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HOTEL EMPLOYEE PERCEPTIONS OF MANAGEMENT PRACTICES AND

CUSTOMER SATISFACTION AND THEIR RELATIONSHIP TO LEARNING AND

PERFROMANCE ORIENTATION

A Thesis in

Man Environment Relations

by

Ravindra V. Pandit

Submitted in Partial Fulfillment
of the Requirements
for the Degree of

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ABSTRACT

The economy has changed to a knowledge-based and knowledge-driven environment and will require innovative solutions to competitive dilemmas (Higgins, 1995). Employees are a major part of the lodging services product and as such might provide an answer to the competitive dilemmas faced by the lodging industry. Employee attitudes and abilities, as influenced by their learning and performance orientations, could be a key to enhancing customer satisfaction.

Over the past few years, customer satisfaction (CS) has emerged as a powerful tool for achieving and sustaining competitive advantage (Kirker, 1994), as a determinant of business success and failure (Goodman & Ward, 1993), and as a legitimate measure of management performance (Kaplan & Norton, 1992; Levine, 1990). Quality, specifically service quality (SQ), has been established as the single most influential factor on CS and customer behavioral responses (Bowen & Schneider 1988; Gronroos, 1984; Heskett, 1987; Parsuraman, Zeithaml, and Berry, 1996). CS has been linked to SQ by researchers and experts in the lodging industry (Edwards 1992; Greger & Withiam, 1991; Hirst, 1992; Kirwin, 1992; Knutson 1988; Shifflett, 1989; Withiam, 1991; Wolff, 1992). SQ is the result of management practices and customer contact or front-line employee attitude and behavioral responses (Bitner, 1990; Bowen and Schenider, 1985; Hartline & Ferrell, 1996).

While service quality is important in understanding customer satisfaction, the relationships of employee perceptions of hotel management practices, employee learning and performance orientations, to employees' perception of customer satisfaction have not been studied. In response to this lack of research, the purpose of this study was to

complement existing research in customer satisfaction (Oh and Parks, 1997) and suggest the need to evaluate management practices as perceived by employees, employee learning and performance orientations in hotels and the role of employee self-efficacy, and their effects on customer satisfaction as perceived by the employees. This approach was important because research on customer satisfaction in the lodging field has been limited to few influencing factors such as service quality.

The conceptual framework for this study was drawn from the Adaptive Selling Framework (Weitz, Sujan and Sujan, 1986), and the Model of Service Employee Management (Hartline and Ferrell, 1996). A questionnaire mailed to 20 hotels and distributed by the managers onsite to 200 employees within a national chain was the basis for testing: (1) the relationship of employee perceptions of management practices to employee learning and performance orientations, (2) the relationship of hotel employee learning and performance orientations to employee perceptions of customer satisfaction, (3) the direct relationship of employee perceptions of management practices to customer satisfaction as perceived by the employees, and (4) the effect of high and low employee self-efficacy on these relationship. The survey questionnaire resulted in a 35 percent response.

Data were analyzed from two perspectives: one, a descriptive analysis to help understand sample characteristics and to assure overall data quality; and two, an analysis of responses to the study's research questions and hypotheses. Confirmatory factor analysis, using principal component method and varimax rotation, was conducted to identify factor structure of the 30 items in the constructs. Simple and multiple regression procedures were used to test the hypotheses.

The results suggest that the effect of learning orientation on employee perceptions of customer satisfaction occurs through performance orientation, in that a learning orientation augments a performance orientation. The analysis also revealed that the relationships found with the overall sample were being driven by the low self-efficacy sub-sample. In this sub-sample, although performance and learning orientations are individually significant in their impact on employee perceptions of customer satisfaction, the effect of learning orientation disappears when both are simultaneously introduced into an equation. This suggests that the effect of a learning orientation occurs as a result of motivating a performance orientation. With the high self-efficacy sub-sample, a performance orientation does not influence customer satisfaction either individually or in the context of a learning orientation. With high self-efficacious employees it is only learning orientation that matters. Thus, no matter what the employee's self-efficacy is, a learning orientation drives the employee perceptions of customer satisfaction. For employees with low self-efficacy it does so by boosting their motivation to demonstrate their ability (performance orientation), while for employees with high self-efficacy such a motivation to demonstrate ability is not needed, presumably because there is no felt need to demonstrate ability.

The effect of learning and performance orientations of employees with low and high self-efficacy levels on their perceptions of customer satisfaction provided new insights. No matter what the level of self-efficacy in employees, their learning orientation seems to drive their perceptions of customer satisfaction as well as motivate performance orientation.

The findings from this study should provide industry professionals and practitioners the basis to better understand the role of employee attitudes and abilities in the context of a hotel business. The results might also help management to identify practices needed to encourage learning orientation through innovative management practices. Based on this study, it would be a mistake to foster only a performance orientation at the cost of a learning orientation. The findings suggest that corporate managers need to create a corporate culture where learning orientations flourish.

The study adds to the existing literature in the hotel field the concepts and relationships of employee perceptions of management practices, employee learning and performance orientations, and their effect on employee perceptions of customer satisfaction. The literature provides a direction to similar research in the hospitality and related fields. The methodology used is very simple and manageable, thus providing opportunities for the use of more complex and robust research methods for future research.

Finally this study provides academics and researchers with research questions and concepts that need further investigation. The results provide conceptual and methodological insights to better understand research needed around customer satisfaction, management practices, employee learning and performance orientations, and employee self-efficacy. The field of lodging marketing lacks frameworks for studying the relationship between employee perceptions of management practices and customer satisfaction and their relationships with employee learning and performance orientations and self-efficacy (Pandit and Parks, 1999).

Since the study data were collected from a limited number of hotels within a single hotel chain, the results are not generalizable to the entire hotel industry or even to a particular segment of the hotel industry. The study results and sample size were also subject to the limits of the survey distribution and data collection procedures. The study results did not replicate some of the findings from previous studies, such as the effect of performance orientation on self-efficacy and customer satisfaction as perceived by the employees. The sample size and/or the industry context might be the underlying reason this study's results did not replicate some previous results. Finally, employee perceptions of customer satisfaction were used as an outcome of the study. The study results would have been strengthened with responses from actual customers.

Recommendations based on this research are presented from the perspective of the hotel corporate staff or leadership, operations managers, and future researchers.

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To my guru, Dr. Sara Parks, my sincere gratitude for being a friend, philosopher, and a guide, when many times I thought this task would never be completed. As a friend, your compassion and concern for my family responsibilities were blissful. As a philosopher, your wisdom was inspirational. And as a guide, your counseling was always illuminating. Thank you for the empathy, the education, and the enlightenment. My sincere appreciation, also to my committee members: Dr. Elwood "Dick" Shafer, Dr. Daniel Mount, and Dr. Harish Sujan. Each of you provided important guidance, suggestions, and above all, encouragement throughout this process.

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CHAPTER 1

INTRODUCTION

The economy has changed to a knowledge-based and knowledge-driven environment and will require innovative solutions to competitive dilemmas (Higgins, 1995). Employees are a major part of the lodging services product and as such might provide an answer to the competitive dilemmas faced by the lodging industry. Employee attitudes and abilities, as influenced by their learning and performance orientations, could be a key to enhancing customer satisfaction.

Over the past few years, customer satisfaction (CS) has emerged as a powerful tool for achieving and sustaining competitive advantage (Kirker, 1994), as a determinant of business success and failure (Goodman & Ward, 1993), and as a legitimate measure of management performance (Kaplan & Norton, 1992; Levine, 1990). Quality, specifically service quality (SQ), has been established as the single most influencing factor on CS and customer behavioral responses (Bowen & Schneider 1988; Gronroos 1984; Heskett 1987; Parsuraman, Zeithaml, and Berry, 1996). CS has been linked to SQ by researchers and experts in the lodging industry (Brewton, 1990; Edwards 1992; Greger & Withiam, 1991; Hirst, 1992; Kirwin, 1992; Knutson 1988; Shifflett, 1989; Withiam, 1991; Wolff, 1992). SQ is the result of management practices and customer contact or front-line employee attitude and behavioral responses (Bitner, 1990; Bowen and Schenider, 1985; Hartline & Ferrell, 1996).

Management practices influence employee attitude and behavioral responses towards customer service (Bitner, 1990; Bowen and Schenider, 1985; Hartline & Ferrell, 1996). It has been suggested that management practices(as perceived by employees)

which influence the work environment and facilitate employee learning orientation and performance orientation can result in positive perceptions of customer satisfaction by the employees.

Background

Hotel companies have historically competed on brand identity, location, price, and breadth of services. Today, these strategies, by themselves, are not sufficient to sustain a competitive advantage. As a result, hotel managers are struggling to differentiate their services and to find new and better strategies to influence customer satisfaction. One method of influencing customer satisfaction is to develop management practices that will result in employee learning orientation and performance orientation.

Despite all the attention customer satisfaction has received in the literature, there have not been many lodging empirical studies testing employee perceptions of customer satisfaction as a result of employee learning and performance orientations. Nor has the hotel literature presented research studies specifically looking at the impact of management practices as perceived by the employees on employee learning and performance orientations. The lodging marketing literature, however, has a number of significant studies focusing on customer satisfaction (Pandit and Parks, 1997). Yet, distinct employee behaviors are frequently viewed by customers as ways of differentiating one hotel property from another. Positive differentiation may result in repeat business and be indicative of customer satisfaction.

Research has shown that management practices influence employee learning and performance orientations (Hartline and Ferrell, 1996; Sujan, 1994; Weitz, Sujan, and

Sujan, 1986). This study will attempt to establish a relationship of these concepts as potential internal sources that impact customer satisfaction as perceived by the employees.

Research Questions

The key questions to be addressed in this study were

1. is there a relationship between employee perceptions of management practices and employee learning and performance orientations?

2. is the relationship between employee perceptions of management practices and employee learning and performance orientations moderated by employee self-efficacy?

3. how do employee learning and performance orientations influence employee perceptions of customer satisfaction?

4. do employee learning and performance orientations affect employee perceptions of customer satisfaction differently for high and low self-efficacious employees?

5. do employee perceptions of management practices directly impact employee perceptions of customer satisfaction?

6. do employee perceptions of management practices and employee learning orientation independently drive employee performance orientation of low self-efficacious employees?

Hypotheses

The following hypotheses were developed based on the research questions:

Hypothesis 1 A: Employee perceptions of management practices influence employee learning orientation.
B: Employee perceptions of management practices influence employee performance orientation.

Hypothesis 2 A: Employee perceptions of management practices influence learning orientation of employees with high self-efficacy.
B: Employee perceptions of management practices influence learning orientation of employees with low self-efficacy.
C: Employee perceptions of management practices influence performance orientation of employees with high self-efficacy.

D: Employee perceptions of management practices influence performance orientation of employees with low self-efficacy.

Hypothesis 3: Employee learning and performance orientations positively influence employee perceptions of customer satisfaction.

Hypothesis 4 **A:** Employee learning and performance orientations affect employee perceptions of customer satisfaction for high self-efficacious employees.
B: Employee learning and performance orientations affect employee perceptions of customer satisfaction for low self-efficacious employees.

Hypothesis 5: Employee perceptions of management practices influence employee perceptions of customer satisfaction.

Hypothesis 6: Employee perceptions of management practices and employee learning orientation independently influence employee performance orientation of employees with low self-efficacy.

Purpose and Significance

To complement existing research in customer satisfaction this study suggests the need to evaluate hotel employee perceptions of management practices and customer satisfaction and their relationship to employee learning and performance orientations. This approach is important because research on customer satisfaction in the lodging field has been limited to a few influencing factors such as service quality. Addressing the major issues and research questions discussed above, the specific purposes of the study were

1. to propose and evaluate a conceptual framework showing the relationship of a) employee perceptions of management practices to employee learning and performance orientations; b) employee learning and performance orientations to employee perceptions of customer satisfaction, and finally c) employee perceptions of management practices to employee perceptions of customer satisfaction;

2. using self-efficacy as a moderating factor to explore the effects of learning and performance orientations on employee perceptions of customer satisfaction in high and low self-efficacious employees;

3. to provide a literature summary of theories and methodologies underlying the conceptual relationships so as to facilitate future research in lodging and other hospitality areas; and

4. to contribute to the lodging research regarding management practices as perceived by employees and their orientations as sources of customer satisfaction .

Definition and Discussion of Terms

For the purpose of this study, the following definitions were used:

Employee Perceptions of Management Practices (EPMP). Management

practices include freedom or autonomy in the conduct of work, provision of challenging,

interesting work, specification of clear overall strategic goals, and formation of work

teams by drawing together individuals with diverse skills and perspectives (Amabile,

1988). This study used the following items as management practices: encouragement for

employees to solve problems creatively, fostering of work groups that are open to new

ideas, encouragement for continuous improvement in all customer service processes,

availability of training for employees to keep their skills current with new technology and

processes, and constant improvement in customer services as a priority for management.

Employee Learning Orientation (ELO). Employee learning-orientation is the

motivation of employees to improve their abilities and master new knowledge and skills,

to work long hours, to seek challenging tasks and not be overwhelmed by difficult

situations (Sujan, 1994). This study used the following items to measure learning

orientation: employee efforts to learn how one customer differs from another, motivation

to develop job knowledge and skills for the job, enjoyment of working long hours,

constant focus on improving performance, and not being overwhelmed by difficult situations.

Employee Performance Orientation (EPO). Employee performance orientation is the motivation of the employees to seek favorable evaluations of their current abilities and performance from their managers and colleagues. Performance orientation directs them to achieve a positive evaluation of their current abilities and performance from important others (Ames and Archer, 1988; Dweck and Leggett, 1988; Elliott and Dweck, 1988; Nicholls and Dweck, 1979). Performance orientation is focused more on current abilities and performance outcomes than on learning or mastering knowledge and skills. This study used the following items to measure performance orientation: the importance of being seen as a good employee by supervisors, need for being recognized as a good worker by colleagues, feeling good about outperforming other employees, attempts to achieve continuous feedback from managers and supervisors, and constant efforts to communicate accomplishments to supervisor.

Employee Self-efficacy (ESE). Employee self-efficacy is the employee's belief in his or her ability to perform job-related tasks (Bandura, 1977). Empirical studies confirm that self-efficacy has a strong, positive relationship with employee performance (Earley, 1994). Employee performance during a service encounter typically involves responding to customer needs, handling special requests, and performing under adverse circumstances, thereby influencing customers' perceptions of service quality and satisfaction (Bitner, Booms, and Terreault, 1990). This study used employees' feeling of being overqualified for their job; employees' comfort level and confidence in their abilities, skills, and

approaches to customer service as related to their peers; and ability to easily change their approach towards a customer.

Employee Perception of Customer Satisfaction (EPCS). Customer satisfaction is believed to result from a process of customers' comparison between their expectations and perceptions of performance (Oliver, 1981). Oliver (1997) defines customer satisfaction as the customer's fulfillment response. "It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of customer related fulfillment, including levels of under- or- over fulfillment" (p.13). This study measured customer satisfaction as perceived by employees in terms of the speed and efficiency of the services provided and the flexibility and friendliness of the managers and employees to customer needs.

Hotel Managers. Hotel managers in this study refer to the general manager and to both division managers and department heads in the following functional areas: front office, housekeeping, food and beverage, sales and marketing.

Hotel Employees. Hotel employees are those employees who work and are paid on an hourly basis. Supervisors who are paid wages by the hour were also be considered employees.

Conceptual Model

Figure 1.1 presents the conceptual relationships of the variables used in this study. This model was adapted from previous studies (Sujan, 1994; Hartline and Ferrell, 1996). The framework looked at management practices and customer satisfaction from the employees' point of view and used employee learning and performance orientations as mediators. Self-efficacy was used as a moderating factor.

Figure 1.1: Conceptual Model
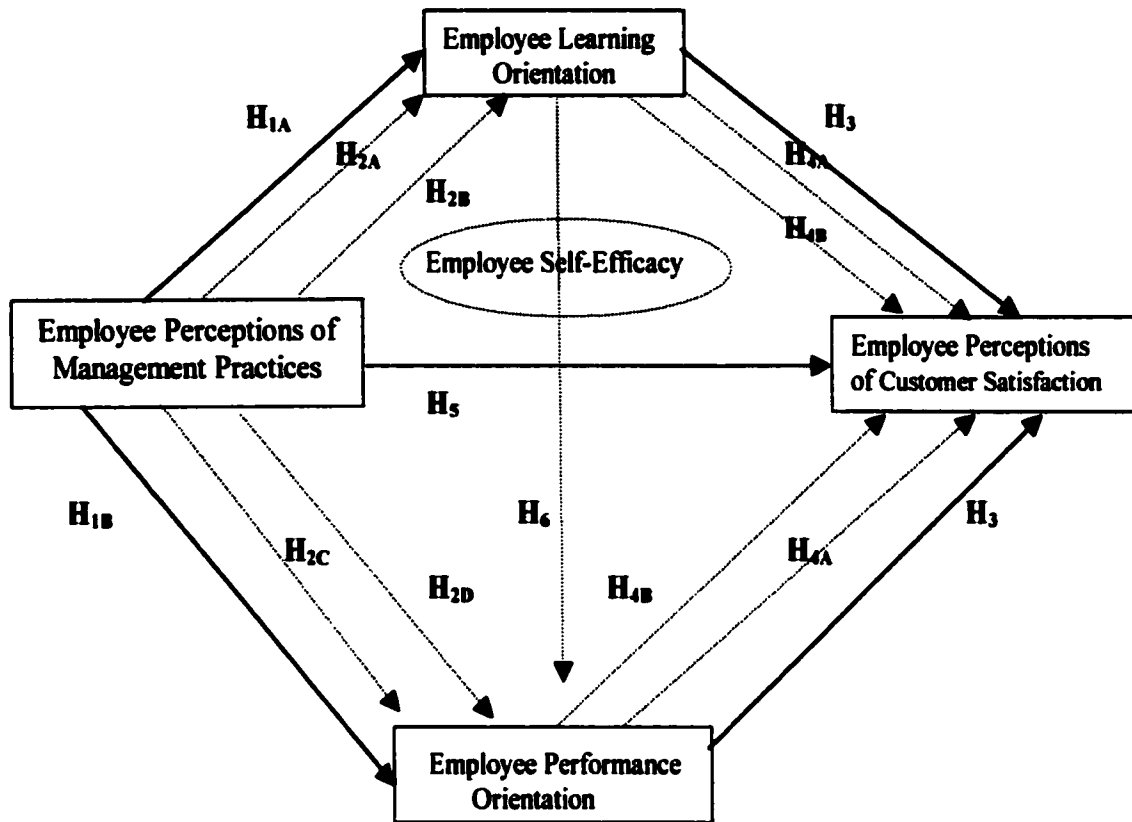
Summary

Management practices have been shown to influence employee learning and

performance orientations (Hartline and Ferrell, 1996; Sujan, 1994; Weitz et al., 1986).

But employee perceptions of management practices and their relationship to employee

learning orientation and employee performance orientation has not been evaluated and

studied in the context of the hotel industry. Employee learning and performance

orientations have been linked to customer perceptions of service quality (Hartline and

Ferrell, 1996) and salesperson's performance (Sujan, 1994), but empirical studies have not

been conducted to analyze the impact of employee perceptions of management practices

on employee learning and performance orientations on employee perceptions of customer satisfaction. This study provides a theoretical model using employee perceptions of management practices and their impact on employee learning orientation, performance orientation, employee self-efficacy, and employee perceptions of customer satisfaction.

