



Motivation of travel agents' customer service behavior and organizational citizenship behavior: The role of leader-member exchange and internal marketing orientation



Cheris W.C. Chow^{*}, Jennifer Y.M. Lai¹, Raymond Loi²

University of Macau, Department of Management and Marketing, Avenida da Universidade (E22), Taipa, Macau

HIGHLIGHTS

- Travel agents perform different reciprocal behaviors for high-quality exchanges.
- Travel agents will reciprocate for high LMX relations by means of organizational citizenship behavior.
- Travel agents will only repay for high level of IMO through customer service behavior when LMX is low.
- LMX and IMO are complementary in nature and play a mutually compensatory role.

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ABSTRACT

Travel agents' customer service behavior (CSB) and organizational citizenship behavior (OCB) are pivotal to the success of a retail travel agency. According to social exchange theory, these behaviors can be motivated by leader–member exchange (LMX, exchange between travel agents and their supervisors) and internal marketing orientation (IMO, exchange between travel agents and their organizations). In addition, the two exchange relationships are interdependent. Data from a two-phase survey of 288 travel agents working in Hong Kong were analyzed through hierarchical linear modeling. The findings indicate that leader-member exchange is positively associated with travel agents' organizational citizenship behavior, whereas internal marketing orientation is positively associated with travel agents' customer service behavior only when leader-member exchange is low. Moreover, the quality of one exchange relationship affects the salience of the other relationship. The manuscript concludes with implications for theory and practice.

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1. Introduction

Retail travel agencies are high-contact service businesses, with travel agents serving as the principal route for interaction with customers. Cheyne, Downes, and Legg (2006) describe travel agents as the key intermediary between travel suppliers and consumers. As the front line service employees, travel agents are responsible for delivering customer service, which plays a vital role in the success of the travel agency. Two types of travel agent

performances are crucial for sustaining service quality: customer service behavior (CSB) and organizational citizenship behavior (OCB). The former refers to both role-prescribed and extra-role service behavior directed toward customers (Bettencourt & Brown, 1997), and the latter refers to discretionary or voluntary behavior directed toward the organization that is not explicitly specified in the employee's formal job description or recognized in the formal reward structure (Organ, 1988). Increasing evidence shows a positive relationship of CSB and OCB to customers' perception of service quality (e.g., Bitner, Booms, & Tetreault, 1990; Yoon, Seo, & Yoon, 2004; Yoon & Suh, 2003). As such, while it is important to investigate the factors that motivate travel agents to engage in these behaviors, to date, little research has been conducted in the area (Tsaor & Lin, 2004).

This study seeks to fill this research gap. Building on social exchange theory (Blau, 1964), the authors propose that travel agents'

^{*} Corresponding author. Tel.: +853 8822 8869; fax: +853 8822 2377.
E-mail addresses: CherisC@umac.mo (C.W.C. Chow), jlai@umac.mo (J.Y.M. Lai), rloi@umac.mo (R. Loi).

¹ Tel.: +853 8822 4712; fax: +853 8822 2377.

² Tel.: +853 8822 8890; fax: +853 8822 2377.

leader-member exchange (LMX) is an antecedent of travel agents' organizational citizenship behavior (OCB). LMX is defined as the quality of exchange between a supervisor and his or her subordinate (Graen & Uhl-Bien, 1995). Moreover, travel agents' internal marketing orientation (IMO), the extent to which an organization manages exchanges with its employees (Lings & Greenley, 2005), is predicted to act as the key means of stimulating customer service behavior (CSB). In particular, the authors theorize that travel agents perform different reciprocal behaviors under leader-member exchange and internal marketing orientation. In other words, travel agents engage in a higher level of organizational citizenship behavior in reciprocating a high-quality exchange relationship with their immediate supervisors and in high-quality customer service behavior in reciprocating a high-quality exchange relationship with their organizations. Conceptually, employees' exchanges with their immediate supervisors and organizations may simultaneously influence each other (Loi, Mao, & Ngo, 2009). Therefore, in this study, the authors further examine the possible interaction effects of leader-member exchange and internal marketing orientation to understand how travel agents' organizational citizenship behavior and customer service behavior can be optimized under different quality exchanges with their leaders and travel agencies.

The hypotheses are tested using a two-phase survey of a dataset collected from travel agents working in Hong Kong. The travel agency sector is highly competitive here, as more than 1600 agencies were in operation in 2012 (Travel Agents Registry, 2013). Under such business environment, ensuring that travel agents have high levels of organizational citizenship behavior and customer service behavior is pivotal for a travel agency to satisfy customers' needs and achieve success. Based on the empirical findings, this study provides theoretical implications for researchers and practical implications for managers in understanding how to manage travel agents' performances through social exchange relationships in travel agencies.

