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RELATIONSHIP OF ORGANIZATIONAL CITIZENSHIP BEHAVIORS AND
CUSTOMER ORIENTATION TO SERVICE QUALITY AND
CUSTOMER SATISFACTION

A DISSERTATION

SUBMITTED ON THE SIXTH DAY OF JUNE 2001
TO THE PROGRAM IN BUSINESS ADMINISTRATION
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
OF THE GRADUATE SCHOOL
OF TULANE UNIVERSITY
FOR THE DEGREE

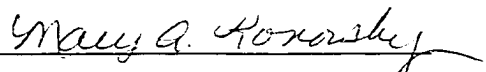
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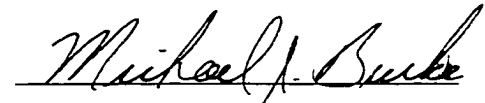
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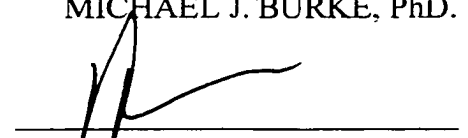


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Abstract

Organizational Citizenship Behavior (OCB) is performance that supports the social and psychological environment in which job-specific tasks function (Organ, 1997). Researchers have mainly examined the variables that predict an employee's OCB (e.g., Organ and Konovsky, 1989). However, the OCB literature points out that OCBs also may have important consequences for an organization (e.g., Organ, 1988). Moreover, OCBs mainly have been investigated at the individual level of analysis; that is, studies have viewed OCBs as individually exhibited behaviors. Yet, OCBs may also be displayed at the group level (e.g., George, 1990). OCB at the group level is defined as helping behaviors shared by members of a group that help create or support the environment where core activities take place. The purpose of this dissertation is to examine hypothesized relationships between OCB at the group level and two important organizational outcomes: service quality and customer satisfaction. Additionally, it was hypothesized that a marketing variable, Customer Orientation Behavior (COB), leads organizations and service employees to create value for their customers (Narver and Slater, 1990) and at the group level, to have a positive relationship with service quality and customer satisfaction. This study also included tests of additive and multiplicative effects of OCB and COB in the prediction of customer service evaluations. Results show that at the group level OCBs may lead to better perceptions of service quality however, OCB relationships with customer satisfaction results were generally not significant. Tests of additive and multiplicative effects of OCB and COB in the prediction of customer

service evaluations were not supported. Finally, a post-hoc analysis shows a probable nonlinear relationship between the variables under study.

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“My times are in thy hand.” Psalms 31:15

“What time I am afraid, I will trust in thee.” Psalms 56:3

TABLE OF CONTENTS

Chapter I: Introduction.....	1
Organizational Citizenship Behaviors.....	7
Organizational Citizenship Behaviors in the Aggregate.....	9
The Service Context and Customer Service Indicators.....	15
OCB-Service Quality/Customer Satisfaction Relationship.....	20
Customer Orientation.....	23
Summary.....	34
Chapter II: Method.....	38
Data Site, Participants, and Data Collections Procedures.....	38
Sample Size.....	39
Measures.....	40
Scoring Procedures and Assessment of Interrater Agreement.....	44
Data Analysis.....	46
Chapter III: Results.....	48
Sample Characteristics.....	48
Scale Development.....	50
Test of Hypotheses.....	55
Post-Hoc Analysis.....	57
Summary.....	59

Chapter IV: Discussion	60
Study Findings	60
Follow up Analysis	69
Limitations of the Study, Future Research Directions, and Practical Implications.....	73
Tables	77
Figures.....	88
Appendices.....	95
References.....	102

LIST OF TABLES

Table 1:	Conceptual Differences between Quality and Satisfaction	78
Table 2:	Factor Loadings (rotated solution) for OCB (5-factor)	79
Table 3:	Factor Loadings (rotated solution) for OCB.....	80
Table 4:	Factor Loadings for Customer Oriented Behaviors (COB) (1 factor).....	81
Table 5:	Factor Loadings for Service Quality (1 factor).....	82
Table 6:	Factor Loadings for Customer Satisfaction (1 factor)	83
Table 7:	r_{wg} , Adm, and Admd for Service Quality and Customer Satisfaction	84
Table 8:	Means, Standard Deviations, Reliabilities, and Intercorrelations for Study Variables	85
Table 9:	Regression Results for Hypothesis 3	86
Table 10:	Regression Results for Hypothesis 4	87