CHAPTER 2

LITERATURE REVIEW

In order to provide a meaningful discussion of an emerging and disparate literature related to concepts of employee learning and performance orientations, employee self-efficacy, and their relationship to customer satisfaction as perceived by the employees in the hotel industry, this review includes:

(1) an overview of the theoretical underpinnings of employee learning and performance orientations and employee self-efficacy;

(2) a review of the conceptual models used as a basis for this study;

(3) a discussion of employee perceptions of management practices;

(4) a discussion of measures of customer satisfaction and employee perceptions of customer satisfaction;

(5) background of the hotel industry; and

(6) a discussion of study variables based on the literature.

Employee Learning and Performance Orientations.

Learning goals, which are long term, orient people to improve their abilities and enhance the skills to perform their tasks while performance goals, which are short-term in nature, orient them to achieve a positive evaluation of their current abilities (Ames and Archer, 1988; Dweck and Leggett, 1988; Elliott and Dweck, 1988;).

Intrinsic motivation -- a preference for challenging work, curiosity and independence in mastery of material -- is at the root of learning orientation. Performance orientation results from extrinsic motivation—the desire to use one's work to achieve external ends (Meece, Blumenfeld, and Hoyle, 1988).

Creative thinking depends to some extent on personality characteristics related to independence, self-discipline, orientation toward risk-taking, tolerance for ambiguity, perseverance in the face of frustration, and a relative lack of concern for social approval (Amabile, 1989).

Although a person's development of expertise and practice of creative thinking skills can be influenced to some extent by the social environment, the strongest and most direct influence of the environment is probably on motivation. Certainly, a person starts out with a level of intrinsic motivation that depends on his or her basic enjoyment of the work. But experiments have shown how a person's basic motivational orientation for a task, and resulting creativity on that task, can be influenced by even momentary alterations in the work environment (Amabile, 1997).

There is considerable evidence from field research that, under certain conditions, certain forms of extrinsic motivation may combine synergistically with intrinsic motivation, enhancing (or at least not undermining) the positive effects of intrinsic motivation on creativity (Amabile, 1993). For example, research in business organizations has uncovered several extrinsic motivators operating as supports to creativity: reward and recognition for creative ideas, clearly defined overall project goals, and frequent constructive feedback on the work (Amabile, Conti, Coon, Lazenby, and Herron, 1996; Amabile and Gryskiewicz, 1987; Amabile and Gryskiewicz, 1989).

First, the initial level of intrinsic motivation may play a crucial role. It may be that, if a person is deeply involved in the work because it is interesting or personally challenging, that the degree of intrinsic motivation may be relatively impervious to the undermining effects of extrinsic motivators (Sujan, 1994).

Second, the type of extrinsic motivation may make a difference. "Synergistic extrinsic motivators," including certain types of reward, recognition, and feedback, do not necessarily undermine intrinsic motivation; indeed, they may actually enhance some aspects of performance (Weitz, Sujan, and Sujan, 1986).

Positive outcomes can also result from reward, recognition, and feedback that directly increase the person's involvement in the work itself; these are called enabling extrinsic motivators (Amabile, 1983,).

Stimulants to creativity factors are positively related to creative work outcomes--including freedom, positive challenge, supervisory encouragement, work group support, organizational encouragement, and sufficient resources. A person's social environment can have a significant effect on that person's level of intrinsic motivation at any point in time; the level of intrinsic motivation can, in turn, have a significant effect on that person's creativity, which results in innovation (Albrecht and Hall, 1991; Amabile and Gryskiewicz, 1989).

Learning is seen as a long-term investment process and, hence, organizations such as hotels rarely practice this developmental perspective (Garvin, 1993). The nature of hotel services and the employee turnover rate can be assumed to be the reason for a short-term focus on development and short-term performance goals.

According to Sujan (1994), under a learning orientation within the personal selling domain, "salespeople enjoy the process of discovering how to sell effectively." Sales people with a learning orientation are attracted by challenging sales situations and not unduly bothered by mistakes. Sales people under a learning orientation also value personal growth and mastery of their jobs. Under performance orientation, sales people

seek favorable evaluations of their skills from their managers and colleagues and are found to be reluctant to experiment with new approaches (Sujan, 1994). This can also be said about front-line employees in a hotel since they perform many marketing functions such as sales and public relations.

Research suggests that learning orientation causes sales people to seek challenging situations and increases their willingness to change their strategies according to the situation (Ames and Archer, 1988; Dweck and Leggett, 1988). Learning orientation also motivates sales people to engage in planning, develop knowledge and skill bases needed to improve their capabilities and experiment with new sales approaches. Applying this reasoning to employees in a hotel, it can be proposed that learning orientation in employees results in self-efficacy and adaptive behavior.

Self-efficacy

Employee abilities are important factors in the service delivery process in a hotel because of the interactive nature of hotel services (Gronroos, 1983). Research has shown that employees' responses during service encounters can positively and negatively affect customers' perceptions of service quality and result in customer satisfaction or dissatisfaction (Bitner,1990; Shamir, 1980). Self-efficacy refers to an employee's belief in his or her ability to perform job-related tasks (Bandura, 1977). Ability is the aptitude, skills, and attitude of a person to perform a particular task. The basic abilities to do a particular job are generally brought to the job position. On-the-job training and development by the company enhances the abilities of employees. It is crucial for the company to fit the abilities of the employees to the job requirements. The presence of these abilities influences customer satisfaction and their absence results in customer

dissatisfaction (Hartline and Ferrell, 1996). The relationship of front-line employee performance to customer satisfaction has already been established in several studies (Bowen and Schenider, 1985; Bitner, 1990; Parsuraman et al., 1988).

Studies have shown that customers are most satisfied with the service when employees possess the ability, willingness, and competence to solve their problems (Bitner, 1990; Bitner, Booms, and Tetreault, 1990).

The importance of self-efficacy lies in its ability to increase employee performance. Self-efficacy grows stronger over time as employees successfully perform tasks and build the confidence necessary to fulfill their role in the organization (Gist and Mitchell, 1992). As self-efficacy increases, employees exert more effort, become more persistent, and learn to cope with task-related obstacles (Bandura, 1977; Gist, 1987).

The results of an experimental study show that subjects who are led to believe they are very competent at decision-making see more opportunities in a risky choice and take more risks (Earley, 1994). Those who are led to believe they are not very competent see more threats and take fewer risks. The feelings of self-competence and self-confidence on one task did not generalize to a similar task. Perception of opportunities was unexpectedly not related to the perception of threats. The results also provide evidence that the perceived likelihood of an event depends on whether the event is a loss or a gain. Human decision-making is subject to the general bias that outcome expectations are not independent of outcome valuations.

Empirical studies confirm that self-efficacy has a strong positive relationship with employee performance (Earley, 1994). It is, therefore, reasonable to expect that front-line

employees who possess strong self-efficacy beliefs are more likely to create favorable service encounters than those who do not (Hartline and Ferrell, 1996).

Employee performance during a service encounter typically involves responding to customer needs, handling special requests, and performing under adverse circumstances (Bitner, Booms, and Tetreault, 1990). Because of the increased effort that accompanies self-efficacy, highly self-efficacious front-line employees should perform better in service activities, thereby increasing customer satisfaction, and cope with demanding situations that arise during service encounter (Hartline and Ferrell, 1996).

Conceptual Models

In this section the conceptual models used to identify relationships among key variables impacting employee learning and performance orientations are discussed and research propositions about relationships among these concepts have been developed. The model for this research integrated variables from the Adaptive Selling Framework (Weitz, Sujan and Sujan, 1986) and Model of Service Employee Management (Hartline and Ferrell, 1996).

The Adaptive Selling Framework. The Adaptive Selling Framework (Weitz et al., 1986) has successfully demonstrated the relationships of adaptability and learning orientation of sales people on sales performance (see Figure 2-1). The authors established the relationship of management styles, culture, and salesperson characteristics to adaptive selling practices. They further found that the adaptive behavior is the result of knowledge and motivation, which precede abilities and learning orientation. These two factors are influenced by corporate culture, specifically, human resource policies such as reward

systems. Hence, adaptability and learning orientation are the other dimensions that have

been used as additional key variables in this study.

Figure 2-1: The Adaptive Selling Framework
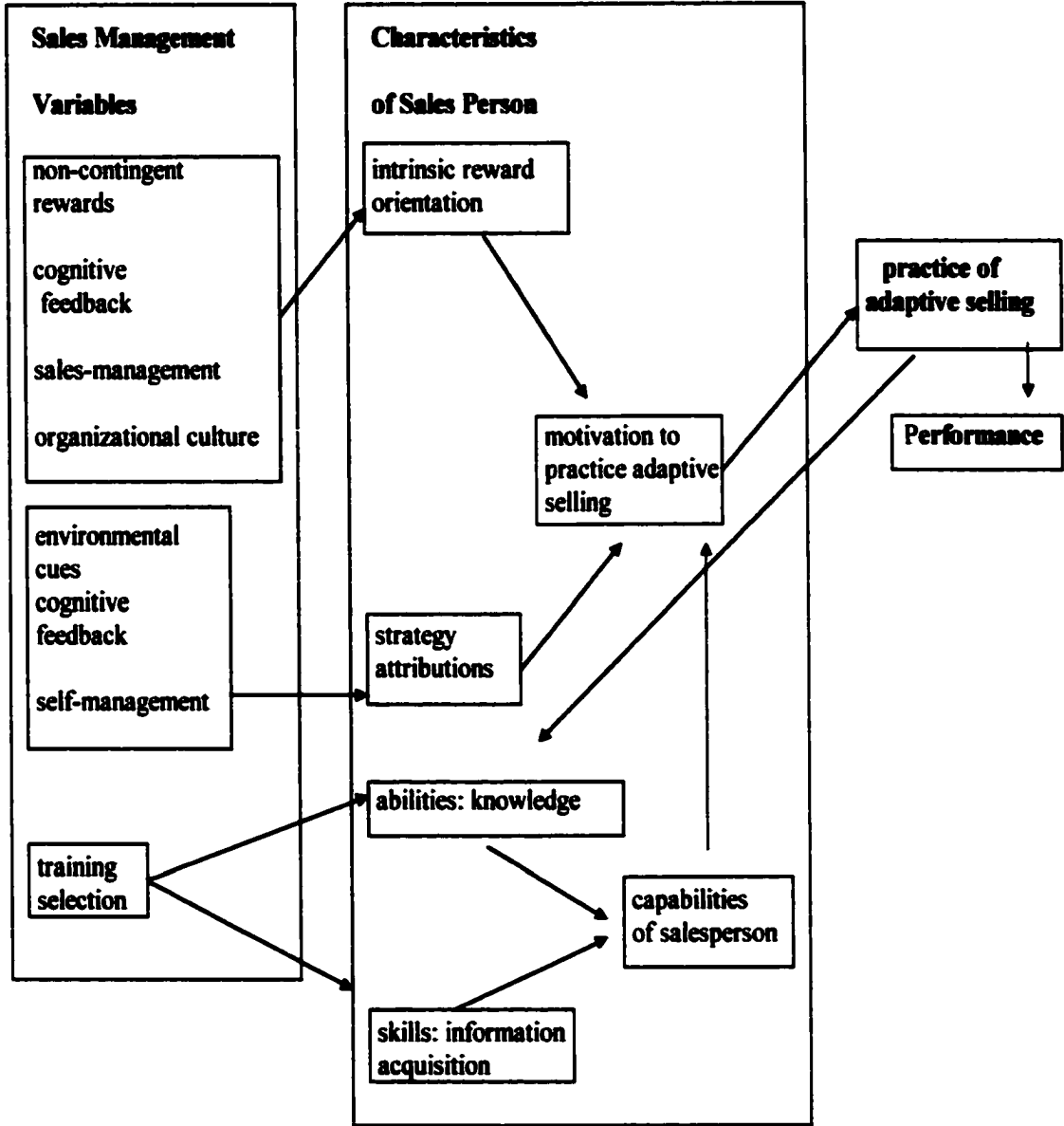
Source : Weitz, Sujan, and Sujan (1986). Knowledge, motivation, and adaptive behavior: A framework for improving selling effectiveness. Journal of Marketing, 50, 175.

The model demonstrates the relationship between motivation to practice adaptive selling, adaptive selling capabilities, and the practice of adaptive selling, to selling effectiveness, which results in customer satisfaction.

Findings from the Weitz et al. study indicate that knowledge, motivation and, adaptive behavior of sales people are positively related to selling effectiveness. Knowledge, which is a key component in abilities, and learning and performance orientation are employee competencies (1986).

Since hotel employees perform many sales functions, this study is related to the internal "sales" orientation of the hotel employees. For example, uniformed services personnel, such as the bell-person, doormen, front-desk and restaurant staff sell rooms and food-beverages respectively; their ability to adapt in these situations is a key to enhancing their performance.

Model of Service Employee Management: Hartline and Ferrell (1996) developed and tested a model of service employee management (see Figure 2-2) that examined constructs simultaneously across three interfaces of the service delivery process: manager-employee, employee-role, and employee-customer. The authors examined the attitudinal and behavioral responses and three formal managerial control mechanisms (empowerment, behavior-based evaluation, and management commitment to service quality).

The study's findings indicated that there was a positive relationship between management's commitment to quality, behavior-based evaluation, and employee empowerment. Employee self-efficacy and employee role ambiguity were found to influence customers' perception of service quality.

The variables used in the Hartline and Ferrell (1996) study-- management's commitment to service quality, empowerment, and behavior-based evaluations-- are dimensions of innovation, which was used as the predictor of employee learning and performance orientations in this study. Employee learning and performance orientations, on the other hand, were used as the predictors of employee self-efficacy and adaptability, which were assumed to influence customer satisfaction.

Figure 2-2: Model of Service Employee Management
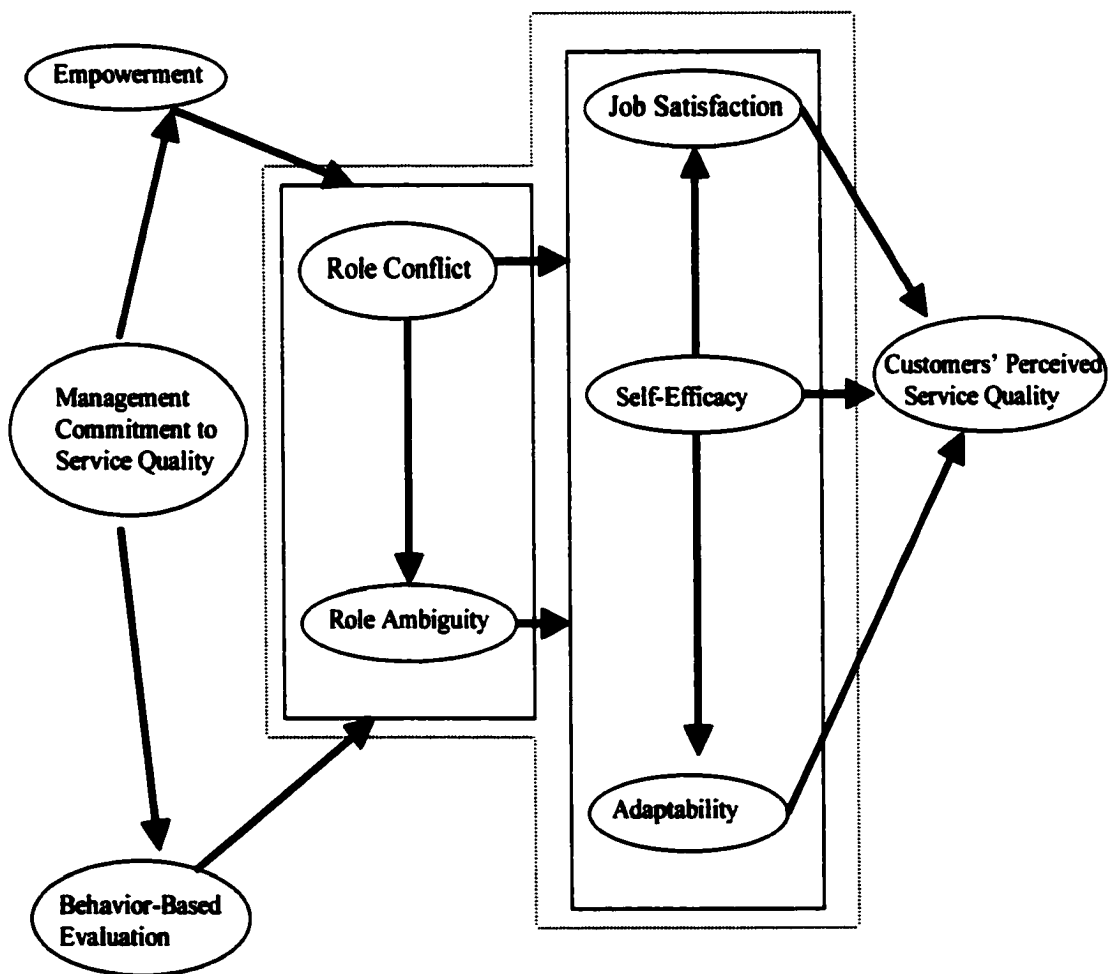
Source: Hartline and Ferrell (1996). The management of customer-contact service employees: an empirical investigation. Journal of Marketing, 60, 54.

Both the frameworks use very similar predictors of different outcomes. In the Adaptive Selling Framework the outcome is a salesperson's individual performance, whereas in the service employee-management framework, the outcome is measured in terms of customer perception of service quality. This study used employee behavior and customer behavior as outcomes.

Employee Perceptions of Management Practices.

This component includes management at all levels, but most especially the level of individual departments and projects (Amabile, 1988). Technology management practices included "challenging work," "work group supports," "supervisory encouragement," and "freedom scales." Several earlier researchers have suggested that creativity and innovation are fostered by allowing a considerable degree of freedom or autonomy in the conduct of one's work (Amabile and Gryskiewicz, 1987; Andrews and Farris,1967; Ekvall, 1983; King and West, 1985; Pelz and Andrews, 1966)

Innovation is a major part of management practices. Innovation is fostered when it is marked by clear planning and feedback, good communication between the supervisor and the work group, and enthusiastic support for the work of individuals as well as the entire group (Amabile and Gryskiewicz, 1987).

Finally, management practices for creativity include the ability to constitute effective work groups that represent a diversity of skills and are made up of individuals who trust and communicate well with each other, challenge each other's ideas in constructive ways, are mutually supportive, and are committed to the work they are doing (Albrecht and Hall, 1991; Amabile and Gryskiewicz, 1987; Amabile, 1997).

Because a positive sense of challenge in work is one of the most important predictors of creativity, it is imperative to match people to work that utilizes their skills, stretches their skills, and is clearly valued by the organization. As much as possible, all work should be designed to maximize intrinsically motivating aspects.

Organizations should orient themselves toward the generation, communication, careful consideration, and development of new ideas. This includes fair, constructive judgment of ideas, non-controlling reward and recognition for creative work, mechanisms for developing new ideas, and an active flow of ideas. It excludes turf battles, conservatism, and excessively negative criticism of new ideas (Amabile, 1997).

