate balance between customer expectations and organizational constraints.

*Tel.: +41 21 785 17 89; fax: +41 21 785 11 21.
E-mail address: steffen.raub@ehl.ch

When bureaucratic control is impossible or insufficient, organizations must find alternative ways of promoting the delivery of high quality service. One possibility for achieving this goal is to encourage employees to display "organizational citizenship behavior". "Organizational citizenship behavior" (OCB) is "beyond the reach of traditional measures of job performance, but holds promise for long-term organizational success" (Van Dyne et al., 1994, p. 765). Organizational citizenship behavior implies that employees behave in spontaneous and innovative ways, going beyond what organizational standards would prescribe.

Organizational research suggests that the willingness of service employees to engage in OCB is, at least partly, determined by the organizational context. This encompasses the organization's structure, culture and human resources policies as well as the extent to which the organization provides its employees with different types of rights (Bienstock et. al., 2003, p. 363; Graham, 1991). Bureaucracy (i.e. high levels of formalization and/or centralization) has frequently been described as a negative phenomenon undermining job satisfaction and organizational commitment and limiting innovation (Adler and Borys, 1996).

This study examines the impact of two key elements of a bureaucratic organizational structure — centralization and formalization — on the extent to which service employees exhibit two different types of OCB, namely "helping" and "voice" behaviors.

2. Literature review

2.1. Organizational citizenship behavior

Organizations are characterized by contractual arrangements and formal reward systems designed to ensure that employees engage in behaviors that promote the effective functioning of the organization. While organizational systems that define the role of each employee are an important element of organizational design, they are in and by themselves not sufficient to guarantee the success of an organization. From time to time, dependable role behaviors need to be complemented by innovative and spontaneous behaviors (Katz and Kahn, 1966). The literature on organizational citizenship behavior (OCB) focuses on this particular type of employee contributions to the organization.

Organ (1988) defined organizational citizenship behavior (OCB) as individual employee behavior that is discretionary, i.e. cannot be enforced as part of the job description. This definition implies that employees cannot be punished for not exhibiting OCB, as these are not formally part of their job description.

There is a proliferation of literature on OCB which has led to multiple conceptualizations of different types of OCB and, hence, to substantial terminological confusion. In an attempt to integrate this diverse literature, Van Dyne and colleagues (Van Dyne et al., 1995) suggested to distinguish promotive from prohibitive and affiliative from challenging OCBs. Van Dyne and LePine (1998) defined two distinct types of promotive OCBs, namely "helping" and "voice".

"Helping" is defined as an affiliative-promotive behavior directed towards improving relationships at work and focusing on harmony between employees. It involves activities such as volunteering to orient other employees or assisting colleagues in their tasks.

"Voice" is defined as a challenging-promotive behavior geared towards suggesting modifications of the status quo and bringing about constructive change. It involves expressing divergent opinions and making recommendations for new projects or changes in existing procedures.

2.2. OCB in the hospitality industry

For the hospitality industry, organizational citizenship behavior is clearly a relevant concept. Individual initiative allows anticipation and rapid satisfaction of customer needs. It is also essential in that service failure recovery often requires rapid action and does not always allow for explicit coordination with the supervisor (Bitner et al., 1990; Zeithaml and Bitner, 1996)

Both helping and voice behaviors can generate substantial benefits for the hospitality organization. According to Van Dyne and LePine (1998, p. 109), helping is beneficial for organizations "when roles are interdependent and employee cooperation facilitates overall performance." Hospitality organizations are characterized by high levels of interdependence in most functional areas as well as by typical fluctuations in demand that require mutual support. As Stamper and Van Dyne (2001, p. 519) point out, "cooperative behavior can enhance customer interaction and quality service delivery."

Voice behaviors are expected to be beneficial "when an organization's environment is dynamic and new ideas facilitate continuous improvement" (Van Dyne and LePine, 1998, p. 109). Customer needs are changing constantly and many hospitality organizations have to adapt service delivery processes to these changing needs. Front line employees are often in a unique position to observe changing customer needs and suggest new approaches for improving the service delivery process. For these suggestions to reach the management level, front line employees must exhibit voice behavior. According to Stamper and Van Dyne (2001, p. 519), "employee suggestions can help attract new and repeat customers".

Existing research confirms the relevance of organizational citizenship behavior (OCB) for the hospitality industry. In their study of 34 limited menu restaurants, Waltz and Niehoff (1996) found support for their hypothesis that OCB is positively related to organizational-level performance. Specifically, helping behavior was significantly positively related to various efficiency measures as well as to customer satisfaction and quality performance.