LIST OF FIGURES

Figure 1: Theoretical Framework	89
Figure 2: Results of the Proposed Theoretical Framework	90
Figure 3: Local Lineal Regression Curve for the OCB/SQ Relationship.....	91
Figure 4: Local Lineal Regression Curve for the OCB/CS Relationship	92
Figure 5: Local Lineal Regression Curve for the COB/SQ Relationship.....	93
Figure 6: Local Lineal Regression Curve for the COB/CS Relationship	94

LIST OF APPENDICES

Appendix A: Consent Form for Branch Managers	96
Appendix B: Branch Manager Questionnaire	97
Appendix C: Customer Questionnaire	100

CHAPTER I: INTRODUCTION

A middle age man wanted to fulfill a dream of buying a new German imported car. Buying this car meant spending considerable money, thus he decided to take his time and obtain as much information as possible in order to make a good decision. As the customer gathered information, he visited a specific car dealership several times. During these visits, the customer had the opportunity to observe not only different helping and cooperating behaviors (Organizational Citizenship Behaviors, OCB) among the dealership's service employees but also service behaviors oriented toward him. These behaviors helped the customer feel satisfied with the service received at the car dealership. The customer also noticed that it did not matter with whom the service employees interacted or had a service encounter; the helping behaviors among the employees, as well as the customer oriented behaviors, were displayed by the service employees as a group. In other words, the car dealership unit acted as a whole to provide good service. For instance, some of the helping behaviors the customer observed among the service employees were as follows: (a) Employees assisted other salespeople's customers. For example, because the salesperson who originally helped this customer was not always available, the customer had a service encounter with other service employees who willingly helped him despite the fact that they knew that if the sale were made, the credit would go to the salesperson directly responsible for the customer; (b) Service people offered after-hours assistance. For example, on some of his visits, the customer

arrived at the car dealership after the official closing hours, but he always received help from a service employee who was there doing paper work; (c) The customer noticed that service employees were supportive of each other and raised issues among themselves about specific car characteristics that helped close the sale; and (d) The customer also observed that the more experienced salespeople helped new salespeople by giving them advice about the service encounters and car features, for example.

Similarly, during his visits to the car dealership, the buyer observed Customer Oriented Behaviors (COB) displayed by the service employees. For example, salespeople were always courteous in the service encounters. Additionally, service employees showed competence in answering all questions the customer raised about the product and the service the car dealership provided. Finally, after the purchase was made, the customer continued receiving phone calls from the salespeople at the car dealership inquiring about the car's performance. In summary, helping behaviors among employees combined with customer oriented behaviors helped the customer to perceive good service quality and to be satisfied with the service he received.

In the above story, service employees in the car dealership performed activities that may or may not be directly related to their main job activities. However, this contextual performance or helping and cooperating behaviors may support the environment in which the core activities take place (Borman & Motowidlo, 1993; Organ, 1997). Examples of this contextual performance include checking with other employees before taking actions and calling the main office and asking about color availability. Also, more experienced service employees helped train new salespeople, advising them how to

deal with a customer for example. Finally, the salespeople showed helping behavior among themselves by assisting each other in closing a sale. These types of helping behaviors and efforts to cooperate help this organization achieve its goals and also result in happy customers. Additionally, the service employees who work for this car dealership displayed customer oriented behaviors. These behaviors created value to the customer by meeting his needs and expectations (Narver & Slater, 1990; Schneider, White, & Paul, 1998). In the case of the car dealership receiving post-sale phone calls from the salespeople is an example of customer oriented behavior.

One research trend centers on behaviors displayed by employees who aid in creating a climate or environment where the core activities of the job take place (i.e., helping behaviors). Another research trend is on behaviors that service employees display that generate value to customers (i.e., Customer Oriented Behaviors).