The results in the Hurley (1998) study indicate that higher levels of innovativeness in the firm's culture, which is a precedent to management practices, are associated with a greater capacity for adaptation and innovation (number of innovations successfully implemented). In addition, higher levels of innovativeness are associated with cultures that emphasize learning, development, and participative decision-making.

Innovative Capacity (Organizational Motivation to Innovate). Innovative capacity is an integral part of today's successful management practices. Because the business world is seldom static and because the pace of change appears to be rapidly accelerating, no firm that continues to deliver the same products and services in the same way can survive in the long run. By contrast, firms that prepare for the future by implementing new ideas oriented toward this changing world are likely to thrive (McFadden and Demetriou, 1993; Robinson, Roth, and Brown, 1993).

The capacity to innovate, a term first used by Burns and Stalker (1961), is the ability of the organization to adopt or implement new ideas, processes, or products

successfully. Innovative capacity relates to what Cohen and Levinthal (1990) call absorptive capacity.

Thompson (1965) defines innovation as the "generation, acceptance and implementation of new ideas, processes, products or services" (p. 36). There seems to be an overlap of organizational learning and innovation in this definition (Hurley, 1998). A similar overlap is evident in Zaltman, Duncan, and Holbek's (1973, p.2) definition of innovation as "an idea, practice or material artifact perceived as new by the relevant unit of adoption." A similar relationship between organizational learning and innovation is found in Amabile and colleagues' (1996, p.25) definition of innovation as the "successful implementation of creative ideas within an organization."

Higgins (1995) defines innovation as a process of creating something new that has significant value to an individual, a group, an organization, or a society, and that is a source for a business or an individual to make money.

The number of innovations an organization is able to adopt or implement successfully can measure this capacity. Innovativeness of the firm's culture, when combined with resources and other organizational characteristics, creates a greater capacity to innovate. Firms that have a greater capacity to innovate are able to develop a competitive advantage and achieve higher levels of performance (Hurley, 1998).

The intangible nature of services clearly distinguishes the service industries from the manufacturing industries, which produce goods. Therefore, one may ask what is the scope of innovative capacity in service firms, especially lodging firms?

The literature on innovation and innovative capacity in services is sparse and does not discuss the problem fundamentally; it presupposes that service firms do innovate

(Normann, 1991; Crozier, Normann and Tardy, 1982), or even that service firms have research and development activities (Barcet, Bonamy, Mayere, 1987; Gadrey et al., 1993). Even though some literature presents the empirical results of innovation activities in service firms (e.g., Naslund, 1986; Barcet, Bonamy and Mayere, 1987; Gadrey et al., 1993), it does not link innovative capacity to front-line employee attitudinal and behavioral responses and their perceptions of customer satisfaction.

Although the literature does not offer a thorough discussion of innovative capacity in service firms, it can nevertheless be deduced that innovations are taking place. Miles et al. (1994) argue this point in knowledge intensive business services. In some fields, particularly in information technology based services, service firms are leading innovators. Although many of Miles's examples are technological innovations, he also asserts services are often combined with organizational innovations.

Investigation of innovation in service firms such as banking, insurance, electronic information services and management consultancy have been undertaken and linked to improved performance (Reidenbach and Moak, 1986; Reidenbach and Grubs, 1987; Naslund, 1986), but none of them included the lodging services.

In the process of innovation, new ideas are generated and implemented through the transactions among individuals within given organizational contexts. Therefore, the critical features of innovation are new ideas, people, their transactions, and the organizational contexts that govern them (Van de Ven, 1986). On the basis of these arguments and the Amabile (1988) and Chow (1993) studies, there are four organizational sources of innovation in a firm: innovative capacity (organizational motivation to innovate), resources available for innovation, management practices, and service process improvements.

This component is made up of the basic orientation of the organization toward innovation, as well as supports for creativity and innovation throughout the organization. The orientation toward innovation must come, primarily, from the highest levels of management, but lower levels can also be important in communicating and interpreting that vision. The primary organization-wide supports for innovation appear to be mechanisms for developing new ideas; open, active communication of information and ideas; reward and recognition for creative work; and fair evaluation of work--including work that might be perceived as a "failure" (Amabile and Gryskiewicz,1989; Ashford and Cummings, 1985; Ettlie,1993; Monge, Cozzens, and Contractor, 1992; Paolillo and Brown, 1978). Notably, organizational motivation toward innovation includes the absence of several elements that can undermine creativity: political problems and "turf battles,' destructive criticism and competition within the organization, strict control by upper management, and an excess of formal structures and procedures (Amabile and Gryskiewicz, 1989)

Firms with greater capacity to innovate will be more successful in responding to their environments and developing new capabilities that lead to competitive advantage and superior performance.

Service Processes. Given the unique characteristics of services, there seems to be a difference between the process of service delivery and actual output. The ability to improve service processes through innovation affects both the functional and technical quality. Service processes are key factors affecting customer experience (Lovelock, 1996).

The service delivery processes were evaluated based upon the structure and efficiency of the processes. Changing customer demographics and preferences, employee

demographics and attitude shifts, and technological discontinuities constantly demand process change. The service delivery processes such as guest check-in, check-out, information dissemination, baggage and message handling, and food and beverage services rely on speed and efficiency. Employee perceptions of customer satisfaction are partly based on the speed and delivery of service which involves employee abilities, attitudes and capabilities which are influenced by management practices.

Management practices do influence the effectiveness and efficiency of the service processes. Gronroos (1990) labels the service delivery process as "functional quality" and the output as "technical quality." Functional quality here refers to the accuracy, responsiveness, and flexibility of the process, whereas technical quality refers to the speed and efficiency of the process.

Systematic, quantified methods for describing processes have been developed in industrial engineering (Deming, 1982), computer programming (Fox, 1982), decision theory (Holloway, 1979), and operations management (Schroeder, 1981). Though their terminology and methods may differ, process oriented disciplines share certain basic concepts (Shostack, 1987). First, each provides a way of breaking any process down into logical steps and sequences to facilitate its control and analysis. Second, each includes ways to accommodate more variable processes in which outcomes may differ because of the effects of judgment, chance, or choice on a sequence. Finally, each system includes the concept of deviation or tolerance standards in recognition that processes are "real-time" phenomena that do not conform perfectly to any model or description but rather function within a chain or standard of some sort (Shostack, 1987).

According to Lovelock (1996) managers need to recognize that operational processes, however important, are basically just a means to an end. Identifying the target of the service and then examining how it is modified or changed by specific service processes can help to better demonstrate the nature of the core service product and the primary benefits that it offers to customers.

Services have drawn upon manufacturing sources in using the words "standardized" and "customized" to define the parameters of service processes (Levitt, 1976; and Lovelock, 1984). Lovelock (1996) categorizes service processes based upon several factors: the degree of customer involvement in the service process and tangible or intangible actions of the service process; specific service delivery methods; the nature of demand for the service; the attributes of the service experience; the service organization and customer relationship; room for customization and judgment on the part of the service provider; the durability of the service benefits; and the duration of service delivery.

Dabholkar (1994) proposed a three-way classification system based on (1) who delivers the service (person-to-person via technology versus self-service through technology); (2) where the service is delivered (at the service site versus at the customers' location); and (3) how the service is delivered (physical distance versus physical proximity). Shostack (1987) suggests that there are several parts within the overall service process, such as purchasing supplies, which are invisible to the customer; these are sub-processes that are integral to the success of the service.

Several key processes are involved in the day-to-day operations of a hotel. These processes are division and department specific. In the rooms division, guest reservations and guest check-in and checkout are key processes. And the processes, which involve

guest participation and affect the guest's experience, are the crucial processes that need to be studied.

Business processes are a reflection of management practices and they add value to the end products. These practices can help organizations differentiate their products in a mature market like the hotel industry. These business processes, or a system of business activities, are not a portfolio of individual products or services. Some activities are performed so much better than the competition and can be described as core competencies (Snyder and Ebeling, 1992). Capability based organizations take the traditional strategic task of finding the best fit between a firm's resources and existing business conditions and markets to a new level (Long and Vickers-Koch, 1995).

As a service process develops over time, several patterns emerge: process flow becomes more rational, tasks more specific, and service designs more standardized. As this development continues over time, the overall nature of a process is significantly altered. Potts (1988) suggests four phases of the service life cycle: rapid growth, transition, maturity, and end of life.

Capability-based organizations take the traditional strategic task of finding the best fit between a firm's resources and existing business conditions and markets to a new level. They define their resources in terms of the capabilities they have developed for adding value for their customers and other stakeholders (Long and Vickers-Koch, 1995).

Lynn Shostack (1984) suggests that a service blueprint allows a company to explore all the issues inherent in creating or managing service. She further advocates these steps considering the issues of process identification, isolating fail points,

establishing time frame, and analyzing profitability. These steps also are the sources for identifying and developing core competencies and core capabilities.

The Role of Technology. The rapid growth in technology has added to the pace of service delivery. Information technology and database marketing has changed the nature of service processes. To stay competitive hotel management will have to make use of the latest technology in very innovative ways. Automation of service may help businesses differentiate their services in the marketplace in a meaningful way. Although the effects of deregulation, changing demographics, and global competition complicate the picture, it is new technologies that have most extensively altered and expanded the services industries in recent years (Quinn, 1988). The degree of technology use reflects the innovative capacity of management practices.

Barras (1986, 1990) has concluded from his research into the banking industry that innovations have become increasingly technological. In the 1970s and the early 1980s process innovations became automated; later this happened with product innovations such as self-service systems (cf. Huete and Roth, 1988; Sundbo, 1991).

Souder (1987) argues that there are three kinds of technologies: conceptual technology (CT), implemental technology (IT), and practice technology (PT). Souder defines conceptual technology as "the ability to create new concepts, forms, shapes and theories; implemental technology is the capability to create useful devices and other technologies from conceptual technologies; and practice technology is the capability to routinely use these devices and other technologies" (Souder, 1987, p. 200). In other words, conceptual technology creates theories, implemental technology reduces them to practice, and practice technology guides their routine application. Conceptual technology

guides the basis for implemental technology, which is the basis for practice technology. Abstract theories (conceptual technology) give rise to applications (implemental technology), which give rise to routine use (practice technology) (Souder, 1987).

In virtually every service industry, technological change has created vastly increased capacities and economies of scale. Beyond their important effects on scale, new services technologies often create powerful second-order effects, economies of scope, that help service innovation with little added costs (Quinn, 1988).

Some service business, like hotels, have pursued automation to increase productivity and efficiency, to lower costs, to create business opportunities, to enhance competitive advantages, to avoid danger and boredom in the work place, and in general, to free employees for more productive work and/or leisure.

The key question is: " Have all these technological advances added value to customer benefits?" The answer is yes and no. Yes, in the context of price and time. But not in the context of service processes that harness core capabilities.

The role of technology in the services industry, mostly computer technology, has been that of information processing and increasing self-service processes. It has helped manage customer information through data base marketing. Information processing has become faster and more efficient, but there seems to be a bottleneck effect when it comes to people processing. Automation has added value to the services to some extent; the question of quality now arises. Gale (1994) says " value is simply quality, however the customer defines it, offered at the right price" (p.4). Apart from this, there is very little evidence of technological innovations being used in the service industry to enhance customer value, which has been done quite well in the manufacturing industries.

While economists have long recognized the relationship between raising capital endowment (e.g., information technologies) and productivity enhancement, that relationship has not been borne out in services. The massive investment in technology simply has not improved productivity; on the contrary, they have made service organizations less profitable and less prepared to compete on other fronts (Roach, 1991).

Manufacturing innovations often have a complex technological form that is difficult to imitate. Sundbo's (1997) study suggests this fact as a reason for the low number of innovations in banks. A bank that innovates will not receive much of the profit from the process because competitors quickly imitate the new product. The same can be said about the innovation in hotel services.

Voss et al. (1992) discuss models of the innovation process in the services. They stress the fact that service innovations are rapidly implemented and copied. Thus, the ability to have a continual innovation process is crucial to the service firm. Scarbrough and Lannon (1989) argue that innovations in services are rarely discretionary processes.

In the past, U.S. industry focused mainly on meeting internal quality or technical standards. The focus today has shifted to quantifying customers' assessments of services and products (external measurement) and then translating these measures into specific internal standards through innovative measures (Devlin and Dong, 1994). Though the management literature offers few empirical studies, the technology and innovation literature in rural sociology, anthropology, and economics assists in building a theoretical framework that clarifies the dynamic competitive impact of innovation (Schroeder, 1990).

Employee Perceptions of Customer Satisfaction

Oliver (1997) defines satisfaction as "the customers fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of customer related fulfillment, including levels of under- or over-fulfillment" (p.13). It is the emotional response of the customers to service provided. Customer satisfaction is believed to result from a process of customers' comparison between their expectations and perceptions of performance (Oliver, 1981).

There has been a tremendous proliferation of research on customer satisfaction over the last three decades. The concept of satisfaction has defied exact specification even in those disciplines having a long-standing tradition of satisfaction research. More recently, definitional efforts have attempted to capture both cognitive and emotional processes. Yi (1990) observed that customer satisfaction definitions differed also in their levels of specificity. For example, commonly employed levels include satisfaction with a product (Churchill and Suprenant, 1982; Oliver and Linda, 1981; Swan and Trawick, 1981; Westbrook, 1980), with a consumption experience (Bearden and Teel, 1983; Latour and Peat, 1979; Woodruff et al., 1983), with a purchase decision experience (Westbrook and Newman, 1978), with a sales person in a store (Oliver, 1981), with an attribute (Bettman, 1974), and with a pre-purchase experience (Westbrook, 1980).

Most lodging customer satisfaction studies have been focused in measuring the level of customer satisfaction with individual service attributes. Customer satisfaction has been measured in terms of perceived service quality. No studies have been conducted so far on the impacts of core competence on customer satisfaction. It was interesting to

measure the level of customer satisfaction in terms of self-efficacy and adaptability of frontline-employees in a hotel.

The relationship of front-line employee performance to customer satisfaction has already been established in several studies (Bowen and Schenider, 1985; Bitner, 1990, Parsuraman et al., 1988). Bowen and Schenider (1985) concluded that the management of individual encounters between customers and employees was nested within broader managerial issues of organizational structure, whereas the Bitner (1990) and Parsuraman et al. (1988) studies established the customer-employee relationships with physical surroundings, and abilities and attitudes of employees. Drawing from the "Adaptive Selling Framework" (Weitz et al., 1986), and the SERVQUAL model (Parsuraman et al., 1988), the front line employee core competencies were defined as learning and performance orientation..

Studies have shown that customers are most satisfied with the service when employees possess the ability, willingness, and competence to solve their problems (Bitner, 1990; Bitner, Booms, and Tetreault, 1990).

Background of the hotel industry

As the pace of business change increases, the lodging industry in 2001 will continue to confront new challenges in areas including, but not limited to, finance, development, marketing, and operations (Burritt, 2001).

The lodging industry generated $22.5 billion in profits in 2000, which was up over the loss of $5.7 billion in 1990. Between 1997 and 2000, the U.S. lodging industry added approximately 411,459 rooms, representing an estimated cumulative growth of 11.6

(Burritt, 2001). The growth and the pace has resulted into new customer attitudes and posed new challenges to hotel management. Today's consumers are also more willing to spend more for superior service. Advances in technology have added a new dimension to the already fiercely competitive industry.

The Internet continues to create new opportunities for the lodging industry and to change the marketplace in innovative ways. On the revenue side, online travel information access and booking are likely to boost the overall amount of travel expenditures, but at the same time make the distribution landscape more complex. Relative to operations, hotel companies are now busy installing high-speed Internet access in guestrooms and are beginning to realize the marketing potential of such services. Online procurement/B2B networks are anticipated to generate cost efficiencies in areas such as purchasing, accounting, energy and repairs, and maintenance. Lodging companies are teaming with service providers to improve profitability and to sell the promise of greater efficiencies to other companies. As Web enables technology advances, these efficiencies will become more tangible (Burritt, 2001).

Encouraged by the Tax Act of 1981, significant hotel development occurred in the early 1980s, putting into place many management-friendly deals that were largely not performance based. Now, with many of these management deals up for review and more industry attention being paid to operating efficiencies through performance clauses (as well as management now often sharing in some of the ownership work), a formal review of the options is becoming more important.

The growth, pace, and technology combined with the focus on management performance has prompted lodging companies to measure consumers in terms of their lifetime value to their total brand portfolio.

As the already mature lodging market grows ever dense with competitors, many companies are looking for innovative marketing strategies to help them stand out among perceptually similar product and service offerings. Far too many hotel companies have adopted a strategy of copying what they think is working for their competitors. This trend is causing customers to see no appreciable difference.

In a homogeneous industry such as the hotel industry, the convergence of individual market demands for a variety of products and services upon a single or limited offering to the market is accomplished by the achievement of product differentiation through advertising and promotion (Smith, 1995). However, many brands differentiate on an attribute that appears valuable but on closer examination is irrelevant to creating the implied benefit (Carpenter, Glazer, and Nakamoto, 1994).

According to Lovelock (1996) managers need to recognize that operational processes, however important, are basically just a means to an end. By identifying the target of the service and then examining how it is modified or changed by specific service process can lead to a better understanding of the nature of the core service product and the primary benefits that it offers to customers.

Several writers on services (Levitt, 1976; and Lovelock, 1984) have drawn upon manufacturing sources in using the words "standardized" and "customized" to define the parameters of service processes. Lovelock (1996) categorizes service processes based upon several factors: the degree of customer involvement in the service process and

tangible or intangible actions of the service process; specific service delivery methods; the nature of demand for the service; the attributes of the service experience; the service organization and customer relationship; room for customization and judgment on the part of the service provider; the durability of the service benefits; and the duration of service delivery.

Several key processes are involved in the day-to-day operations of a hotel. These processes are division and department specific. In the rooms division guest reservations, and guest check-in and checkout are the key processes. And the processes, which involve guest participation and affect the guests' experience, are the crucial processes that need to be looked at(Shostack, 1984).

The hotel industry is considered to be a part of the overall service industry. The hotel provides the service in the form of lodging to its customer and this service does not end with the customer getting his room with a clean comfortable bed and a clean bathroom, which are his need for the moment. The human factor of the service, "employees" -- that is the front desk personnel, bell staff, and any other staff the guest comes in contact with -- becomes the part of the customer's experience. The customer can classify this experience as "friendly service, or warm service," depending on the experience.

Most service oriented hotel operations realize the importance of hearing the "voice of their customers," in order to realize their needs. However most hotels still are under the impression that they are really measuring customer satisfaction with out-dated tools like "customer comment cards" which most guest, satisfied or dissatisfied, do not bother to read or fill out. Another false indicator of customer satisfaction is the occupancy rate

as compared to other hotels. Management still measures success of a hotel through its occupancy levels, which to a large extent does not indicate any level of customer satisfaction.

Effective management depends on information. Guest surveys could offer crucial information for evaluating current policies and making management decisions, but many surveys in use today obscure as much as they reveal. Most hotels use some form of in-house guest survey. Unfortunately most guest survey methods now used fail to yield an accurate measurement of guest satisfaction that is statistically valid and readily interpreted (Lewis & Pizam, 1981).