2. Literature review and hypothesis development

2.1. Social exchange in travel agencies: LMX and IMO

According to Blau (1964), a social relationship is established from the exchange of socio-emotional resources with open-ended obligations, termed "social exchange". People tend to have a general expectation of some future return after making a contribution or providing a service to another party, as governed by the norm of reciprocity in social exchange relationships (Gouldner, 1960). The resources or benefits exchanged are also symbolic and convey particularistic meaning to the receiving exchange partner (Cropanzano & Mitchell, 2005; Foa & Foa, 1974, 1980). While the time frame of the return is unspecified, all parties involved are, none the less, expected to fulfill their obligations (Holmes, 1981). Moreover, individuals engaged in a high-quality exchange relationship are expected to direct their reciprocation toward their exchange partners (Murphy, Wayne, Liden, & Erdogan, 2003). A number of studies (Hofmann & Morgeson, 1999; Masterson, Lewis, Goldman, & Taylor, 2000) have examined exchange processes in varying work contexts. For example, employees may form an exchange relationship with their immediate supervisors to receive work-related information and performance feedback. They may also develop an exchange relationship with the organization to gain training and promotion opportunities. Similar exchange processes are also likely applied to travel sector, where front-line travel agents are motivated to develop social exchange relationships with their immediate supervisors and their organizations to acquire benefits (e.g., increased support, communication, better roles, or

greater career prospects). To reciprocate these gains, travel agents have the propensity to fulfill their obligations through performances favorable to their immediate supervisors and the organizations.

In this study, the quality of the exchange relationship between travel agents and their team supervisors is referred to as leader-member exchange (LMX). High-quality LMX relationships are characterized by exchange behaviors with high levels of trust and respect and intense interactions between supervisors and subordinates (Dienesch & Liden, 1986). These relationships also imply more preferential treatment for high-LMX members. For example, travel agents enjoying high LMX may be assigned trips to more desirable locations or may be exposed to more job-related information. Travel agents therefore may be keen to develop a social exchange relationship with their team supervisor to acquire benefits. To do so, they direct their reciprocation toward their supervisors by enhancing the work-related behaviors that promote the effective functioning of the team and contribute positively to team effectiveness. These discretionary behaviors go beyond the requirements specified in the job description.

In addition to the exchange relationship with the immediate supervisor, front line staff can also form exchange relationship with the organization. Internal marketing orientation (IMO) captures the quality of the exchange relationship between travel agents and the organization. The central premise of IMO is to identify and satisfy the wants and needs of employees as a prerequisite to satisfying the wants and needs of customers. A high level of IMO signals an organization's commitment to understanding and responding to the needs of employees and thus reflects an effective relationship between the organization and its employees (Rafiq & Ahmed, 1993). Thus, if travel agents have high IMO, they may feel obligated to repay the organization in the form of exceptional customer service, which is valued by the organization.

Grounded in social exchange theory (Blau, 1964), travel agents' reciprocation efforts are target specific. The authors therefore postulate that high-quality LMX relationships will motivate travel agents to repay their supervisors in the form of positive supervisory-related outcomes. Similarly, a high level of IMO will encourage travel agents to directly benefit their organizations in return by providing favorable outcomes related to customer service. Therefore, Hypotheses 1 and 2 examine the positive associations between exchange relationships with individual exchange partners (i.e., LMX and IMO) and desirable work-related outcomes (i.e., OCB and CSB). Hypotheses 3 and 4 further explore the interactions of exchange relationships with different exchange partners simultaneously.

2.2. Social exchange with the team supervisor: LMX and OCB

LMX theory attempts to explain the quality of the exchange relationship between a supervisor and his or her employee (Dienesch & Liden, 1986; Graen & Scandura, 1987; Settoon, Bennett, & Liden, 1996). The exchange relationship between a supervisor and each subordinate varies, ranging from high to low in quality (Dansereau, Graen, & Haga, 1975; Graen & Uhl-Bien, 1995). Employees generally perceive an obligation to reciprocate high-quality work relationships over time, as evidenced by studies linking LMX to positive employee behaviors (e.g., Ilies, Nahrgang, & Morgeson, 2007; Settoon et al., 1996). Reciprocity helps explain the effect of LMX on the desired employee behaviors. In travel agencies, team supervisors develop relationships with each agent and distribute resources accordingly. When team supervisors offer material resources, information, opportunities, and

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