Helping behaviors have been discussed in the literature as being important contributors to organizational effectiveness (e.g., Organ, 1988; Podsakoff, Ahearne, & MacKenzie, 1997). Among the research that discuss these kinds of activities are organizational citizenship behavior (OCB); (e.g., Bateman & Organ, 1983; Organ, 1988; Organ & Konovsky, 1989; Organ, 1997), prosocial organizational behavior (POB); (Brief & Motowidlo, 1986), organizational spontaneity (George & Brief, 1992), in-role and extra-role behaviors (e.g., Werner, 1994), and contextual performance (Borman & Motowidlo, 1993; Motowidlo & Van Scotter, 1994; Van Scotter & Motowidlo, 1996).

Each of these constructs is defined somewhat differently. Two of these constructs, POB (Brief & Motowidlo, 1986) and organizational spontaneity (George & Brief, 1992)

have strong limitations. For instance, POB is a construct that includes almost any kind of behavior; thus, developing a focused research agenda is difficult. Also, POB research has not specifically addressed the dimensionality of the construct (Van Dyne, Cummings, & Parks, 1995), and POB scales have been derived from the OCB scales (e.g., George, 1991). Finally, no further research exists on organizational spontaneity; therefore we do not know the empirical relationships between this construct and other variables. Thus, in this dissertation, I investigate the OCB construct. The OCB literature provides the central constructs to be studied in service settings (i.e., bank branches). Also, the contextual performance literature is important because it provides characteristics and modifications included in OCB constructs (Organ, 1997).

To date, OCB research has two important features. First, most OCB studies have examined contributions at the individual level of behavior (Organ, 1997). Second, most OCB research has focused on investigating the antecedents that predict these behaviors (see Organ & Ryan, 1995 for a review of the literature describing OCB antecedents). OCB, however, has been discussed in the literature as being an important contributor to organizational effectiveness (e.g., Organ, 1988; Podsakoff et al., 1997). Unfortunately, until now, asserting that OCB is an important predictor of organizational effectiveness is more a theoretical statement than an empirically addressed issue. In relation to OCB consequences, Borman and Motowidlo (1993), for example, argue that the relationship between OCB and effectiveness is based more on logic than on empirical support. In the field of applied psychology, performance as OCB is viewed as behavior, and effectiveness is viewed as the outcome of that behavior (Campbell, 1990). But, the outcome or effectiveness of OCB has rarely been examined in the literature.

Additionally, most OCB/contextual performance research has been done at the individual level of analysis (see George, 1991; Konovsky & Pugh, 1994; Mackenzie, Podsakoff, & Fetter, 1991, 1993; Morrison, 1994; Motowidlo & Van Scotter, 1994; McNeely & Meglino, 1994; Podsakoff, Mackenzie, Moorman, & Fetter, 1990; Puffer, 1987; & Werner, 1994, for a review of the literature). Most studies have viewed OCB as individually displayed behaviors. Yet, OCBs may also be displayed at the group level (George, 1990). Thus, this study treats OCB as an independent variable at the group level of analysis.

Moreover, up to now, research investigating OCB consequences at the group level of analysis has mainly focused on criterion variables such as quantity produced, product quality, and sales performance. For instance, one of the few studies relating OCB to effectiveness is Podsakoff et al. (1997). Their research used work crews as the unit of analysis. Podsakoff et al. found that two OCB variables, helping behavior and sportsmanship, had a positive effect on performance quantity when measured as quantity of products manufactured. Podsakoff et al. (1997) also found that the work crews' helping behavior had a significant effect on performance quality when measured as products rejected by the quality control department or the customer.

Podsakoff and MacKenzie (1997) suggest research is needed to study the impact of OCBs on other criteria variables of organizational effectiveness besides quantity produced. In a service context, two customer service indicators that suggest organizational effectiveness are service quality and customer satisfaction. Therefore, one purpose of this study is to examine possible relationships between group level OCBs and service quality and customer satisfaction.

Podsakoff and MacKenzie (1997) also suggest that research should include other forms of helping behaviors and that this research should examine the relationship of these other helping behaviors with performance. For example, Podsakoff and MacKenzie (1997) consider helping behaviors towards customers (i.e., customer oriented behaviors, COB) as one additional type of helping behavior. COBs are important to investigate because the marketing literature argues that customer orientation may assist in the achievement of organizational goals (e.g., Jaworski & Kohli, 1996; Kelley, 1992). However, there is a scarcity of empirical studies investigating the effects of COBs on customers' evaluations, such as service quality and customer satisfaction, (Jaworski & Kohli, 1996; Podsakoff & MacKenzie, 1997). Thus, customer orientation, defined as value generation to customers (Narver & Slater, 1990), may have a positive relationship with customer service indicators such as service quality and customer satisfaction. Figure 1 describes the proposed theoretical framework for this study.