By using guest comment cards or in-house surveys, hotel managers think that they are measuring customer satisfaction and perceived quality; but satisfaction and perceived quality are not the same construct. They do not measure the same thing, and customers clearly distinguish between the two. A common mistake hotel managers make is to conduct satisfaction studies, and think they are measuring perceived quality. Another common mistake is to use satisfaction construct as a way to measure perceived quality because some market researchers believe that they are perfectly correlated (Zifko-Baliga, 1995).

Research in the lodging industry has been predominantly focused on customer satisfaction and service quality (Pandit and Parks, 2000). Many researchers have introduced, and are introducing and testing customer satisfaction and service quality models (Oh and Parks, 1997). Service encounters and processes were the least researched areas (Pandit and Parks, 2000).

Strategic needs of the lodging industry should be addressed in order to assist lodging industry professionals sustain competitive advantages. Hotel managers' and researchers' focus has been on the management of the marketing mix and short-run strategies (more tactics than strategies), which have been unproductive because they are based on short term indicators such as annual and quarterly profit goals. Additionally, the development of a research agenda specific to lodging issues in the lodging field has been sporadic at best (Pandit and Parks, 2000).

As employees are a major factor in the service quality and customer satisfaction equations, research needs to be focused in new areas such as employee learning and performance orientations and their relationships to management practices and customer satisfaction.

Discussion of Study Variables and Propositions

The literature has identified a number of variables influencing competitive advantages. This study looked at employee perceptions of management practices, employee learning and performance orientations, which impact employee self-efficacy, and eventually, employee perceptions of customer satisfaction. The discussion of each of these variables is followed by suggested propositions that have served as the basis for determining the hypotheses for this study.

Employee learning and performance orientations. Learning orientation motivates front-line employees to work hard, experiment with new ideas, and advance rapidly in their careers. Research has shown that front-line employee learning orientation and abilities result in adaptive behavior, flexibility in varying situations, empathy and

responsiveness towards customers, and exhibiting reliability and assurance (Bitner 1990;

Hartline and Ferrell, 1996; Parsuraman et al., 1988; and Weitz et al., 1986).

Environmental conditions such as management practices influence learning

orientation, which in turn encourages adaptability and self-efficacy (Weitz, Sujan, and

Sujan, 1986; Hartline and Ferrell, 1996). In the case of sales people, learning orientation

motivates employees to work longer hours, and these employees are not overwhelmed by

difficult situations (Ames and Archer, 1988; Dweck and Leggett, 1988). Employee

performance during a service encounter typically involves responding to customer needs,

handling special requests, and performance under adverse circumstances, thereby

influencing customers' perceptions of service quality and satisfaction (Bitner, Booms, and

Terreault 1990). Based on these studies, the following propositions are suggested:

Proposition: Learning and performance orientations have a positive relationship to employee self-efficacy.

Proposition : Learning and performance orientations have a positive relationship to employee perceptions of customer satisfaction.

Employee Self-Efficacy Employee self-efficacy is the employee's belief in his or

her ability to perform job-related tasks (Bandura, 1977). Empirical studies confirm that

self-efficacy has a strong positive relationship with employee performance (cf. Earley,

1994). It is employees' belief and confidence in job related knowledge, skills and abilities.

Self-efficacy of employees should play an important role in shaping positive customer

perceptions of the service encounter. Employees are the key to service delivery and

customer satisfaction, and their abilities to achieve success are major dimensions of front-

line employee perfromance competence (Bitner, 1990; Schneider, 1980; Shamir, 1980;

Gronroos, 1983). Self-efficacy of employees should play an important role in shaping

positive customer perceptions of the service encounter. Employee abilities are important

factors in the service delivery process in a hotel because of the interactive nature of hotel

services (Gronroos, 1983). Research has shown that employee responses during service

encounters can positively and negatively effect customers' perceptions of service quality

and result in customer satisfaction or dissatisfaction (Bitner, 1990; Shamir, 1980). Based

on the above research the following propositions are suggested:

Proposition: Employee self-efficacy has a significant influence on customer satisfaction as perceived by the employees.

Proposition: Employee self-efficacy has a moderating influence on learning and performance orientations' effect on customer satisfaction as perceived by the employees.

Employee perceptions of management practices Management practices are an integral

part of a firm's culture, and studies have shown that corporate culture influences employee

performance. Management practices are the stimulants to the employees' intrinsic and

extrinsic motivations (Amabile, 1983, 1996; Amabile, Conti, Coon, Lazenby, and Herron,

1996: Amabile and Gryskiewicz, 1987; Amabile and Gryskiewicz, 1989). The policies,

procedures, and the overall work environment provide intrinsic and extrinsic motivators

which facilitate employee learning and performance orientations (Ames and Archer, 1988;

Dweck and Leggett, 1988; Elliott and Dweck, 1988; Nichols and Dweck, 1979; Meece,

Blumenfeld, and Hoyle, 1988). Experiments have shown how a person's basic

motivational orientation for a task and resulting creativity on that task can be influenced

by even momentary alterations in the work environment (Amabile, 1997).

On the basis of their studies, Amabile (1997) suggests that the work environment

within an organization--which is strongly influenced by management at all levels--can

make the difference between the production of new, useful ideas for innovative business growth and the continuance of old, progressively less useful routines. Management practices that include innovation may influence employee-learning orientations.

Based on the above discussion the following proposition is suggested:

Proposition : Employee perceptions of management practices influence employee learning and performance orientations.

Employee Perceptions of Customer satisfaction

The research studies so far have dealt with customer satisfaction from the customer point of view that is how the customers perceived their feeling or emotions after the service encounters. None of these studies have looked at customer satisfaction from the employee perspective, in that employee perceptions of customer satisfaction have not been studied in relation to their attitude and abilities. Neither has the relationship of employee perceptions of management practices to employee perceptions of customer satisfaction been established. Based on the above research and discussion the following proposition is suggested:

Proposition: Employee perceptions of management practices influence employee perceptions of customer satisfaction.

Summary

While this research was new to the lodging industry, there appear to be avenues for the study of the impacts of employee perceptions of management practices on their learning and performance orientations in the hotel industry. This literature review focused on definitions, variables, and models related to the study's research puirposes. From the literature the following conclusions are formed:

- there are a few empirical studies establishing the relationships of learning and performance orientations to self-efficacy, but none in the hospitality field.

- there are no studies or theories proposed in the hotel field about the impact of employee learning orientation and performance orientation on customer satisfaction as perceived by the employees.

- the literature identifies two models examining the relationships of employee abilities and attitudes to performance, the Adaptive Selling Framework (Weitz, et al., 1986), and the Service Employee Management Framework (Hartline and Ferrell, 1996)

- there is an argument for using this relationship of employee learning and performance orientation to management practices and their impact on employee self-efficacy and the employee perceptions of customer satisfaction.

- as discussed in the hotel industry background, the pace of globalization and technological innovations makes it crucial to look at the strategies for customer satisfaction from the management practices point of view.

CHAPTER 3

METHODOLOGY

This chapter presents the study's theoretical framework and research design. Key

concepts in this model are defined and research questions and hypotheses that postulate

certain relationships between these concepts are presented. The study methodology,

including data collection and data analysis procedures, are discussed.

Theoretical Framework and Research Design

The theoretical framework (Figure 3-1) for this study was drawn from two earlier

studies: the Adaptive Selling Framework (Weitz, Sujan and Sujan, 1986) and the Model

of Service Employee Management (Hartline and Ferrell, 1996).

Figure 3-1: Conceptual Framework

———— = Relationships with high and low self-efficacy as moderator
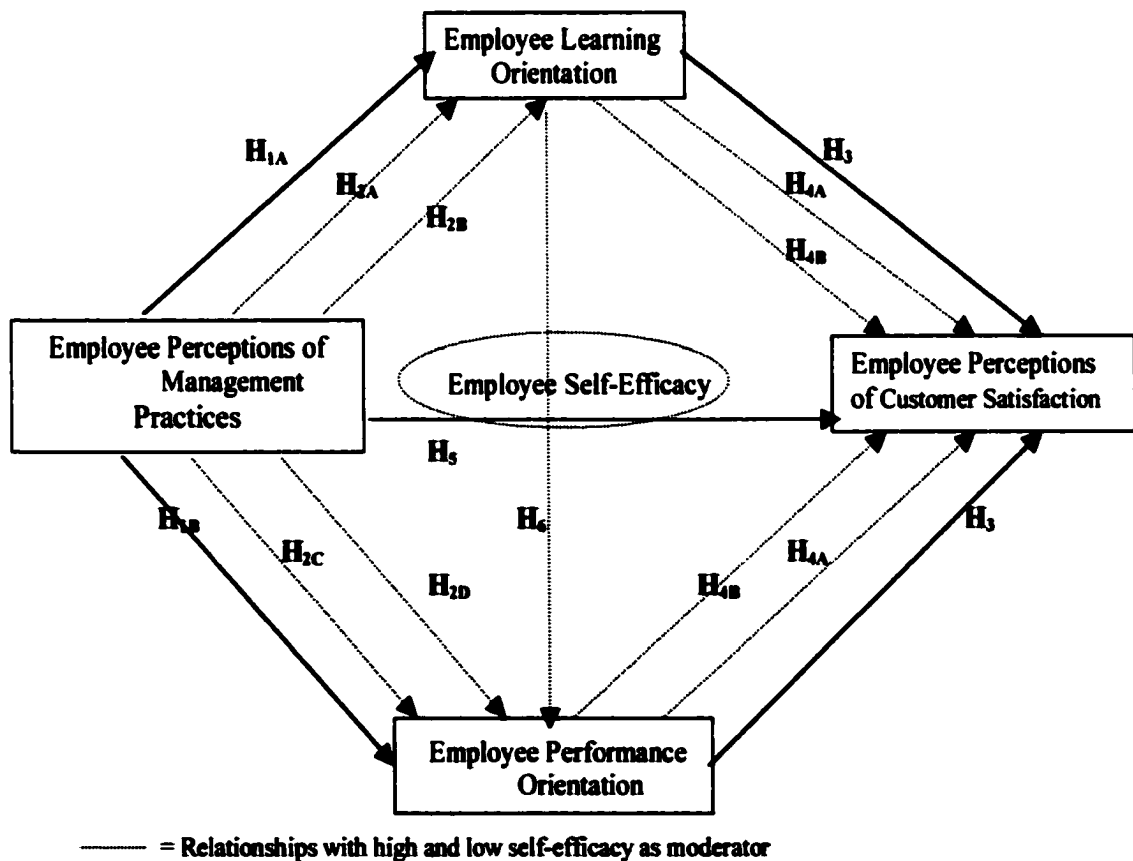
The model served as a basis for identifying and examining specific linkages among hotel employees' perceptions of management practices, employee-learning orientation and employee performance orientation. Relationships of employee perceptions of management practices, employee learning, and performance orientations to employee perceptions of customer satisfaction were also investigated. Finally, the relationships were evaluated based on the levels of employee self-efficacy.

The strengths of this model are:

1. it examines the impact of management practices as perceived by employees in hotels on employee learning and performance orientations, and

2. it explicitly includes employee learning orientation and performance orientation, and uses them as variables that influence a hotel's performance in terms of employee perceptions of customer satisfaction.

Discussion of Variables

The following is a discussion of key variables (Table 3.1) included in the research model and the interrelationship of the variables used in this study as illustrated in Figure 3.1.

Employee perceptions of management practices. Many managerial activities, as perceived by the employees, have a potential to effectively influence employee performance. Encouragement of employees to solve problems creatively, fostering of work groups that are open to new ideas, encouragement for continuous improvement in all customer service processes, availability of training for employees to keep their skills current with new technology and processes, and constant improvement in customer

services as a priority for management, are some of the activities that indicate innovative management practices.

Table 3.1 Research Variables

Variables	Description
1. Employee Perceptions of Management Practices (EPMP)	Encouragement of employees to solve problems creatively, fostering of work groups that are open to new ideas, encouragement for continuous improvement in all customer service processes, availability of training for employees to keep their skills current with new technology and processes, and constant improvement in customer services as a priority for management.
2. Employee Learning Orientation (ELO)	Employee efforts to learn how one customer differs from another, motivation to develop job knowledge and skills for the job, enjoy working long hours, constant focus on improving performance, and not being overwhelmed by difficult situations
3. Employee Performance Orientation (EPO)	The importance of being seen as a good employee by supervisors, need for being recognized as a good worker by colleagues, satisfaction about out-performing other employees, seeking continuous feedback from managers and supervisors, and constant efforts to communicate accomplishments to supervisor.
4. Employee Self-efficacy (ESE)	Employees' feeling of being overqualified for their job, employees' comfort level and confidence in their abilities, skills, and approaches to customer service as related to their peers, and ability to easily change their approach towards a customer.
5. Employee Perceptions of Customer Satisfaction (EPCS)	Customer satisfaction as perceived by employees in terms of the speed and efficiency of the services provided and the flexibility and friendliness of the managers and employees to customer needs.

Management practices as perceived by employees was used as a predictor variable for employee learning and performance orientations. The policies, procedures, and the overall work environment provide intrinsic and extrinsic motivators which

facilitate employee learning and performance orientations (Ames and Archer, 1988;

Dweck and Leggett, 1988; Elliott and Dweck, 1988; Nichols and Dweck, 1979; Meece,

Blumenfeld, and Hoyle, 1988). Experiments have shown how a person's basic

motivational orientation for a task, and resulting creativity on that task, can be influenced

by even momentary alterations in the work environment (Amabile, 1997). Employee

encouragement by management, as perceived by the employees, in terms of creative

problem solving and risk taking, and availability of resources were some of the items

looked as measures of management practices.

Specifically, items used to measure this variable were

1. employees are encouraged to solve problems creatively in this organization;
2. work groups within the organization are open to new ideas;
3. hotel management encourages continuous improvement in all customer service processes;
4. training is always made available to employees to keep their skills up to the level of new technology and processes; and
5. constant improvement in services provided to customers is a priority for the management.

Employee learning orientation was identified as the second variable for this study.

Environmental conditions and the design of the service processes seem to influence the

learning orientation of employees. This learning orientation motivates front-line

employees to work hard, experiment with new ideas, and advance rapidly in their careers.

This study used employees' efforts to learn how one customer differs from another,

motivation to develop job knowledge and skills, and constant focus on improving

performance. Items used in this study to measure this variable were

1. I try to understand how one customer differs from another.
2. I am motivated to develop my knowledge and skills for this job.
3. I enjoy working long hours in this hotel.
4. I constantly focus on improving my performance.
5. I am not overwhelmed by difficult situations.

Employee performance orientation was identified as the third variable in this study. This is different from learning orientation in that it is driven by extrinsic motivators and focuses on the importance of being seen as a good employee by supervisors and the need for being recognized as a good worker by colleagues. Performance orientation also refers to motivation to work hard in anticipation of rewards and recognition, and need for favorable evaluations of current skills and abilities. The sales management study by Sujan, (1994), indicated that sales people with a performance orientation avoid experimenting with new approaches and avoid challenging situations. Performance orientation does act as a motivator and does influence employee self-efficacy and adaptive behavior.

Specifically, the items used to measure this variable were:

1. It is very important to me that my supervisor sees me as a good employee.
2. I very much want my coworkers to consider me to be good at my work.
3. I feel very good when I know I have outperformed other employees in my hotel.
4. I often seek continuous feed back from my managers and supervisors.
5. I always try to communicate my accomplishments to my supervisor

Employee Self-efficacy. This was the fourth variable and was used as a moderator in this study. Since the hotel industry is labor intensive, human resources become a major factor influencing hotel performance. Self-efficacy focuses on employees' comfort level and confidence in their abilities, skills, and approaches to customer service as related to their peers, feeling overqualified for the present job, and confidence to change approach towards a customer. It includes employees' belief and confidence in job-related knowledge, skills and abilities. Based on the literature review, this study examined employee abilities, specifically, self-efficacy, that was hypothesized

to mitigate influences of employee learning and performance orientations on their perceptions of customer satisfaction.

Ability to perform job-related tasks influences performance and grows stronger over time if supported and fostered by the work environment; hence, the moderating effect of self-efficacy on the relationship of employee learning and performance orientations and their perceptions of management practices was also examined.

The items used to measure employee-self-efficacy were:

1. I feel overqualified for the job I am doing.
2. I feel comfortable in my job in the sense that I am able to perform the job well.
3. I feel that my skills and abilities equal or exceed those of my colleagues.
4. I could have handled a more challenging job than the one I am doing.
5. When I feel that my approach is not working with a customer, I can easily change to another approach.

Employee perceptions of customer satisfaction. Customer satisfaction, as perceived by employees, was a dependent variable in this study. Customer satisfaction is the goal of any business. This study measured customer satisfaction as perceived by employees in terms of the speed and efficiency of the services provided and the flexibility and friendliness of the managers and employees.

In this study, employee perceptions of customer satisfaction were used as an outcome resulting from learning orientation and performance influenced by self-efficacy.

Employee perceptions of customer satisfaction was measured using the following items:

1. Customers are always satisfied with the speed of the services provided.
2. Customers are satisfied with the flexibility of the managers to their needs and requests.
3. Customers are satisfied with the friendliness of the employees.
4. Customers are satisfied with the efficiency of the services.
5. Customers are satisfied with the flexibility of the employees.

Measurement Scales

The employee questionnaire used thirty items measuring employee learning and performance orientations, employee self-efficacy, employee perceptions of management practices, and employee perceptions of customer satisfaction. Six additional items were used to gather demographic characteristics of the respondents.

To remain consistent with previous research, and to allow for comparison, measurement scales (See table 3.2.) were taken or adapted from previous studies in the marketing management and psychology literature (Amabile et al., 1988; Weitz et al., 1986; Sujan, 1994; Hartline and Ferrell, 1996; Chow, 1993).

Table 3.2: Questionnaire items providing variable data

Variables	Number of Items	Item numbers in the survey
Employee Learning Orientation (ELO)	5	EMP01-EMP05
Employee Performance Orientation (EPO)	5	EMP06-EMP10
Employee Self-efficacy (ESE)	5	EMP11-EMP15
Employee Perceptions of Management Practices (EPMP)	5	EMP21-EMP25
Employee Perceptions of Customer Satisfaction (EPCS)	5	EMP26-EMP30
Sample Characteristics	6	EMP31-EMP36

Employee Learning Orientation. Employee learning orientation was measured by using five items adapted from the Sujan (1994) study. Questions 1-5 on the employee survey measured learning orientation. Employees were asked to indicate their agreement with each item through a five-point LIKERT scale ranging from "strongly disagree" to "strongly agree." Higher scores indicate higher employee learning orientation.

Employee Performance Orientation. Employee performance orientation was measured using five items from the scale adapted from the Sujan study (1994). Because the original scale was used to measure the performance orientation of sales personnel, the questions were reworded to reflect the perceptions of employees in a hotel.

Questions 6-10 measured performance orientation. Front-line employees of the hotel were asked to indicate their agreement with each item through a five-point LIKERT scale ranging from "strongly disagree" to "strongly agree." Higher scores indicate higher frontline-employee performance orientation.

Employee Self-efficacy. Five items were used from the eight-item scale developed by Jones (1986) and used by Hartline and Ferrell (1996). The Hartline and Ferrell study used a seven-point Likert scale, which was designed to measure employees' perceptions about their job skills, abilities, qualifications and confidence, ranging from 'strongly disagree" to "strongly agree." Higher scores reflected higher perceived self-efficacy.

