

The relationship between job demand stressors, service recovery performance and job outcomes in a state-owned enterprise

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Abstract

Frontline employees (FLEs) in a large state-owned enterprise (SOE) completed a self-administered questionnaire on job demand stressors affecting their service recovery efforts, their organisational commitment, and job satisfaction. Analysis of the data identified a number of significant relationships between these stressors, service recovery performance and job outcome variables. The study makes an important contribution by advancing understanding of those job stressors that influence frontline service recovery performance and job outcomes in an SOE in the globally relevant context of former public sector government departments embracing ‘New Public Management’ through corporatisation. The findings indicate that managers can take actions on a number of fronts to assist progress toward the achievement of frontline service recovery excellence, organisational commitment, and job satisfaction.

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1. Introduction

The significance of frontline employees (FLEs) for organisational effectiveness is uncontested by managers and researchers alike (Bitner et al., 1994; Hartline and Ferrell, 1996; Rucci et al., 1998; Singh, 2000). Because of their boundary-spanning roles (Bowen and Schneider, 1988), FLEs play a crucial role in service delivery and building relationships with customers (Booms and Bitner, 1981; Babakus et al., 2003). FLEs are direct participants in implementing the marketing concept (Brown et al., 2002), and their attitudes and behaviours towards customers determine customers’ perceived service quality, satisfaction and performance (Bowen and Schneider, 1985; Mohr and Bitner, 1995; Rust et al., 1996a, b; Yoon et al., 2001).

Service recovery performance has been identified as an important strategic issue in the services marketing literature. Definitions include ‘doing things very right the second time’ (Ruyter and Wetzels, 2000), and ‘the actions that a service provider takes to respond to service failures’ (Bitner et al., 1990; Grönroos, 1990; Bendall-Lyon and Powers,

2001). Prior research suggests that highly effective service recovery efforts can produce a “service recovery paradox” in which secondary satisfaction (i.e., satisfaction after a failure and recovery effort) is higher than pre-failure levels (McCullough et al., 2000; Smith and Bolton, 1998). Service failures are highly context specific, vary in frequency across organisations and individual customer reactions to service failure vary from person to person. However, where service failures do occur FLEs play a critical role in addressing customer dissatisfaction and this underscores the importance of examining service recovery performance. Low levels of FLE service recovery performance are undesirable outcomes for any organisation and understanding factors, which influence frontline efforts in response to service failures is important in order to minimise its negative effect on organisational effectiveness.

The objective of this study is to investigate the impact of job demand stressors on service recovery performance (service recovery performance being one facet of overall job performance) and job outcomes of a SOE in the globally relevant context of former public sector government departments embracing ‘New Public Management’ (NPM) through corporatisation. Job stressors are widely cited in the literature as a major problem for many

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frontline occupations and refer to those physical, psychological, social or organisational aspects of the job that require sustained physical and/or psychological effort (Cordes and Dougherty, 1993; Maslach et al., 1996; Demerouti et al., 2001). Job stressors make considerable demands on the abilities or resources of employees (Abramis, 1994) and typically involve a lack of predictability, control and understandability of environmental conditions (Cohen, 1980). To date, studies of service recovery performance and job demand stressors have exclusively focused on services such as banking, hospitality and health (Boshoff and Allen, 2000; Yavas et al., 2003; Matilla and Patterson, 2004; Ashill et al., 2005). Although there has been some attention paid to service quality/service enhancement in the public sector (Lagrosen and Lagrosen, 2003; Chen et al., 2004; Ancarani, 2005), we suggest that it is timely to consider the applicability of service recovery models to settings in which former public sector departments have decentralised into state-owned enterprises, i.e., where former public sector government departments have undergone corporatisation followed by partial deregulation and, by virtue of the range of services on offer, can no longer rely on their former natural or statutory monopoly position. SOEs are government-owned trading companies, which are required to operate as successful businesses and to be “a good employer and exhibit a sense of social responsibility” (Duncan and Bollard, 1992, p. 11).

These enterprises must now consider customer service more seriously in order to compete in an open marketplace and this is an enormous challenge for frontline staff due to their limited experience in being governed by customer and market-based values rather than those of public policy makers, and especially as customers become more sophisticated in their demands and in their reactions to service quality (Nwankwo and Richardson, 1994). In addition, “confronting the uncertainties of greater competition than they have known in the past, is apt to be at least temporarily threatening and disruptive to the employees of these public service organisations. Some changes that will need to be made can produce a loss of the social–psychological anchors upon which people have long depended thereby creating for at least some employees a sense of floundering in a world that can no longer seem predictable (or even familiar)” (Mikkelsen et al., 2000, p. 372). Not only is there a major shift in terms of ‘business/management culture’ but in the particular SOE that constitutes the focus of this paper, there is also the incorporation and consolidation of a range of service and retailing functions such that FLEs are faced with job demands that warrant investigation with respect to their effect on service recovery performance and associated job outcomes. Government restructuring of service delivery is a major outcome of examining the role of the public sector in today’s society (Warner and Hebdon, 2001). And given the ongoing global trend towards the corporatisation of former government departments (Kolderie, 1990; Toime, 1999;

McKenna, 2000), and what some refer to as NPM in which all aspects of public sector production are transformed to approximate more closely those in the private sector (Rowley, 1998), we suggest that an examination of the relationship between job demand stressors and service recovery performance in this context is timely and our research addresses this paucity.

We begin by discussing the research model used to guide the study. We follow this with a description of the cross-sectional survey that was used to collect data and the results from a partial least squares (PLS) analysis of the research model. In the final section, we acknowledge the implications of the results.

2. The research model and hypotheses

The research model examines the process through which FLE perceptions of their work environment in terms of job demand stressors influence service recovery performance and how service recovery performance leads to different outcomes, namely organisational commitment and job satisfaction (see Fig. 1).

Drawing upon research pertaining to job demand stressors, service recovery performance and outcome variables (Babakus et al., 2003; Low et al., 2001; Lytle et al., 1998; Rust et al., 1996a, b; Singh et al., 1996; Singh, 2000; Yavas et al., 2003), proposed relationships among these variables are discussed below.

2.1. Job demand stressors

Three stressors noted to be relevant to FLEs in the services literature are role ambiguity, role conflict and role overload (Singh et al., 1994, 1996; Babakus et al., 1999; Singh, 2000; Low et al., 2001; Bettencourt and Brown, 2003; Dawes and Massey, 2005). Role ambiguity is defined as a stressful condition caused by an employee’s confusion concerning expectations of what his or her job responsibilities are (Rizzo et al., 1970; Senatra, 1980). Role conflict characterises the difference, perceived by an employee, between job expectations conveyed by multiple sources (Rizzo et al., 1970; Katz and Kahn, 1978; Gaertner and Ruhe, 1981; Handy, 1985; Perrewe et al., 2004). Role overload describes an inappropriately onerous magnitude of role requirements (Schick et al., 1990).

We propose and explain a number of relationships between these job demand stressors and service recovery performance that focus on cognitive and motivational processes (Tubre and Collins, 2000). Where there exists incongruity or incompatibility of expectations communicated to an FLE by his or her role senders (role conflict), the individual is unable to do everything that is expected. Therefore, when an FLE receives directions from multiple sources such as managers/supervisors, he or she may perceive an inability to meet the expectations of these potentially conflicting demands. If FLEs experience role conflict, they are likely to feel stressed and uncomfortable,

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