Insert figure 1 about here

The findings of this study will add to the known benefits of OCB and COB and will enhance our understanding of organizational effectiveness. Organ (1997) noted that most OCB research has addressed discretionary behaviors at the individual level. Thus, this study will develop the group level of analysis (i.e., bank branches) and contribute to our understanding of OCB at an aggregated level of analysis. Additionally, this study will help to fill the gap in understanding the effects of COBs on customers' evaluations, including such things as service quality and customer satisfaction (Jaworski & Kohli,

1996; Podsakoff & MacKenzie, 1997). Likewise, this research will assist in understanding the OCB/COB relationship to service quality and customer satisfaction. Finally, this study will also enhance our understanding of issues spanning the organizational behavior and marketing literatures.

In the rest of this chapter, I define OCB and OCBs at the aggregate level. I also define service quality and customer satisfaction and present a rationale for a positive relationship between OCB and these customer evaluation measures. Additionally, I define and discuss COB as service behaviors and posit a rationale for COB- service quality and customer satisfaction relationships. Finally, I present a hypothesis describing the interaction of OCB and COB in the prediction of service quality and customer satisfaction.

Organizational Citizenship Behaviors

Organ (1988) described OCB as “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (p. 4). However, one of the critical debates in the OCB literature has involved the definition of OCB. In response to the theoretical and empirical criticisms of OCB regarding the extra-role nature and lack of formal rewards, Organ (1997) decided to modify the OCB working definition. For instance, one of the criticisms of the definition of OCB comes from George and Brief (1992). Although citizenship behaviors had been classified only as extra-role, George and Brief (1992) posit that some of the OCB dimensions should be classified as in-role or

prescribed role behaviors. As an example, George and Brief argued that conscientiousness, one of the OCB dimensions, focuses on “rule adherence and, thus, on prescribed role performance” (p. 312). Also, George and Brief (1992) argued that another of the OCB dimensions, civic virtue, which includes behaviors such as attending meetings and making suggestions for company improvement, should be part of the in-role performance that an employee displays. Morrison (1994) argued that defining OCB activities is a function of how employees define their job activities. Further, Morrison showed that in-role and extra-role behaviors are differently defined by employees. Thus, Morrison found that respondents identified 18 of 20 OCB items as in-role. Additionally, based on different research (e.g., Podsakoff & MacKenzie, 1994; Werner, 1994), Organ (1997) argued that OCB may also lead to monetary recompense similar to in-role performance.

In response to such concerns, Organ (1997) redefined OCB as “performance that supports the social and psychological environment in which task performance takes place” (p. 95). Organ argues that compared to task performance, OCB “is less likely to be considered an enforceable job requirement” (p. 91), and he adds OCB is “less likely than task performance to be regarded by the performer as leading confidently to systemic rewards” (p. 91). Thus, even though the traditional OCB dimensions had been defined exclusively as extra-role activities, the OCB redefinition leaves the possibility open for including behaviors that may be considered in-role for certain positions or for including behaviors that may be considered in-role for some employees but not for others. Motowidlo and Van Scotter (1994) agree and argue that “task performance is role prescribed, but contextual performance is more typically discretionary” (p.476). Also, this

new OCB definition is flexible with regard to whether OCB behaviors are associated with rewards. Organ (1997) noted that most OCB research has addressed helping behaviors at the individual level, but that we need to develop OCB research at the aggregated level of analysis. In the next section, I define OCBs in the aggregate.

Organizational Citizenship Behaviors in the Aggregate

Examining OCB at the individual level is important because these behaviors are displayed by individuals. However, helping behaviors in the form of OCBs and contextual performance may also occur at aggregated levels (e.g., George, 1990). For instance, Ostroff (1992) found a stronger relationship between employee satisfaction and organizational performance at an aggregated level than those normally observed at the individual level. Ostroff (1992) considers that performance measures at the individual level may not adequately capture interactions and dependencies in the work setting such as those found in service environments.