Questions 11-15 on the employee survey measured self-efficacy. Front-line employees were asked to rate each item on a five-point LIKERT scale ranging from

"strongly disagree" to "strongly agree." Higher scores reflect higher perceived self-efficacy.

Employee Perceptions of Management Practices. Five items were adapted from the eight-item scale used in the Hartline and Ferrell study (1996), which measures the degree to which managers encourage initiative, give employees freedom, and trust employees to use their judgment (Hartline and Ferrell 1996).

Question 21-25 measured this variable. Employees indicated their agreement with each item using a five point LIKERT scale ranging from "strongly disagree" to "strongly agree." Higher scores reflect a positive perception of management practices by employees.

Employee Perceptions of Customer Satisfaction. Customer judgments, as perceived by the employees, about the overall service attributes, management and employee responses were measured using five items adapted from the Hartline and Ferrell (1996) research. Employees indicated their perceptions of customer satisfaction with each item using a five-point scale ranging from "strongly disagree" to "strongly agree." Higher scores reflect a higher degree of customer satisfaction as perceived by the employees.

Sample Characteristics. Six items were used to collect sample characteristic data. These items included gender, title of the job position of the employee, full-time or part time employment status, tenure with the hotel, number of years employed in the industry, and level of formal educational achievements. These were measured using nominal and ordinal scales.

Data Collection Methods

Sample Description. A leading hotel company in the U. S. was requested, and agreed, to participate in the study. The company is internationally known and manages and operates hotels in several countries. The company portfolio includes several brands covering every segment of the hotel industry. The company provided a list of the names and addresses of twenty hotels in the chain and their general managers. These were full service hotels in the up-scale and mid-scale category. The participating hotels were mostly located in urban or airport locations.

The hotel industry was selected for the following reasons:

1. Hotels may appear to have similar facilities and services; however, they are not all alike and there is significant variation in their performance. Understanding the managerial practices and employee activities associated with the high performance companies could help identify the factors required to maintain competitiveness.

2. The link between employee perceptions of management practices and performance may be more easily investigated because the employee performance and service outcomes, i.e., customer reactions, in a hotel are almost immediate.

3. Some hotel companies have been quite innovative in their managerial practices and the use of technologies. Analyzing the managerial perceptions and practices may increase the industry's understanding of the issue of employee perceptions of customer satisfaction their links to employee performance.

4. There is a paucity of research in the hotel industry and yet a great need to better understand factors influencing employee performance and its relationship to customer satisfaction.

Pilot Test. The questionnaire was pilot tested with managers and employees of a local hotel to validate the terms and to check for clarity and ease of understanding. Print questionnaires were distributed based on the format suggested by Salant and Dillman (1994). Participants in the pilot study were requested to evaluate (see Appendix A and B) the questionnaire in terms of the time required to complete the questionnaire, the degree of ease or difficulty in understanding the questions and any other comments or suggestions they might have.

The test did not result in any major changes to the instrument. The average time required by participants to complete the questionnaire ranged from 5-10 minutes. The only change made was to question number 36. Two additional choices (graduate degree and presently pursuing a college degree) were added to the education category. This was done as per comments on the survey evaluation form. The participants in the pilot test indicated that the questions and terms were clear and easy to understand.

Survey Administration. The revised survey included a letter from the researcher (Appendix C) with a general introduction to the research inviting participation and a three-page questionnaire with 36 items (Appendix D). Two pages addressed the variables employee learning and performance orientation, self-efficacy, and employee perceptions of management practices and employee perceptions of customer satisfaction. The last page of the questionnaire included six questions regarding general information and

demographics about the individual employee in order to determine employee profile characteristics.

A packet containing ten copies of the survey instrument, a copy of the memo from the corporate office (Appendix E) requesting participation, and a cover letter from the principal investigator to the general managers and human resource directors (Appendix A) were mailed to the twenty participating hotels. Postage paid return envelopes were provided. The managers were requested to distribute the surveys to hotel employees defined as those paid on an hourly basis, to include supervisors who are also on an hourly rate. Completed surveys were expected to be returned within two weeks. After two weeks the researcher contacted the corporate office to obtain support in returning the surveys. The contact person was apprised of the low response and based on the advice of the contact person, additional surveys were mailed to the non-respondents. Only 11 hotels had returned the surveys. The receipt of the additional surveys was confirmed by telephone. The completed surveys were returned within a week.

Data Analysis

This study was exploratory in nature and looked at the relationship of employee perceptions of management practices to their learning and performance orientation and their perceptions of customer satisfaction in a hotel chain. All analyses were performed with the Statistical Package for Social Sciences (SPSS). Data were analyzed from two perspectives: one, a descriptive analysis to help understand sample characteristics and to assure overall data quality; and two, an analysis of responses to the study's research questions and hypotheses. The data analysis steps and procedures are presented in Table 3-3.

Table 3-3: Data Analysis Procedures

	Data Category			Procedure
Stage I	Sample Characteristics			Descriptive statistics Frequencies and percentages
	Questionnaire Items			Factor Analysis • Confirmatory • Principal Component • Varimax Rotation
	Constructs			Reliability Alphas Means, Standard deviations, Cronbach's Alphas, Correlation Diagnostics
Stage II	Hypotheses Testing Level of Significance <.05			Simple and Multiple Regressions, Criteria for accepting and rejecting the null hypotheses.
	Hypothesis#	Dependent Variable	Independent Variable	
	H_{1A}	ELO	EPMP	
	H_{1B}	EPO	EPMP	
	H_{2A} for ESE ≥ 4.40	ELO	EPMP	
	H_{2B} for ESE ≤ 4.20	ELO	EPMP	
	H_{2C} for ESE ≥ 4.40	EPO	EPMP	
	H_{2D} for ESE ≤ 4.20	EPO	EPMP	
	H_3	EPCS	ELO & EPO	
	H_{4A} for ESE ≥ 4.40	EPCS	ELO & EPO	
	H_{4B} for ESE ≤ 4.20	EPCS	EPMP	
	H_5	EPCS	EPMP	

Stage I: In stage one, descriptive analyses were performed on the 36 items included in the employee questionnaire. These descriptive analyses included means, standard deviations, and valid case values for each of the items. Reliability analysis of item scales was conducted. Cronbach's Alphas were run to assure internal consistency of items. Frequency analysis were also performed on selected demographic data questions

Confirmatory factor analysis, using principal component method and varimax rotation, was conducted to identify factor structure of the 30 items in the constructs. This analysis was used to confirm whether there were different underlying dimensions and if certain variables belonged to one dimension or the other. This was done for substantive interpretation, that is, to identify the constructs or dimensions that underlie the observed variables. Five items assumed to represent each of the five constructs were analyzed to see if they loaded on one dimension. If more than one dimension was extracted, the factor loadings of >.60 were used as criteria to select the items to represent the constructs.

Nominal or ordinal scales were used to measure employee backgrounds and characteristics. These categorical variables were re-coded to assure robust estimation and practical meaning of the reduced categories, based either on the literature or professional judgment. Refer to Table 3-4 for the recoding of categorical variables.

Stage II: Stage two of the data analysis involved analyzing the study's results relative to the research questions and hypotheses. A data set was created to facilitate analysis of the research questions. The data set consisted of data from the employee questionnaire. Regression procedures were used to test the hypotheses.

Table 3-4. Coding for categorical variables

Variables	Codes
Employee Background	
1. Gender (Item # 31)	1 = male, 2 = female
2. Employment status (Item # 33)	1 = full-time, 2 = part-time
3. Education (Item # 36)	1= less than high school diploma 2 = high school diploma 3 = two year college degree 4 = four year college degree 5 = graduate degree 6 = presently pursuing a college degree

Data Analysis for Research Question # 1: Is there a relationship between employee perceptions of management practices and employee learning and performance orientations in a hotel?

The purpose of this question was to explore whether management practices, as perceived by employees, influence employee learning and performance orientations. Management practices are a direct result of corporate culture. And the relationship of corporate culture to employee and business performance has already been established (Dunn, Noburn, and Birley, 1985; Elliott and Jobber, 1995; Gordon, 1992). Based on the literature review and directed by the research question, the following hypotheses were proposed:

> H_{01A}: Employee perceptions of management practices do not influence employee-learning orientation.

> H_{1A}: Employee perceptions of management practices influence employee-learning orientation.

The dependent variable was employee-learning orientation. Employee perceptions of management practices were utilized as the independent variable. The general model was presented as follows:

$$Y_1 = \beta + \beta_1 X_1 + e, \text{ where}$$

Y_1 = employee learning orientation,
X_1 = employee perceptions of management practices,
e = error term

The dependent and independent variables were measured on interval scales. Statistical

tests using simple regression were performed to determine significance at $p < .05$.

Similar to employee learning orientation, employee performance orientation is

also influenced by management practices. Employee performance orientation is the

result of extrinsic motivational factors used in the work environment. Based on the

literature review and directed by the research question the following hypotheses were

proposed:

H_{01B}: Employee perceptions of management practices do not influence employee performance orientation.

H_{1B}: Employee perceptions of management practices influence employee performance orientation.

The dependent variable was employee performance orientation. Employee perceptions of

management practices were utilized as independent variable. The general model was

presented as follows:

$$Y_2 = \beta + \beta_1 X_1 + e, \text{ where}$$

Y_2 = employee performance orientation,
X_1 = employee perceptions of management practices,
e = error term

The dependent and independent variables were measured on interval scales. Statistical

tests using simple regression were performed to determine significance at $p < .05$.

Data Analysis for Research Question # 2: Is the relationship between employee perceptions of management practices and employee learning and performance orientations moderated by employee self-efficacy?

Employee self-efficacy is employees' belief and confidence in job related knowledge, skills and abilities. And job related knowledge, skills, and abilities are a result of training and work environment and are a function of management practices.

The purpose of this question was to explore whether management practices, as perceived by employees, influence employee-learning orientation and employee performance orientations differently at high and low self-efficacy levels. The self-efficacy variable was split to create sub-samples with high (≥ 4.40) and low levels ($\leq$ 4.20) of self-efficacy scores. The dependent variable was employee-learning orientation.

Based on the literature review and directed by the research question the following hypotheses were proposed:

H_{02A}: **Employee perceptions of management practices do not influence learning orientation of employees with high self-efficacy.**

H_{2A}: **Employee perceptions of management practices influence learning orientation of employees with high self-efficacy.**

H_{02B}: **Employee perceptions of management practices do not influence learning orientation of employees with low self-efficacy.**

H_{2B}: **Employee perceptions of management practices influence learning orientation of employees with low self-efficacy.**

H_{02C}: **Employee perceptions of management practices do not influence performance orientation of employees with high self-efficacy.**

H_{2C}: **Employee perceptions of management practices influence performance orientation of employees with high self-efficacy.**

H_{02D}: **Employee perceptions of management practices do not influence performance orientation of employees with low self-efficacy.**

H₂D: Employee perceptions of management practices influence performance orientation of employees with low self-efficacy.

Employee perceptions of management practices was utilized as an independent variable.

The general model was presented as follows:

for self-self-efficacy scores ≥4.40

$$Y_1 = \beta + \beta_1 X_1 + e, \text{ where}$$

Y_1 = employee learning orientation,
X_1 = employee perceptions of management practices,
e = error term

and, for self-self-efficacy scores ≤ 4.20

$$Y_2 = \beta + \beta_1 X_1 + e, \text{ where}$$

Y_2 = employee performance orientation,
X_1 = employee perceptions of management practices,
e = error term

The dependent and independent variables were measured on interval scales. Statistical

tests using simple regression were performed to determine significance at $p < .05$.

Data Analysis for Research Question # 3: How does employee learning and performance orientations influence employee perceptions of customer satisfaction?

The purpose of this question was to evaluate the relationship of employee learning

orientation, employee performance orientation, and employee perceptions of customer

satisfaction.

Based on the literature review and directed by the research question the following

hypothesis was proposed:

H₀3: Employee learning and performance orientation negatively influence customer satisfaction as perceived by the employees.

H₃: Employee learning and performance orientations positively influence employee perceptions of customer satisfaction.

The dependent variable was employee perceptions of customer satisfaction, and employee-learning and performance orientations were utilized as independent variables. The general model was presented as follows:

$$Y_4 = \beta + \beta_1 Y_1 + \beta_2 Y_2 + e, \text{ where}$$

Y_1 = employee learning orientation

Y_2 = employee performance orientation

Y_4 = employee perceptions of customer satisfaction,

e = error term

The dependent and independent variables were measured on interval scales. Statistical tests using simple regression were performed to determine significance at $p < .05$.

Data Analysis for Research Question # 4 Do employee learning and performance orientations affect employee perceptions of customer satisfaction differently for high and low self-efficacious employees?

Studies have shown that there is a positive relationship between employee self-efficacy and performance (Weitz, Sujan, and Sujan, 1986; Hartline and Ferrell, 1996; Bitner, 1990). But none of those studies specify a relationship to customer satisfaction as perceived by the employees. The purpose of this study was to establish such a relationship in the context of a hotel firm.

Based on the literature review and directed by the research question, the following hypotheses were proposed:

H_{04A}: Employee learning and performance orientations do not influence employee perceptions of customer satisfaction for high self-efficacious employees.

H_{4A}: Employee learning and performance orientations influence employee perceptions of customer satisfaction for high self-efficacious employees.

H_{04A}: Employee learning and performance orientations do not influence employee perceptions of customer satisfaction for low self-efficacious employees.

H$_{4B}$: Employee learning and performance orientations do affect employee perceptions of customer satisfaction for low self-efficacious employees.

The variable "self-efficacy" was split into two sub-samples, one with high self-efficacy scores of ≥ 4.40 (34 observations), and the second with low self-efficacy scores of ≤ 4.20 (35 observations). The dependent variable was employee perceptions of customer satisfaction, and employee-learning and performance orientations were utilized as independent variables. The general model was presented as follows:

For self-efficacy scores ≥ 4.40 (34 observations) and ≤ 4.20 (35 observations).

$$Y_4 = \beta + \beta_1 Y_1 + \beta_2 Y_2 + e, \text{ where}$$

    Y_1 = employee learning orientation

    Y_2 = employee performance orientation

    Y_4 = employee perceptions of customer satisfaction,

    e = error term

All the variables were measured on an interval scale, and using simple regression analysis, statistical tests were performed to determine significance at $p < .05$.

Data Analysis for Research Question # 5: Is there a direct relationship between employee perceptions of management practices and employee perceptions of customer satisfaction?

The purpose of this question was to investigate whether there was a direct relationship between management practices and customer satisfaction as perceived by hotel employee. Studies have shown a direct link between management practices and customer satisfaction (Dunn et al., 1985; Elliott and Jobber, 1995; Gordon, 1992).

Based on the literature review and directed by the research question, the following hypothesis was proposed:

H$_{05}$: Employee perceptions of management practices do not influence employee perceptions of customer satisfaction.

H₅: Employee perceptions of management practices influence employee perceptions of customer satisfaction.

Employee perceptions of customer satisfaction was the dependent variable and employee perceptions of management practices was utilized as independent variable.

The general model was presented as follows:

$$Y_4 = \beta + \beta_1 X_1 + e, \text{ where,}$$

Y_4 = employee perceptions of customer satisfaction
X_1 = employee perceptions of management practices
e = error term

All the variables were measured on an interval scale, and using simple regression analysis, statistical tests were performed to determine significance at $p < .05$.

Data Analysis for Research Question # 6: Do employee perceptions of management practices and employee learning orientation independently drive employee performance orientation of low self-efficacious employees?

The purpose of this question was to investigate whether employee perceptions of management practices and employee learning orientation influence employee performance orientation independently. The following hypothesis was proposed

H₀₆: Employee perceptions of management practices and employee learning orientation do not independently influence employee performance orientation of employees with low self-efficacy.

H₆: Employee perceptions of management practices and employee learning orientation independently influence employee performance orientation of employees with low self-efficacy.

For employee self-efficacy scores ≤ 4.20, employee performance orientation was entered as the dependent variable and employee perceptions of management practices and employee learning orientation were entered as independent variable, The general model was presented as follows:

for self-self-efficacy scores ≤ 4.20

$$Y_2 = \beta + \beta_1 X_1 + \beta_1 Y_1 + e, \text{ where}$$

Y_2 = employee performance orientation,
X_1 = employee perceptions of management practices,
Y_1 = employee learning orientation
e = error term

All the variables were measured on an interval scale, and using simple regression analysis, statistical tests were performed to determine significance at $p < .05$.

Summary

The theoretical framework for the study and the research questions and hypotheses were presented. One item on the survey instrument was slightly modified after the pilot test was conducted. The study methodology, data collection, and data analysis procedures were discussed. Spreadsheets were set up with variables for data entry purposes. Factor analysis was used to confirm whether there were different underlying dimensions and if certain variables belonged to one dimension or the other. The data analyses were conducted using simple regression procedures.

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents the results and major findings of this study. Response rates and sample characteristics are presented. Next, the chapter reports descriptive data and analyses for key variables and the individual items measuring these variables. Finally, the chapter discusses detailed results of analyzing the study's research questions and hypotheses.

Response Rates and Sample Characteristics

Twenty full-service hotel properties from a national chain were requested by corporate staff to participate in the study (Appendix E). Only thirteen out of those twenty hotels actually responded to the questionnaires. Sixty-nine out of the two hundred subjects responded to the survey for an overall response rate of about thirty five percent. Tables 4-1 present the frequencies and percentages for selected demographic characteristics of hotel employees. Only five (items 31, 33, 34, 35, and 36) of the six variables were used because of complete and clear data. Item 32 ("Your position title is___") was dropped due to inconsistent or unclear response. Almost 60 percent (n = 42) of the employees who responded were female and 40 percent (n = 28) were male. The employees seem to have been with the hotel property for an average of 2.8 years. The employees appear to have been in the hotel industry on an average of 4.7 years.

Almost 82 percent (n = 56) of the employees worked full-time and only about 18 percent (n = 12) worked part-time. Almost 90 percent (n = 61) of the employees that responded had at least a high school diploma. Only four percent (n = 3) of the employees who responded had a graduate degree. With 60 percent (n = 40) of the employees having

some level of college education, the study indicates that the participating hotels seem to

attract college students as potential employees. Based on findings in the literature review,

the education levels of the employees could be a positive influence on learning

orientation and self-efficacy of the employees (Ames and Archer, 1988; Dweck and

Leggett, 1988; Elliott and Dweck, 1988; Nichols and Dweck, 1979; Bowen and

Schenider, 1985; Bitner, 1990; Parsuraman et al., 1988).

Table 4-1. Selected demographic characteristics of respondents

Item	Category	Frequency (%)
Gender	Male	28 (40)
	Female	42 (60)
Employment Status	Full-time	56 (82)
	Part-time	12 (18)
Education	Less than high school diploma	7 (10)
	High school diploma	21(31)
	Two year college degree	12 (18)
	Four year college degree	11 (16)
	Graduate degree	3 (4)
	Pursuing a college degree	14 (21)
Employment tenure	At the property	2.8 years (Avg.)
Employment tenure	In the hotel industry	4.7 years (Avg.)

Descriptive Results for Individual Measurement Items

Confirmatory factor analyses using the principal component analysis extraction

method with a varimax rotation were conducted on all items within the individual factors

(see Table 4.2). This was done to ensure that the items were relevant to the constructs.

Items were kept or dropped from the construct based upon the reliability scales and factor

loadings. Confirmatory analysis was used to confirm whether there were different

underlying dimensions and if certain variables belonged to one dimension or the other.

Table 4.2 Reliability alphas and factor loadings for individual questionnaire items

Constructs	Items*	Reliability Alphas	Components Extracted	Factor Loadings	
				1	**2**
	Emp01			.635	.397
	Emp02			.856	.072
	Emp03	.67	2	.572	-.639
	Emp04			.847	-.123
	Emp05			.358	.774
Employee Learning Orientation (ELO)	Emp01			696	
	Emp02	.73	1	870	
	Emp04			850	
	Emp02**			.909	
	Emp04**	.77	1	.909	
	Emp06			.765	-.504
	Emp07			.777	-.400
	Emp08	.58	2	.395	.599
	Emp09			.472	.446
	Emp10			.583	.427
Employee Performance Orientation (EPO)	Emp06			.836	-.339
	Emp07	.61	2	.798	-.404
	Emp09			.449	.679
	Emp10			.542	.555
	Emp06			.891	
	Emp07	.58	1	.836	
	Emp10			.488	
	Emp06**	.76	1	.899	
	Emp07**			.899	
Employee Self-Efficacy (ESE)	Emp11**			.720	
	Emp12			.561	
	Emp13**	.76	1	.784	
	Emp14**			.794	
	Emp15			.721	
Employee Perceptions of Management Practices (EPMP)	Emp21**			.721	
	Emp22**			.840	
	Emp23**	.89	1	.914	
	Emp24**			.822	
	Emp25**			.850	
Employee Perceptions of Customer satisfaction (EPCS)	Emp26**			.843	
	Emp27**			.857	
	Emp28**	.90	1	.839	
	Emp29**			.858	
	Emp30**			.820	

*Items correspond to question numbers in the employee questionnaire
*Item used in scale construction based on factor loadings >.65 (Hair et al., 1998, p.112).

This was done for substantive interpretation, that is, to identify the constructs or dimensions that underlie the observed variables.

Items in constructs with reliability scale alpha greater than .70 and factor loadings greater than .65 were retained. The criteria for retaining items with factor loadings of .65 or greater was used based on the guidelines for identifying significant factor loadings based on sample size proposed by Hair, Anderson, Tatham, and Black (1998, P.112).

Two components were extracted from the employee learning orientation (ELO) construct. Items, three ("I enjoy working long hours in this hotel") and five ("I am not overwhelmed by difficult situations") did not fit and were dropped as their factor loadings were less than .65 and the alpha was less than .70 with these items in the construct. Item one ("I try to understand how one customer differs from another") was dropped, as the item seemed conceptually indicating adaptability and not learning orientation. The learning orientation construct was reduced to two items, item two ("I am motivated to develop my knowledge and skills for this job"), and item four ("I constantly focus on improving my performance"). Item three ("I enjoy working long hours in this hotel") and item five ("I am not overwhelmed by difficult situations") seemed to be weakly related to the learning orientation construct, in that they seem to have a different meaning than the definition and concepts discussed in chapter one.

The factor analysis of the employee performance orientation (EPO) construct resulted in the extraction of two components. The factor loadings of item eight ("I feel very good when I know I have out performed other employees in my hotel"), item nine ("I often seek continuous feed back from my managers and supervisors"), and item ten ("I always try to communicate my accomplishments to my supervisor") were weak (< .60), and the

reliability scale alpha was less than .70 when these items were included in the construct. Hence, the employee performance orientation (EPO) construct was reduced to two items, item six ("It is very important to me that my supervisor sees me as a good employee"), and item seven ("I very much want my coworkers to consider me to be good at my work").

All the five items in the employee self-efficacy (ESE), employee perceptions of management practices (EPMP), and employee perceptions of customer satisfaction (EPCS) constructs loaded on one component with the reliability alphas greater than .70. Only three items in the employee self-efficacy (ESE) construct, item 11 ("I feel qualified for the job I am doing"), item 13 ("I feel that my skills and abilities equal or exceed those of my colleagues"), and item 14 ("I could have handled a more challenging job than the one I am doing") were retained. Item 12 ("I feel comfortable in my job in the sense that I am able to perform the job well") with a factor loading of .56, was dropped, as it did not meet the criteria of a factor loading of .65 or greater (Hair et al., 1998). Item 15 (When I feel my approach is not working with a customer, I can easily change to another approach") was dropped in spite of a factor loading of .72 because the item conceptually seemed to measure adaptability as opposed to self-efficacy.

All the items in the employee perceptions of management practices (EPMP) and employee perceptions of customer satisfaction (EPCS) had significant factor loadings greater than .65 and hence, were retained.

The means, standard deviations, and Cronbach's Alphas are presented for individual constructs used in Table 4-3. Overall, respondents' perception of learning and performance orientations, self-efficacy, management practices, and customer satisfaction,

is generally high. Employee perception of customer satisfaction, self-efficacy, and

learning orientations had high mean scores (4.10, 4.05, and 4.20; s.d. = .82, .84, and .85

respectively).

Table 4-3. Means, standard deviations and Cronbach's Alphas for study variables

Variable	N	Mean[a]	Standard Deviation	Cronbach Alpha
Employee Learning Orientation (ELO)	69	4.20	.85	.73
Employee Performance Orientation (EPO)	69	4.48	.90	.76
Employee Self-efficacy (ESE)	69	4.05	.84	.76
Employee. Perception of Mgmt. Practices (EPMP)	69	3.79	.99	.89
Employee Perception of Customer Satisfaction (EPCS)	69	4.10	.82	.90

[a]Scale: 1 = strongly disagree; 5 = strongly agree

The correlation matrix presented in table 4-4 found that all the constructs were

significantly correlated at a 0.01 level of significance, except employee self-efficacy

(ESE), which was significantly correlated to employee learning orientation but not to any

other constructs.

Table 4-4 Correlations matrix for key study variables

		ELO	EPO	ESE	EPMP	EPCS
ELO	Pearson Correlation	1.000	.651**	.384**	.527**	.540**
	Sig. (2 tailed	.	.000	.001	.000	.000
	N	69	69	69	69	69
EPO	Pearson Correlation	.651**	1.000	.213	.495**	.638**
	Sig. (2 tailed	.000	.	.079	.000	.000
	N	69	69	69	69	.69
ESE	Pearson Correlation	.384**	.213	1.000	.161	.175
	Sig. (2 tailed	.001	.079	.	.186	.150
	N	69	69	69	.69	69
EPMP	Pearson Correlation	527**	.495**	.161	1.000	.635**
	Sig. (2 tailed	.000	.000	.186	.	.000
	N	69	69	.69	69	69
EPCS	Pearson Correlation	.540**	.638**	.175	.635**	1.000
	Sig. (2 tailed	.000	.000	.150	.000	.
	N	69	.69	69	69	69

** Correlation is significant at 0.01 level (2-tailed)

Analysis of Research Questions and Hypotheses

All the key variables were measured on interval scales and did not require re-coding. The models presented in the methodology section for each hypothesis were a typical case of simple regression.

Analysis of Research Question and Hypothesis # 1: Is there a relationship between employee perceptions of management practices and employee learning and performance orientations in a hotel?

The purpose of this question was to investigate whether a hotel firm's management practices, as perceived by the employees, affected two employee characteristics: learning orientation and performance orientations.

H_{01A}: **Employee perceptions of management practices do not influence employee-learning orientation.**

H_{1A}: **Employee perceptions of management practices influence employee learning orientation.**

H_{01B}: **Employee perceptions of management practices do not influence employee performance orientation.**

H_{1B}: **Employee perceptions of management practices influence employee performance orientation.**

Management practices are an integral part of a firm's culture and studies have shown that corporate culture influences employee performance. Management practices are the stimulants to the employees' intrinsic and extrinsic motivations (Amabile, 1983, 1996; Amabile, Conti, Coon, Lazenby, and Herron, 1996; Amabile and Gryskiewicz, 1987; Amabile and Gryskiewicz, 1989). The purpose of this research question was to establish whether management practices influences employee performance in terms of their learning and performance orientations. Hypotheses H_{1A} and H_{1B} were tested using

simple regression procedures. Table 4.5 presents the analysis and the model summary for

H_{1A} & H_{1B}.

Table 4-5. Model summary and regression analysis of hypotheses H_{1A} & H_{1B}

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
ELO	EPMP	69	3.80	.267	25.73	2.48	.456	5.07	0.00
EPO	EPMP	69	3.80	.234	21.75	2.78	.449	4.66	0.00

Based on the level of significance p<.05, the null hypotheses, H_{01A} and H_{01B}, are

rejected. The F-values 25.73 and 21.75 indicate that the regression models used to

predict employee learning and performance orientations are reliable. The t-values of 5.07

and 4.66 indicate that the variable, employee perceptions of management practices, is a

good predictor of employee learning and performance orientations at a <.05 level of

significance. The adjusted coefficients of correlation (Adj. R^2) suggest that employee

perceptions of management practices explain almost 27% of the variance in employee

learning orientation and 23% variance in employee performance orientation. It can be

further concluded that employee perceptions of management practices significantly (<.05

significance) influence employee learning and performance orientations. This

relationship is illustrated in Figure 4-1.

Figure 4-1. Relationships of EPMP to ELO and EPO
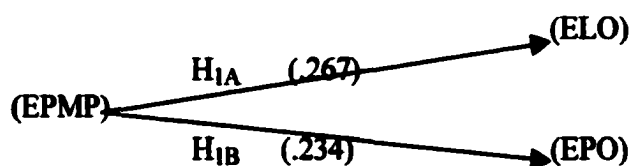
Data Analysis for Research Question # 2: Is the relationship between employee perceptions of management practices and employee learning and performance orientations moderated by employee self-efficacy?

Employee self-efficacy (ESE) is employees' comfort level and confidence in their abilities, skills, and approaches to customer service as related to their peers, feeling overqualified for the present job, and confidence to change approach towards a customer, and employees' belief and confidence in job related knowledge, skills, and abilities

Job related knowledge, skills, and abilities are a result of training and work environment and are a function of management practices.

The purpose of this question was to explore whether management practices, as perceived by employees, influence employee-learning orientation and employee performance orientation differently at high and low self-efficacy levels. The variable "self-efficacy" was split in two sub-samples, one with high self-efficacy scores of ≥ 4.40 (34 observations), and the second with low self-efficacy scores of ≤ 4.20 (35 observations). Four hypotheses were formulated to investigate the relationships addressed in the research question. The first hypothesis proposed was:

H_{02A}: **Employee perceptions of management practices do not influence learning orientation of employees with high self-efficacy.**

H_{2A}: **Employee perceptions of management practices influence learning orientation of employees with high self-efficacy.**

The hypothesis was tested using simple regression procedures. The variable "employee perception of management practices" was entered in the equation as an independent or predictor variable and employee learning orientation variable was entered as a dependent variable, selecting only cases for which self-efficacy ≥ 4.40. The results of the model and regression analysis are presented in Table 4-6.

Table 4-6. Model summary and regression analysis of ELO and EPMP for high ESE scores

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
ELO *	EPMP*	34	3.84	.227	10.71	3.20	.318	3.272	0.03

*Cases for which employee self-efficacy scores are ≥4.40

At a level of significance <.05, the null hypothesis was rejected. At a .003 level

of significance, it is concluded that employee perceptions of management practices

(EPMP) has a strong association to employee learning orientation (ELO) in employees

with high levels of self-efficacy. The t-value of 3.27 (.003 significance) indicates that the

variable, employee perceptions of management practices (EPMP), is a good predictor of

learning orientation (ELO)in high self-efficacious employees.

The second hypothesis proposed was:

H_{02B}: Employee perceptions of management practices do not influence learning orientation of employees with low self-efficacy.

H_{2B}: Employee perceptions of management practices influence learning orientation of employees with low self-efficacy.

The hypothesis was tested using simple regression procedures. The variable

"employee perception of management practices" was entered in the equation as an

independent or predictor variable and "employee learning orientation" variable was

entered as a dependent variable, selecting only cases for which self-efficacy ≤ 4.20. The

results of the model and regression analysis are presented in Table 4-7.

Table 4-7. Model summary and regression analysis of ELO and EPMP for low ESE scores

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
ELO *	EPMP*	35	3.75	.307	16.04	1.88	.562	4.00	0.00

*Cases for which employee self-efficacy scores are ≤ 4.20

Based on the results at a level of significance <.05, we reject the null hypothesis. At F =16.04, the regression model is significant and with a t-value of 4.0 employee perceptions of management practices is a good predictor of employee learning orientation in employees with low self-efficacy.

Based on the results of the tests of Hypotheses 2A and 2B, it can be concluded that with both high and low self-efficacy, employee perceptions of management practices (EPMP) impact employee learning orientation (ELO).

The third hypothesis proposed was:

H_{02C}: **Employee perceptions of management practices do not influence performance orientation of employees with high self-efficacy.**

H_{2C}: **Employee perceptions of management practices influence performance orientation of employees with high self-efficacy.**

The hypothesis was tested using simple regression procedures. The variable "employee perception of management practices" was entered in the equation as an independent or predictor variable and "employee performance orientation" variable was entered as a dependent variable, selecting only cases for which self-efficacy ≥ 4.40. The results of the model and regression analysis are presented in Table 4-8.

Table 4-8. Model summary and regression analysis of EPO and EPMP for high ESE scores

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPO*	EPMP*	34	3.84	-.004	.862	4.08	.120	.928	.360

*cases for which employee self-efficacy scores are ≥ 4.40

At <.05 level of significance, the null hypothesis could not be rejected. The adjusted coefficient of correlation (Adj. $R^2 = -.004$)) is almost zero, indicating that the variable "employee perceptions of management practices does not explain the variance in performance orientation in employees with high self-efficacy. High self-efficacious employee performance orientation (EPO) is not affected by employee perceptions of management practices (EPMP).

The fourth hypothesis proposed was:

H_{02D}: **Employee perceptions of management practices do not influence performance orientation of employees with low self-efficacy.**

H_{2D}: **Employee perceptions of management practices influence performance orientation of employees with low self-efficacy.**

The hypothesis was tested using simple regression procedures. The variable "employee perception of management practices" was entered in the equation as an independent or predictor variable and "employee learning orientation" variable was entered as a dependent variable selecting only cases for which self-efficacy ≤ 4.20. The results of the model and regression analysis are presented in Table 4-9.

The F-value of 34.59 is very significant at a level of <.05 and, thus, the null hypothesis is rejected. Employee perceptions of management practices (EPMP) do influence employee performance orientation (EPO) in employees with low self-efficacy.

Table 4-9. Model summary and regression analysis of EPO and EPMP for low ESE scores

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPO*	EPMP*	35	3.75	.497	34.59	1.66	.734	5.88	.000

*Cases for which employee self-efficacy scores are ≤ 4.20

The t-value of 5.88(<.05 sig. level) suggests that the variable employee perceptions of management practices (EPMP) is a good predictor of employee performance orientation (EPO).

Based on the results of the tests of hypotheses H_{2A}, H_{2B}, H_{2C} and H_{2D} employee perceptions of management practices (EPMP) do influence employee learning orientation (ELO) and employee performance orientation (EPO) in low self-efficacious employees. However, employee perceptions of management practices influence only the learning orientation and not performance orientation in employees with high self-efficacy. This indicates that extrinsic motivators do not necessarily motivate highly self-efficacious employees. These relationships of employee perceptions of management practices (EPMP) to employee learning orientation (ELO) and employee performance orientation (EPO) for high and low self-efficacious employees was tested to investigate if innovative management practices influence the confidence in the abilities (ELO) of the employees as well as foster innovation and creativity.

Data Analysis for Research Question # 3: How do employee learning and performance orientations influence employee perceptions of customer satisfaction?

The purpose of this question was to identify the relationship between employee learning orientation (ELO) and employee perceptions of customer satisfaction (EPCS). Studies have shown that employee learning orientation (ELO) has a significant influence

on employee performance (Sujan, 1994) and customer perceptions of service quality

(Hartline and Ferrell, 1996). This study looked at the relationship of employee learning

and performance orientations to employee perceptions of customer satisfaction.

Based on the literature review and directed by the research question the following

hypothesis was proposed:

H_{o3}: Employee learning and performance orientation negatively influence customer satisfaction as perceived by the employees.

H_3: Employee learning and performance orientations positively influences employee perceptions of customer satisfaction.

The hypothesis three (H_3) was tested using simple and multiple regression

procedures. The variables "employee learning orientation" and "employee performance

orientation" were entered in the separate simple regression equations and together in a

multiple regressions equation as an independent or predictor variable, and "employee

perceptions of customer satisfaction" variable was entered as a dependent variable. The

results of the model and regression analysis are presented in Table 4-10

Table 4-10. Simple and multiple regression models of ELO, EPO and EPCS

Simple regression model

Dependent Variable	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS	ELO	69	4.20	.282	27.65	1.85	.529	.5.26	.000
EPCS	EPO	69	4.48	.399	46.10	1.41	.596	6.79	.000

Multiple regression model

Dependent Variable	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS	ELO	69	4.20	.418	25.38	1.105	.212	1.78	.080
	EPO	69	4.48		sig. .000		.464	4.08	.000

Based on the level of significance <.05, the null hypothesis H_{03} was rejected. It can be further concluded that employee learning orientation (ELO) and employee performance (EPO) orientations influence customer satisfaction as perceived by the employees.

When employee learning orientation (ELO) and employee performance orientation (EPO) were separately used in regression models, they both appear to be significant predictors of employee perceptions of customer satisfaction (EPCS). The t-values of 5.26 and 6.79 suggest that employee learning orientation (ELO) and employee performance orientation (EPO) do significantly (sig. <. 05) predict employee perceptions of customer satisfaction(EPCS).

When employee learning orientation (ELO) and employee performance orientation (EPO) were simultaneously included in the equation, employee learning orientation(ELO) was less significant of a predictor (t-value = 1.78, sig. =. 080).

Employee learning orientation (ELO) explained only about 29% (Adjusted R-square=. 282) of the change in EPCS and employee performance orientation (EPO) explained only about 40% (Adjusted R-square= .399) of the change in EPCS. When employee learning orientation (ELO) and employee performance orientation (EPO) were simultaneously included in the equation the adjusted R-square of .418 indicated that both the constructs together explained almost 42% of the change in EPCS. Thus, it can be concluded that the effect of employee learning orientation (ELO) on their perceptions of customer satisfaction (EPCS) occurs through employee performance orientation; that is, learning orientation boosts performance orientation.

The correlation analysis indicates that there is a high correlation between employee learning and performance orientations (.65). Thus, based upon the regression analysis with employee learning and performance orientations simultaneously and individually predicting employee perceptions of customer satisfaction (EPCS), it can be concluded that the effect employee performance orientation (EPO) has on the employee perceptions of customer satisfaction (EPCS) is mediated by employee learning orientation (ELO).

Based on the analysis of hypothesis four and the regression and correlation analysis, the following relationship is presented in the path diagram in Figure 4.2.