In this research OCB at the group level is defined as helping behaviors shared by members of a group that help create or support the environment where core activities of the position take place. *Shared* implies that members of the group have a common perspective of the behavior that may be related to their group membership (James, Demaree, & Wolf, 1984). A modified and adapted example given by George (1990) clarifies this definition. Assume four bank branches with five service employees. Employees of Branch 1 frequently display high levels of helping behaviors. For instance, employees commonly cooperate with each other, communicate with members of the group that will be affected by decisions, and make suggestions to improve the service they deliver to customers. Employees of Branch 2 do not display helping behaviors. For

instance, employees never help their teammates and always take long breaks. Members of Branch 3 display moderate levels of helping behaviors. Members of Branch 4 vary in their helping behaviors; although some display high levels of helping behaviors, others display very low levels of helping behaviors. The members of branches 1, 2, and 3 display shared or homogeneous helping behaviors. If helping behaviors in Branch 4 are averaged, the results may be similar as those at Branch 3. However, members of Branch 4 do not display similar levels of helping behavior because their behavior is not homogeneous.

Arguing that group members display OCB denotes that service employees at a branch are similar in respect to OCBs, therefore means that the service employees can be considered as a whole (Klein, Dansereau, & Hall, 1994). Schneider's (1987) ASA framework gives one theoretical justification for group level employee behaviors. The ASA framework posits that similar people will be attracted to, selected by, and retained in a work setting (Schneider, 1987). This process may result in similar group behaviors. Thus, group members may be expected to display similar levels of OCBs (George & Bettenhausen, 1990). Training programs and job requirements may also promote behavioral similarity among service employees within a branch. Schneider and Bowen (1992), for example, argue that training programs in the service area should include job-specific task proficiency, customer relationships, and cultural values and norms. Through these training programs, some behaviors of employees may be standardized. Thus, for the purpose of this study, I examined OCB at the group level. OCB dimensions include altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. The next section defines these dimensions, and I present examples of their existence at the group level.

OCB Dimensions

Bateman and Organ (1983) generated a list of employee behaviors to develop an OCB measure. These activities included making constructive statements in relation to the department, showing personal interest in the work of others, making proposals for improvements in the organization, and demonstrating behaviors such as punctuality and attendance above standard levels. Additionally, the list included behaviors that an employee may abstain from performing, such as complaining and starting arguments with other employees. Later, Smith, Organ, and Near (1983) developed a simplified list of items arrayed in two factors: altruism and conscientiousness. At the group level, *altruism* means members of the group display similar helping behaviors to one another. For instance, in a university department, professors volunteer to teach colleagues' classes when their colleagues are absent because of illness. *Conscientiousness* is defined as behaviors that are well above the minimum standards asked by the organization and that are not directed towards a specific person but toward the organization. Examples of conscientiousness at the group level occur, for example when all group members display high levels of attendance at work, strictly follow rules, or use work time wisely.

More recently, Organ (1988) suggested three dimensions of OCB in addition to altruism and conscientiousness. First, according to Organ (1988) *sportsmanship*, is the desire of the employee to accept or to tolerate less than desired circumstances in the job without complaining. In other words, sportsmanship refers to behaviors the employees avoid, for example "avoiding complaining about petty grievances, railing against real or imagined slights, and making federal cases out of small potatoes" (Organ, 1988, p.11). At the group level, group members of a service department will be willing to tolerate, for

example, the problems related to a store's remodeling activities without getting upset (Podsakoff, MacKenzie, & Hui, 1993). *Civic virtue* means that employees care about the company. Thus, civic virtue implies that employees will participate in the organization's meetings and will present constructive suggestions in relation to improvements in their position. For example, salespeople in a unit will participate by providing suggestions during department meetings. Finally, *courtesy* consists of behaviors aimed at preventing work-related problems with others. Courtesy is the practice of checking with other employees before taking actions that may affect their work. For example when salespeople from a company unit verify that a product is in stock before accepting an order, they demonstrate group-level courtesy.

In sum, the five OCB dimensions previously defined by Organ may be displayed at the group level (i.e., displayed consistently by members of a unit or a branch). These dimensions of group level citizenship behaviors may enhance organizational outcomes (Organ, 1988). In the next section, I explore about this OCB-organizational effectiveness relationship and discuss the little research that has been done in this area.

OCB in the Aggregate and Organizational Effectiveness

The OCB definition provided above assumes that the purpose of these behaviors is to benefit the organization. Organ (1988) argues "our requirement of OCB is that it represent actions of individuals that in the aggregate improve the functioning of the organization" (p.8). However, only very limited previous research has studied the OCB-organizational effectiveness relationship at the group level.

OCBs may enhance organizational effectiveness by lubricating the social and psychological climate where the activities of the employees take place by reducing friction and/or increasing effectiveness (Borman & Motowidlo, 1993; Organ, 1988). Podsakoff and MacKenzie (1997) argue for the different ways in which increasing effectiveness may happen. First, OCB may improve effectiveness by coworkers helping each other. For instance, helping behavior may improve effectiveness when inexperienced service employees become productive faster, learning from their more experienced coworkers. Another way in which OCB may improve the efficiency of an organization is by integrating and coordinating activities within a unit or group and across work units. For instance, group members of a sales unit should determine the availability of a product from the warehouse before accepting an order. This efficient pooling of resources may reduce the possibility of problems. Finally, OCB may enhance effectiveness by helping the organization adapt to the market changes. For instance, service employees in close contact with customers may provide valuable information about changes in customers' behaviors and may provide recommendations about how to respond to those changes. A few empirical studies demonstrate that OCB may enhance organizational effectiveness.

In a sample of 18 work groups, Karambayya (1990) found that high performing work groups displayed more OCB than employees in low performing groups. Performance ratings were obtained from 12 different organizations formed mainly of white collar and professional employees. This study characteristic leads to a limitation, however. Because the sample was taken from 12 different organizations, performance evaluations were not the same. Thus, we do not know if the measures used by all of the evaluators were equivalent.

A series of more recent studies, Podsakoff et al., (1997) and Podsakoff and MacKenzie (1994), addressed the OCB-performance relationship. Podsakoff et al. (1997) found that two OCB variables, helping behavior and sportsmanship, had a positive effect on performance quantity measured as quantity of products manufactured. Podsakoff et al., (1997) also found that helping behavior had a significant effect on performance quality measured as products rejected by the quality control department or the customer. These variables explained about 26% of the variance in performance quantity, and close to 17% in performance quality. Podsakoff et al.'s (1997) research used 40 work crews as the sample, and measures of OCB were based on the work of Organ (1988) and the research of MacKenzie et al. (1991).

In a sample of 116 insurance agency units, Podsakoff and MacKenzie (1994) studied the effect of OCB on unit-level performance. The researchers found that OCBs explained approximately 17% of the variance. Unexpectedly, Podsakoff and MacKenzie (1994) found a negative relationship between helping behavior, viewed as a composite of altruism, courtesy, peacekeeping, and some aspects of cheerleading, and unit level performance. In the third study, MacKenzie et al., (1996), as cited by Podsakoff and MacKenzie (1997), studied 306 pharmaceutical sales teams. The researchers found that helping behaviors and sportsmanship had a positive relationship with sales team effectiveness. These variables together explained approximately 15% of the variance.

These studies have focused mainly on criterion variables such as quantity produced, product quality, and sales performance. However, the benefits generated by OCB in the aggregate may influence other outcomes of organizations (Podsakoff &

MacKenzie, 1997). In other words, organizational effectiveness may have multiple criterion variables. One important criterion variable in service organizations is customer service. Two common ways to operationalize customer service indicators are service quality and customer satisfaction. To my knowledge, no study has addressed the OCB-service quality relationship, and only one study has examined the relationship of OCB-customer satisfaction in the aggregate. In a sample of 30 limited menu restaurants, Walz and Niehoff (1996) found a positive relationship between aggregated helping behaviors and average overall customer satisfaction measures (.42; $p < .001$). However, civic virtue and sportsmanship were not significantly related to customer satisfaction. Unfortunately, Walz and Niehoff (1996) do not give a theoretical rationale for these findings. Also, some limitations of this study are related to the study's methodology. OCB evaluations were not made by the direct employee's supervisor but by general managers who managed multiple restaurants. Also, managers were asked to randomly select five employees from each store. There was however no actual documentation that this procedure occurred. In sum, Walz and Niehoff (1996) is an exploratory study with all the limitations this implies. This study will improve Walz and Niehoff's (1996) research in several ways. First, a bigger sample size is planned; second, this study is going to use two different customer service evaluations; and third, the theoretical rationale is presented to justify the expected relationships. Because the current research includes customer service evaluations, the next section describes the service context and the constructs included.