Figure 4.2. Relationships of EPMP to ELO, EPO, and ELO and EPO to EPCS
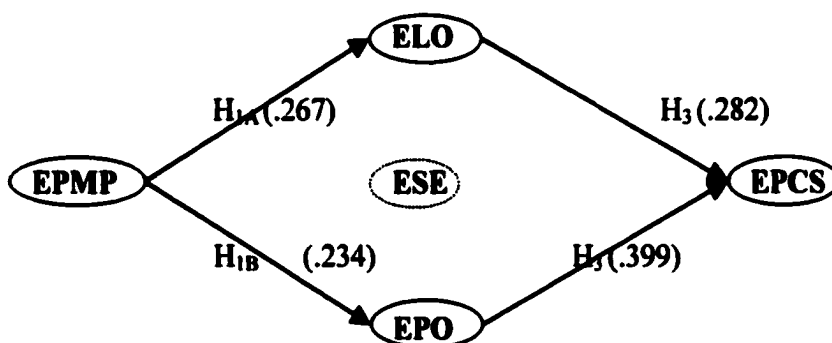
Data Analysis for Research Question # 4 Do employee learning and performance orientations affect employee perceptions of customer satisfaction differently for high and low self-efficacious employees?

Customer satisfaction is one of the main goals of any hotel business, and numerous studies have shown that employees are a key factor influencing customer satisfaction; specifically, employee self-efficacy (ESE) is crucial in influencing customer experience (Weitz et al., 1986; Sujan, 1994; Hartline and Ferrell 1996; Scott and Bruce, 1994; Bitner, 1990; Schneider, 1980; Shamir, 1980; Gronroos, 1983; Bitner, Booms and Tetreault, 1990; Spiro and Weitz, 1990; Bitner, Booms, and Mohr, 1994).

The purpose of this question was to investigate if employee learning orientation (ELO) and employee performance orientation (EPO) affect their perceptions of customer satisfaction (EPCS) differently for high and low self-efficacy levels.

Four hypotheses were formulated to investigate the relationships addressed in the research question. The hypotheses proposed were

H_{04A}: Employee learning and performance orientations do not influence employee perceptions of customer satisfaction for high self-efficacious employees.

H_{4A}: Employee learning and performance orientations influence employee perceptions of customer satisfaction for high self-efficacious employees.

H_{04B}: Employee learning and performance orientations do not influence employee perceptions of customer satisfaction for low self-efficacious employees.

H_{4B}: Employee learning and performance orientations do affect employee perceptions of customer satisfaction for low self-efficacious employees.

The variable "self-efficacy" was split in two sub-samples, one with high self-efficacy scores of ≥ 4.40 (34 observations), and the second with low self-efficacy scores of ≤ 4.20 (35 observations). Regressions for "employee perceptions of customer satisfaction" on "learning orientation" and "performance orientation" at high and low self-efficacy scores were conducted, and the results are presented in Tables 4-11 through 4-14.

The hypothesis was tested using simple regression procedures. The variables "employee learning orientation" and " employee performance orientation" were entered in the equation as an independent or predictor variables and "employee perceptions of customer satisfaction" variable was entered as a dependent variable, selecting only cases

for which self-efficacy ≥ 4.40 and≤ 4.20. The results of the model and regression analysis are presented in Table 4-11 and 4-12.

At a level of $<. 05$, the null hypothesis (H_{04B}), is rejected. It is concluded that employee learning and performance orientations do affect employee perceptions of customer satisfaction for low self-efficacious employees. Employee performance orientation (EPO) is a better predictor (t-value= .904, sig. .000) of this effect than employee learning orientation (ELO) (t-value = -.577, sig. .568). This could also be due to the multicolinearity effect as learning orientation and performance orientation have a high correlation (.65).

Table 4-11 Model summary and regression analysis of EPO, ELO, and EPCS for high ESE scores.

Dependent Variable	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS*	ELO*	34	4.42	.118	3.20	1.62	.328	1.91	.066
	EPO*	34	4.54		sig. .054		.172	.992	.329

*Cases for which employee self-efficacy scores are ≥ 4.40

Table 4-12 Model summary and regression analysis of EPO, ELO, and EPCS for low ESE scores.

Dependent Variable	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS*	ELO*	35	3.99	.670	35.49	.805	-.008	-.577	.568
	EPO*	35	4.41		sig. .000		.904	5.515	.000

*Cases for which employee self-efficacy scores are ≤ 4.20

To further investigate the relationship and clarify the effects of employee learning orientation (ELO) and employee performance orientation (EPO) on employee perceptions of customer satisfaction (EPCS) of high and low self-efficacious employees, each variable was regressed individually. The results are presented in Table 4-13 and Table

4-14.

At a level of significance of<. 05 it can be concluded that for high (sig.=.026)and low (sig.=.000) self-efficacious employee learning orientation does impact their perceptions of customer satisfaction.

Table 4-13 Model summary and regression analysis of the effect of ELO on EPCS for high and low ESE scores.

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS*	ELO*	34	4.42	.118	5.482	2.13	.450	2.33	.026

*Cases for which employee self-efficacy scores are ≥ 4.40

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS*	ELO*	35	3.99	.375	21.442	1.68	.589	4.631	.000

*Cases for which employee self-efficacy scores are ≤ 4.20

Table 4-14 Model summary and regression analysis of the effect EPO on EPCS for high and low ESE scores.

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS*	EPO*	34	4.54	.045	2.56	2.87	.275	1.60	.119

*Cases for which employee self-efficacy scores are ≥ 4.40

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS	EPO	35	4.41	.676	72.10	.751	.744	8.491	.000

*Cases for which employee self-efficacy scores are ≤ 4.20

At a level of significance <.05, employee performance orientation (EPO) does affect employee perceptions of customer satisfaction (EPCS) for low self-efficacious (sig.= .000) employees but not for high self-efficacious (sig. = .119)employees.

In the equations where learning and performance orientations for low-self-efficacious employees are entered separately, they significantly impact employee

perceptions of customer satisfaction, but the effect of learning orientation disappears when both the variables are introduced in the equation. This suggests that the effect of learning orientation occurs as a result of motivating a performance orientation.

With high self-efficacious employees only learning orientation is significant. Thus, it can be concluded that whatever the level of self-efficacy, learning orientation seems to be the driving force behind employee perceptions of customer satisfaction.

Based on the results of the hypotheses, tests, and regression analysis, the following Figure 4.3 path diagram illustrates the relationships.

Figure 4.3. Relationships of ELO and EPO to EPCS at high and low ESE levels
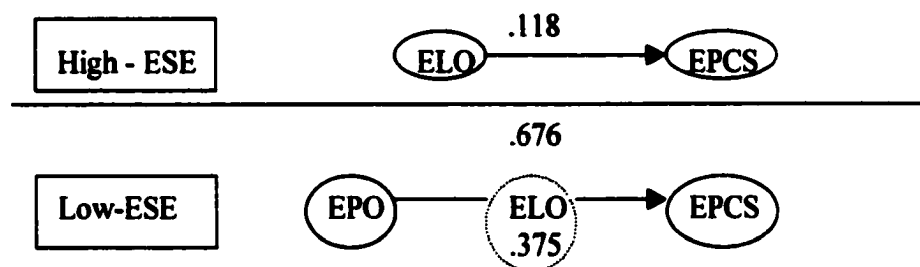
Data Analysis for Research Question # 5: Is there a direct relationship between employee perceptions of management practices and employee perceptions of customer satisfaction?

The purpose of this question was to investigate whether there was a direct relationship between employee perceptions of management practices (EPMP) and employee perceptions of customer satisfaction (EPCS) as perceived by hotel employees, without employee learning orientation (ELO) and employee performance orientation (EPO) as mediators. Studies have shown a direct link between management practices and customer satisfaction (Dunn et al., 1985; Elliott and Jobber, 1995; Gordon, 1992). Based on the literature review and directed by the research question, the following hypothesis was proposed:

H$_{05}$: Employee perceptions of management practices do not influence employee perceptions of customer satisfaction.

H$_5$: Employee perceptions of management practices influence employee perceptions of customer satisfaction.

"Employee perceptions of customer satisfaction" was the dependent variable and

"employee perceptions of management practices" was used as independent variable. The

results are presented in Table 4.15. Based on the results of the analysis, the null

hypothesis was rejected.

Table 4-15. Model summary and regression analysis for EPMP and EPCS.

Dependent Variables	Independent Variables	N	Mean	Adj.R^2	F-value	Beta Const.	B	t-value	Sig.
EPCS	EPMP	69	3.79	.394	45.24	2.04	.537	16.73	.000

With a F-value of 45.2 and level of significance <.05, employee perceptions of

management practices (EPMP) does predict employee perceptions of customer

satisfaction. This relationship is illustrated in Figure 4.4

Figure 4.4. Relationship of EMPM to EPCS
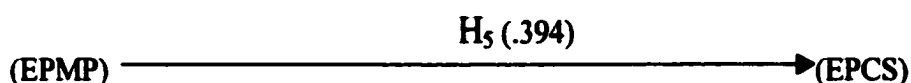
H$_5$ (.394)

(EPMP) ————————————————————————▶(EPCS)

Data analysis for research question # 6.: Do employee perceptions of management practices and employee learning orientation independently drive employee performance orientation of low self-efficacious employees?

The purpose of this question was to investigate whether the effect of employee

perceptions of management practices and employee learning orientation on employee

performance orientations of low self-efficacious employees is independent of each other

or if there is a mediating effect. Since performance orientation is affected by the

employee perceptions of management practices and learning orientation drives

performance orientation the following hypothesis was proposed:

H_{60}: Employee perceptions of management practices and employee learning orientation do not independently influence employee performance orientation of employees with low self-efficacy.

H_6: Employee perceptions of management practices and employee learning orientation independently influence employee performance orientation of employees with low self-efficacy.

A regression analysis was conducted using "employee perceptions of

management practices" and "employee learning orientation as independent variables and

"employee performance orientation" as a dependent variable, " for low (≤ 4.20)

"employee self-efficacy" scores. The results are presented in table 4.16.

Table 4.16. Model summary and regression analysis for H_6

Dependent Variable	Independent Variables	N	Mean	Beta Const.	B	t-value	Sig.	Adj. R²	F-value
EPO*	EPMP*	35	3.75	.579	.605	5.25	.000	.721	44.99
	ELO*	35	4.20		.394	3.48	.001		sig. .000

*Cases for which employee self-efficacy scores are ≤ 4.20

Based on the f-value = 44.99 at a level of significances <.05, the null hypothesis

was rejected (See Table 4.16). Employee perceptions of management practices and

employee learning orientation independently and significantly predict employee

performance orientation. It can be concluded that both, employee perceptions of

management practices and employee learning orientation are needed to stimulate

employee performance orientation.

Overall Study Evaluation

Based on the findings it can be concluded that there is a relationship between employee perceptions of management practices (EPMP) and employee learning orientation (ELO), employee performance orientations (EPO), and employee perceptions of customer satisfaction (EPCS). These relationships are illustrated in Figure 4.5.

The outcomes of this study can provide significantly important strategic and conceptual fundamentals to hotel industry practitioners, professionals, and academics. With hospitality managers looking for new strategies to develop and sustain competitive advantage in the ever so dynamic global environment, the findings of this study have important future applicability.

Figure 4.5: Path Diagram of the relationships of the study's major constructs

(EPMP) ─────────────────────────────────▶(EPCS)

(EPMP) ──────────────▶(ELO) ─────────────▶(EPCS)

(EPMP) ──────────────▶(EPO) ─────────────▶(EPCS)
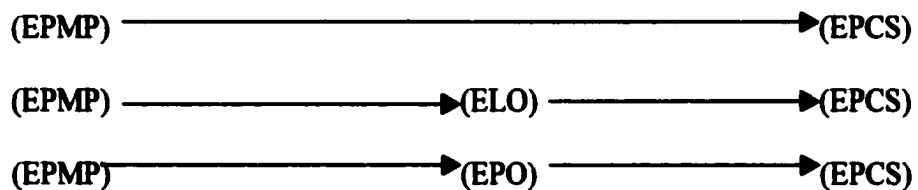
Where: EPMP = Employee Perceptions of Management Practices
        EPCS = Employee Perceptions of Customer Satisfaction
        ELO   = Employee Learning Orientation
        EPO   = Employee Performance Orientation

Understanding the relationship of employee perceptions of management practices (EPMP) to employee learning orientation (ELO) which influence employee perceptions of customer satisfaction (EPCS), should help managers develop strategies that result in greater customer satisfaction and address the strategic competitiveness and differentiation problems.

The findings of this study should provide industry professionals with two key sources to develop and implement policies, procedures, and plans to enhance employee

learning orientation (ELO) and employee self-efficacy (ESE) and increase employee retentions and customer satisfaction. Table summarizing the results of the tests of the study's hypothesis are presented in Appendix G.

With an almost 35 percent response rate this study replicates some findings of the previous studies. Employee perceptions of management practices (EPMP) and employee self-efficacy (ESE) have emerged as the most important factors influencing employee learning orientation (ELO) and employee perceptions of customer satisfaction (EPCS). It is critical that industry professionals and academics understand this relationship between employee perceptions of management practices, employee learning orientation, employee self-efficacy, and employee perceptions of customer satisfaction.

CHAPTER 5

CONCLUSIONS, LIMITATIONS, AND RECOMMENDATIONS

In this chapter conclusions drawn from the study results are presented; the

accomplishment of the research objectives of this study are assessed; theoretical

implications of the findings are discussed; the limitations of the study are explained; and

recommendations for corporate managers, operations managers, academics, and future

researchers are tendered.

Conclusions

Over several decades, the importance of customer satisfaction as a measure of

success has been emphasized time and again by business professionals, service providers,

and researchers. Strategic concepts and frameworks have been proposed to provide

competitive tools to managers and industry practitioners to meet the competitive

challenges. However, intense pressure from traditional and non-traditional competitors

has forced industry professionals and academics to look for new concepts and tools to

develop sustainable competitive strategies, to achieve high levels of customer

satisfaction, and to create meaningful differentiation for their product and service brands.

When this study was conceived, the following assumptions were made:

a. Hotel firms are in great need of improving management practices to foster

   employee attitudes and abilities to foster self-efficacy and positive perceptions

   of customer satisfaction.

b. Employees in a hotel are in "quasi-sales" positions, in that, they perform

   many sales and marketing functions such as, helping to increase revenue and

   to respond to customer needs; they are constantly selling the value of the hotel

experience. Their learning and performance orientations have an impact on their attitudes and abilities to meet and satisfy customer needs.

The purpose of this study was to complement existing research in customer satisfaction and to suggest the need to evaluate management practices as perceived by employees, and the role of self-efficacy in the effects of learning and performance orientations on customer satisfaction as perceived by hotel employees. This approach was important because research on customer satisfaction in the lodging field has been limited to a few influencing factors such as service quality.

Addressing the major issues and research questions discussed above, the specific purposes of the study were

1. to propose a conceptual framework showing a) the relationship of employee perceptions of management practices to employee learning and performance orientations; b) the effect of self-efficacy as a moderator of learning and performance orientations, and c) the relationship of employee learning and performance orientations to employee perception of customer satisfaction;

2. to explore the effects of learning and performance orientations on employee perceptions of customer satisfaction in high and low self-efficacious employees;

3. to provide a literature summary of theories and methodologies underlying the conceptual relationships so as to facilitate future research in lodging and other hospitality areas; and

4. to contribute to the lodging research regarding management practices as perceived by employees and their orientations as sources of customer satisfaction .

This study has the potential for providing new insights into competitiveness and the ability to compete in a changing environment of the hotel industry. The hotel industry is a mature industry fraught with the marketing challenges generally associated with this stage of the business life cycle. Employees, whose attitudinal and behavioral responses influence customer service and satisfaction, are an important and integral part of hotel services. And management practices have been known to influence employee attitudes and behaviors (Amabile, 1988; Dunn et al., 1985; and Uttal, 1983).

Conclusions about the conceptual model. The study successfully adapted the models from the research reviewed and provided a framework for evaluating employee behavioral outcomes as a consequence of innovation (Hartline and Ferrell, 1996; Weitz et al., 1986). It explored the nature of employee perceptions of management practices and employee perceptions of customer satisfaction, their relationships to employee learning and performance orientations, and the effect of employee self-efficacy in those relationships. The conceptual framework was modified in that the final outcome of the relationship was the "employee perceptions of customer satisfaction" as opposed to " customer perceptions of service quality" as in the Hartline and Ferrell (1996) framework and " performance of a sales person" in the Wietz et al. (1986) study. The conceptual framework also incorporated the variable "employee self-efficacy" as a moderating factor in the proposed relationships.

The results suggest that the effect of learning orientation on employee perceptions of customer satisfaction occurs through performance orientation, in that a learning orientation augments a performance orientation. The analysis also revealed that the relationships found with the overall sample were being driven by the low self-efficacy

sub-sample. In the low-self-efficacy sub-sample, although performance and learning orientations are individually significant in their impact on employee perceptions of customer satisfaction, the effect of the impact of learning orientation disappears when both are simultaneously introduced into an equation. This suggests that the effect of a learning orientation occurs as a result of motivating a performance orientation. With the high self-efficacy sub-sample, a performance orientation does not influence customer satisfaction either individually or in the context of a learning orientation. With high self-efficacious employees it is only learning orientation that matters.

Thus, no matter what the employee's self-efficacy is, a learning orientation drives the employee perceptions of customer satisfaction. For employees with low self-efficacy it does so by boosting their motivation to demonstrate their ability (performance orientation), while for employees with high self-efficacy such a motivation to demonstrate ability is not needed, presumably because there is no felt need to demonstrate ability.

Earlier research (Sujan, 1994; Weitz et al., 1986) comparing learning and performance orientations suggested that performance orientation was dominant even with a high self-efficacy sub-sample. Earlier research suggested that when self-efficacy is high, performance orientation can be as motivating as a learning orientation; it is only when self-efficacy is low that a learning orientation dominates (Sujan, 1994; Weitz et al., 1986). This research was conducted with performance of sales personnel (e.g., in terms of sales) as a criterion and not employee perception of customer satisfaction.

Effects of Learning and Performance Orientations on High and Low Self-Efficacy. Finally, studying the effect of learning and performance orientations of employees with low and high self-efficacy levels on their perceptions of customer satisfaction provides new insights. Although learning and performance orientations were individually significant in their impact of their perceptions of customer satisfaction for low self-efficacious employees, only performance orientation seemed to be significantly impacting employee perceptions of customer satisfaction when learning orientation was also included in the equation. It can be concluded that the effect of learning orientation occurs as a result of motivating a performance orientation.

For high self-efficacious employees, performance orientation did not significantly impact their perceptions of customer satisfaction. With these employees it was learning orientation that matters.

Thus, no matter what the level of self-efficacy in employees, their learning orientation seems to drive their perceptions of customer satisfaction as well as motivate performance orientation.

These results have both marketing and human resource implications. The results should help marketing professionals and scholars to expand their scope of performance to include employee perceptions of customer satisfaction and employee learning and performance orientations. Employees are an integral part of the hotel service, and they do perform a number of important marketing functions. The concepts of employee learning and performance orientations and self-efficacy should help human resource managers and scholars to develop better strategies to recruit, hire, train, and retain quality employees, especially in a booming economic period.

Limitations

While this study has made some significant contributions to the overall lodging marketing literature and strategic management research in general, the findings and analysis of the results are subject to some limitations.

Since the study data were collected from a limited number of hotels within a single hotel chain, the results are not generalizable to the entire hotel industry or even to a particular segment of the hotel industry. The response rate was relatively low resulting in a small sample from a limited number of hotels. However, it should be noted that hotel studies have generally reported low response rates.

The study results and sample size were also subject to the limits of the survey distribution and data collection procedures. The researcher did not have control over the onsite distribution of questionnaires to individual respondents. Thus, it is possible that a bias exists as individual managers selected the employee respondents who completed the study questionnaires.

The framework for this study was primarily adapted from a model (Weitz et al., 1986) used and tested for sales personnel and not directly related to the service industry. The reliability measures (Cronbach Alphas) of the questionnaire items were highly significant (> .70) as the items were adapted from previous studies. However, the study results did not replicate some of the findings from those studies, such as the effect of performance orientation on self-efficacy and customer satisfaction as perceived by the employees. The sample size and/or the industry context might be the underlying reason this study's results did not replicate some previous results.

Finally, employee perceptions of customer satisfaction were used as an outcome of the study. The study results would have been strengthened with responses from actual customers.

Recommendations

Recommendations based on this research are presented from the perceptive of the hotel corporate staff or leadership, operations managers, and future researchers.

Corporate Staff (leadership)

Based on the findings, the research suggests a need on the part of corporate leadership to create an environment where innovation and employee learning and performance orientations bolster employee self-efficacy. Hotels should develop policies and procedures that foster positive employee attitudes and abilities to facilitate superior customer service.

The dimensions of corporate culture, such as innovation and management practices as outlined in the study, become important sources of developing competitive strategies. Corporate culture refers to the system of shared values (what is important) and beliefs (how things work) that interact with a company's employees, organizational structures, and control systems to produce behavioral norms (Dunn et al., 1985; Uttal, 1983). Corporate culture might also include organizational structure and style, including decision-making processes, human resource policies such as training, development, empowerment, performance evaluation and reward structure, commitment to quality, and commitment to customer service and satisfaction. Based on these theories and the findings of the study, it is recommended that the corporate management should facilitate a culture the results in management practices, which foster employee learning orientation

and not just performance orientation. And this can be done by identifying employees with high and low self-efficacies.

Corporate culture is a critically important determinant of marketing performance and effectiveness and it contributes to the core competencies of front-line employees (Dunn et al., 1985; Denison, 1984; Gordon, 1992; Whitby, 1996; Noburn et al., 1988 1990;). Furthermore, a knowledge of corporate culture can help managers develop a more proactive approach to strategic decision making by permitting them to use corporate culture as a variable for developing effective corporate decisions (Hassard, 1989; Scholz, 1987).

Operations Managers

The findings from this study should provide industry professionals and practitioners the basis to better understand, in part, the role of employee attitudes and abilities in the context of a hotel business. The results might also help management to identify practices needed to encourage learning orientation through innovative management practices. Based on this study, it would be a mistake to foster only a performance orientation at the cost of a learning orientation. The findings suggest that corporate managers need to create a corporate culture where learning orientations flourish.

The reward systems and structures in the hotel industry seem to predominantly facilitate performance orientation, and the study results indicate that performance orientation alone is not significant in influencing employee self-efficacy and their perceptions of management and customer satisfaction. Managers have to refocus their

motivational systems to facilitate intrinsic motivation such as employee learning orientation.

Intrinsic motivation--a preference for challenging work, curiosity and independence in mastery of material -- is at the root of learning orientation. Performance orientation results from extrinsic motivation—the desire to use one's work to achieve external ends (Meece et al., 1988). In this study, employee perceptions of management practices indicated a highly significant relationship to employee learning and performance orientations. Operations managers should facilitate these employee orientations by providing employees with challenging job assignments and the freedom to make innovative decisions and take risk. When management expects creativity from employees there strategies to foster this creativity for high and low self-efficacious employees have to be different. Employees with low self-efficacy need to demonstrate their achievements and hence performance orientations in these employees need to be facilitated. Where as employees with high self-efficacy, they do not have the need to demonstrate their abilities to be creative, hence more challenging opportunities need to be provided.

Like corporate staff, operations managers also need to use innovation as a tool to develop policies, procedures, and an environment that facilitates learning orientations and self-efficacy.

Future Research

Additional research is needed on testing the conceptual framework used in this study and the other studies from which the framework was adapted. The model for this study was tested with thirteen hotels in a single hotel chain. There are other hotel chains

and other hospitality operations that should be investigated. Customer satisfaction is the result of employee attitudes, abilities, and performance, and hence, the customer population needs to be studied as well. Customers' perceptions of frontline employee learning and performance orientations need to be evaluated.

More study is needed around the dimensions of the model. Although the correlations were not significant, they were in the expected direction indicating there might be a positive trend. Many employee benefit programs and reward systems in hotels today seem to be based on the assumption that all employees have performance orientations, whereas the study results indicate the contrary.

Future researchers should design survey and data collection methodology so as to control data collection procedures to avoid bias and achieve a desired sample size. These researchers should also use stringent data collection procedures. More hotels and hotel companies should be included and procedures to increase customer response should be investigated.

Finally this study provides academics and researchers with research questions and concepts that need further investigation. The results provide conceptual and methodological insights to better understand research needed around customer satisfaction, management practices, employee learning and performance orientations, and employee self-efficacy. Thus, data for management practices and customer satisfaction and not just employee perceptions of management practices and customer satisfaction, need to be included in future studies. Different outcomes, such as service quality, employee turnover, can be included in the conceptual model for future studies.

The field of lodging marketing lacks frameworks for studying the relationship between employee perceptions of management practices and customer satisfaction and their relationships with employee learning and performance orientations and self-efficacy (Pandit and Parks, 2000).

Future researchers should structure descriptive questions carefully so as to ensure collection of consistent and usable data. The background variables such as manager, employee, and hotel demographics, can be refined and expanded.

This study has made a significant contribution, but other variables such as corporate culture, brand, and other differentiation factors need to be incorporated into the study model. Replications of the study and its methodology with other hotel chains, segments, or even food service operations will assist in understanding the effects of management practices on employee abilities and attitudes and customer satisfaction. Future research should consider various hotel chains from different segments and use managers, employees, and customers of those hotels as populations to draw relevant samples.

Further, the study adds to the existing literature in the hotel field the concepts and relationships of employee perceptions of management practices, employee learning and performance orientations, and their effect on employee perceptions of customer satisfaction. The literature provides a direction to similar research in the hospitality and related fields. The methodology used is very simple and manageable, thus providing opportunities for the use of more complex and robust research methods for future research.

Summary

The research revealed that the relationships of employee learning and performance orientation to employee perceptions of customer satisfaction were being driven by employee self-efficacy. Learning orientation was the key component in influencing the employee perceptions of customer satisfaction, resulting in high self-efficacy and motivating performance orientation. The study's findings suggest that in the long run a learning orientation not only serves hotel employees well in achieving positive perceptions of customer satisfaction but also in developing self-efficacy or confidence.

This research was the first attempt to use an empirical model and a methodology to look at the relationships between management practices, employee learning and performance orientations, self-efficacy, and customer satisfaction as perceived by the employees in a hotel chain. Results of this study documented the important contribution management practices make to employee learning and performance orientations and, eventually, to their self-efficacy and perceptions of customer satisfaction. Study limitations were identified and should be considered in the methodologies in future studies.

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APPENDIX A

Pilot study cover letter

July 14, 1999

Dear participant:

This pilot survey is an effort of the Pennsylvania State University School of Hotel, Restaurant and Recreation Management. The study is conducted to help understand the relationship of innovation to customer satisfaction in a hotel. Data will be collected via confidential questionnaires from managers, front-line employees, and customers of the hotel.

This survey is a part of my dissertation as a doctoral student at the university and I will be the principal investigator of this study. Please give us a few more moments of your valuable time to evaluate the survey you just completed. Your comments and suggestions will help us refine the questionnaire and make it more effective in collecting valuable data. You can do this by filling the evaluation form attached at the end of the questionnaire

Your assistance and support is greatly valued.

Sincerely

Ravi Pandit

Ph.D Candidate

The Pennsylvania State University
School of Hotel, Restaurant and Recreation Management
201 Mateer
State College. PA 16802
Tel. (814) 862-1851

APPENDIX B

Evaluation form for the pilot study participants

Evaluation of the Questionnaire

Your comments on the following are greatly appreciated

1. The time required to complete the questionnaire

_____

_____

_____

2. The ease or difficulty in understanding the questions (terms or wording in the questions, please list the question numbers)

_____

_____

_____

3. .Any other comments or suggestions

_____

_____

_____

—

APPENDIX C

Cover letter to employees of the participating hotels

Dear participant:

This survey is an effort of the Pennsylvania State University's School of Hotel, Restaurant and Recreation Management and Marriott International. The study is conducted to help understand the relationship of innovation to customer satisfaction in a hotel. Data is being collected via confidential questionnaires from employees of the hotel.

Your participation is voluntary and all the information you provide will remain confidential and anonymous. You have a right to refuse to participate in this study or not answer any particular question you might feel inappropriate. After completing the questionnaire please seal it in the return envelope and mail it directly to the researcher. By completing and returning the attached survey you will have indicated your consent.

This survey is a part of my dissertation as a doctoral student at the University and I will be the principal investigator of this study. Your assistance and support is greatly valued. Either my faculty-advisor, Dr. Sara Parks, or I can be reached at the address and telephone number listed above and I will be glad to answer any questions or concerns you might have regarding this study.

Sincerely

Ravi Pandit

Ph.D. Candidate

APPENDIX D

Employee Survey

Each question below lists a number of statements. Please indicate the extent to which you agree or disagree with each statement by circling the appropriate response.

		Strongly Disagree				Strongly Agree
1.	I try to understand how one customer differs from another	1	2	3	4	5
2.	I am motivated to develop my knowledge and skills for this job	1	2	3	4	5
3.	I enjoy working long hours in this hotel	1	2	3	4	5
4.	I constantly focus on improving my performance	1	2	3	4	5
5.	I am not overwhelmed by difficult situations	1	2	3	4	5
6.	It is very important to me that my supervisor sees me as a good employee	1	2	3	4	5
7.	I very much want my coworkers to consider me to be good at my work	1	2	3	4	5
8.	I feel very good when I know I have out performed other employees in my hotel	1	2	3	4	5
9.	I often seek continuous feed back from my managers and supervisors	1	2	3	4	5
10.	I always try to communicate my accomplishments to my supervisor	1	2	3	4	5
11.	I feel overqualified for the job I am doing	1	2	3	4	5
12.	I feel comfortable in my job in the sense that I am able to perform the job well	1	2	3	4	5
13.	I feel that my skills and abilities equal or exceed those of my colleagues	1	2	3	4	5
14.	I could have handled a more challenging job than the one I am doing	1	2	3	4	5
15.	When I feel that my approach is not working with a customer, I can easily change to another approach	1	2	3	4	5

		Strongly Disagree				Strongly Agree
16.	I like to experiment with different approaches	1	2	3	4	5
17.	I don't change my approach from one customer to another	1	2	3	4	5
18.	I find it difficult to adapt my style to certain customers	1	2	3	4	5
19.	I treat all customers pretty much the same	1	2	3	4	5
20.	I am very sensitive to the needs of the customer	1	2	3	4	5
21.	Employees are encouraged to solve problems creatively in this organization	1	2	3	4	5
22.	Work groups within the organization are open to new ideas	1	2	3	4	5
23.	Hotel management encourages continuous improvement in all customer service processes	1	2	3	4	5
24.	Training is always made available to employees to keep their skills up to the level of new technology and processes	1	2	3	4	5
25.	Constant improvements in services provided to customers is a priority for the management	1	2	3	4	5
26.	Customers are always satisfied with the speed of the services provided	1	2	3	4	5
27.	Customers are satisfied with the flexibility of the managers to their needs and requests	1	2	3	4	5
28.	Customers are satisfied with the friendliness of the employees	1	2	3	4	5
29.	Customers are satisfied with the efficiency of the services	1	2	3	4	5
30.	Customers are satisfied with the flexibility of the employees	1	2	3	4	5

General Information: **All information will remain confidential and anonymous**

31 Your Gender: Male_____   Female_____

32. Your position in the organization_____

33. a. Full time___   b. part- time____(Check one)

34. Number of years you have been in this hotel___

35. Number of years in the hotel industry_____

36. Education (circle one)
    a. Less than high school diploma
    b. high school diploma
    c. four year college degree
    d. graduate degree

APPENDIX E

Memo from the corporate office of the hotel chain to the general managers

Memo

To: General Manager
        Director of Human Resources

From:

CC:

Date: 10/21/01

Re: Participation in Penn State Graduate Student Research Project

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Pennsylvania State University is one of our Top Tier Schools for College Recruiting. We are fortunate to be approached by a graduate student at Penn State who would like to use our hotels in a study for his dissertation. This letter is to introduce this student and the project he is working on for Penn State.

The student's name is Ravi Pandit. Ravi has extensive hotel experience both in India and the United States working in virtually all management positions in hotels, including being a general manager at a full service property. This project brings together Ravi's interest in hotels, marketing and customer satisfaction.

Your hotel has been selected among a total of 20 hotels to participate in his study; 10 with T3 implemented and 10 without T3. Ravi's focus will be to determine the effects of innovation on customer satisfaction. He will be surveying front line associates, managers and customers from your hotels. Attached to this memo is a one page summary of the objectives of the study along with the process of surveying managers, front line associates and customers from your hotel.

We ask that you give Ravi full cooperation throughout the study as we feel this will bring us valuable insight into the success of T3 at our hotels.

APPENDIX F

Letter to Managers

The General Manager

January 18, 2000

Dear:

As advised by_____, this is to request your assistance and support to conduct a survey research study with the employees your hotel. The results of the study will give hotel managers a basis for using innovative management practices.

I have enclosed a packet of 10 questionnaires labeled " Employee Survey". Please distribute the surveys in this envelope to customer contact employees such as bell-men, front-desk agents, servers, concierge etc. in different work shifts selected at random.

In order that the results of the study truly represent the thinking of people in your hotel, it is important that each completed questionnaire must be returned by January 30, 2000, in the addressed and postage pre-paid envelopes attached to the questionnaires.

Your assistance and support is greatly valued and will be glad to answer any questions you might have regarding this study.

Thanking You,

Sincerely

Ravi Pandit
Ph.D. Candidate

APPENDIX G

Table Summarizing Hypotheses Tests

Table Summarizing Hypotheses Tests

Hypotheses	Dependent Variable	Independent Variable	Purpose	Results
H_{1A} : Employee perceptions of management practices influence employee learning orientation.	ELO	EPMP	To identify if EPMP predicts ELO	Reject null. Adj.R^2=. 267 F-=25.73; β = .456; t-= 5.07; sig. = .000
H_{1B} : Employee perceptions of management practices influence employee performance orientation.	EPO	EPMP	To identify if EPMP predicts EPO	Reject null. Adj.R^2=. 234 F-=21.75; β = .449; t-= 4.66; sig. = .000
H_{2A} : Employee perceptions of management practices influence learning orientation of employees with high self-efficacy.	ELO	EPMP	To identify if EPMP influences ELO for high self-efficacy. Scores $\geq$4.40	Reject null. Adj.R^2 =. 227; F-=10.71; β = .318; t-= 3.272; sig. = .03
H_{2B}: Employee perceptions of management practices influence learning orientation of employees with low self-efficacy.	ELO	EPMP	To identify if EPMP influences ELO for low self-efficacy. Scores $\leq$ 4.20	Reject null. Adj.R^2 =. 307; F-= 16.04; β = .562; t-= 4.00; sig. = .000
H_{2C}: Employee perceptions of management practices influence performance orientation of employees with high self-efficacy.	EPO	EPMP	To identify if EPMP influences EPO for high self-efficacy. Scores $\geq$4.40	Cannot reject null. Adj.R^2 =-.004 ; F-= .862; β = .120; t-= .928; sig. = .360

H$_{2D}$: Employee perceptions of management practices influence performance orientation of employees with low self-efficacy.	EPO	EPMP	**To identify if EPMP influences EPO for low self-efficacy.** Scores ≤ 4.20	Reject null. Adj.R^2 =. 497; F-= 34.59; β =.734; t-= 5.88; sig. = .000
H$_3$: Employee learning and performance orientations positively influences employee perceptions of customer satisfaction.	EPCS	ELO EPO	To identify if ELO and EPO positively influence EPCS	Reject null. Adj.R^2 =. 418; F-= 25.38; sig. = .000 (ELO): β =.212; t-= 1.78; sig.= .08; (EPO): β =.464; t-= 4.08; sig.= .00 When regressed separately EPLO and EPO are significant predictors
H$_{4A}$: Employee learning and performance orientations influence employee perceptions of customer satisfaction for high self-efficacious employees.	EPCS	ELO EPO	To identify if ELO and EPO influences EPCS for high self-efficacy. Scores ≥4.40	Reject the null. Adj.R^2 =. .118; F-= 3.20; sig. = .054 (ELO): β = .328; t-= 1.91; sig.= .066; (EPO): β =..172; t-= .992; sig.= .329 When regressed separately: (ELO): Adj.R^2 =.118; F-= 5.48; β = .450; t-= 2.33; sig. = .026 (EPO): Adj.R^2 =.045; F-= 2.56; β = .275; t-= 1.60; sig. = .119;

H$_{4a}$: Employee learning and performance orientations do affect employee perceptions of customer satisfaction for low self-efficacious employees.	EPCS	ELO EPO	To identify if ELO and EPO influences EPCS for low self-efficacy. Scores ≤ 4.20	Reject the null. Adj.R^2 = .670; F-= 35.49; sig. = .000 (ELO): β = -.008; t-= -.577; sig.= .568; (EPO): β =.904; t-= 5.515; sig.= .000 When regressed separately: (ELO): Adj.R^2=.375; F-= 21.44; β = ..589; t-=4.63; sig. = .000 (EPO): Adj.R^2 =.676; F-= 72.10; β = .744; t-= 8.49; sig. = .000;
H$_5$: Employee perceptions of management practices influence employee perceptions of customer satisfaction.	EPCS	EPMP	To identify if EPMP influences EPCS	Reject the null. Adj. R^2=.394 F-=45.24; β = .537; t-= 16.73; sig. = .000
H$_6$: Employee perceptions of management practices and employee learning orientation independently influence employee performance orientation of employees with low self-efficacy.	EPO	EPMP ELO	To identify if EPMP and ELO on EPO for low self-efficacy. Scores ≤ 4.20	Reject the null Adj. R^2=..721 F-=44.99; sig. = .000 β = .EPMP= .605; t-= 5.25; ELO = .394; t = 3.48

About the Author

Ravindra V. Pandit divides his professional life between research, teaching, and consulting. As an assistant professor at Southern New Hampshire University, in Manchester, New Hampshire, he teaches hospitality, marketing and management to undergraduate and graduate students. His professional career has included twenty years in the hotel industry in the United States, Europe, and India. His academic career started as an adjunct faculty in the College of Business at Essex Community College in Baltimore, Maryland. He taught several hospitality related courses, as a doctoral student, in the School of Hotel, Restaurant and Recreation Management at The Pennsylvania State University.

As a native of India, Ravindra Pandit graduated with a BA in economics from the University of Bombay. He obtained a Master of Science degree in hotel and resort management from Rochester Institute of Technology in Rochester New York. He went on to obtain his PhD in Man Environment Relations from the Pennsylvania State University.