The Service Context and Customer Service Indicators

Service organization employees have face-to-face contact with customers (e.g., Zeithaml, Parasuraman, & Berry, 1985); thus, service employees' work involves greater interpersonal interaction than manufacturing work (Schneider, 1990). The behaviors and attitudes of service people may affect customers' perceptions of the service (Bowen & Schneider, 1985). As a consequence, service quality perceptions come from the delivery of the service and the interaction between the service employee and the customer at the time of the delivery (the service encounter). Also, the intangible nature of service frequently demands a service employee's quick response to customer needs, such as the employee is deciding the necessary actions to take. As Solomon, Surprenant, Czepiel, and Gutman (1985) write, "In pure service situations where no tangible object is exchanged...customer satisfaction and repeat patronage may be determined solely by the quality of the personal encounter" (p.100).

As discussed above, providing a service differs from providing a good. Thus, the ways in which customers evaluate services will also differ from the ways customers evaluate products. Also, as it was asserted by Bowen and Schneider (1985), that the service performance of employees may affect customers' perceptions of the service and, as a consequence, service quality is in the delivery or the interaction between the service employee and the customer at the time of the service delivery (the service encounter). As proposed at the beginning of this chapter, discretionary behaviors in the form of OCBs may influence customer service perceptions of service quality and customer satisfaction. In order to more specifically examine these possibilities, in the next section I discuss

aspects of customer service, and I focus on a description of the most widely used literature on service quality (Parasuraman, Zeithaml, & Berry, 1988) and customer satisfaction (Rust & Oliver, 1994).

Service Quality

Researchers have used different dimensions to assess customer service perceptions. For instance, Schneider and Bowen (1985) measured customer perceptions of service quality using five different dimensions: courtesy/competence, utility/ security, adequate staff, employee morale, and branch administration. The most common ways to operationalize customer service perceptions have been through service quality and customer satisfaction (Pugh, 1997).

Zeithaml, Parasuraman, and Berry (1990) define perceived service quality as the difference between customer expectations and customer perceptions. Five dimensions define customer perceptions of service quality. Contact employees may influence each of these dimensions (Zeithaml & Bitner, 1996). The five dimensions are 1) Tangibles, or aspects of the physical facilities, equipment, and personnel from the organization, the appearance and dress of service employees; 2) Reliability, or the ability to perform the offered service dependably and accurately; 3) Responsiveness, or the service employees' willingness to help customers and to provide timely service; 4) Assurance, or knowledge and courtesy of service employees and their ability to communicate trust and confidence; and 5) Empathy, or individualized attention the organization gives to its customers by paying attention, listening, and being flexible in filling customers' needs. These dimensions of service quality clearly relate to the interaction between the service provider and the consumer (Bitner, Booms, & Tetreault 1990).

According to Mangold and Babakus (1991), technical quality and functional quality influence perceptions of service quality. The former implies what the company delivers, or in other words, the service core. The functional quality implies the manner in which the service is delivered. Because of the intangibility of services, evaluating the technical characteristics of service provision is often difficult for consumers. Therefore, consumer perception of service quality may be mainly based on the functional characteristics of services. In this way, the contact employee may not only perform the requirements asked in the job description (task performance), but may also display behaviors that support the environment where these activities take place and, thus, affect customer perception of the functional characteristics of services.

Researchers in the employee customer interaction literature have also found that service employees influence customer perception of service quality (e.g., Mangold & Babakus, 1991; Hartline & Ferrell, 1996). Empirical research in service quality and customer satisfaction shows the importance of the customer-service employee interaction in the evaluation of overall quality and satisfaction with services (Bitner et al., 1990). These authors also add that the dimensions used to evaluate service quality as described by Parasuraman, Zeithaml, and Berry (1985) “reveal that a majority of all items relate directly to the human interaction element of service delivery” (p. 72).

Customer Satisfaction

Rust and Oliver (1994) define customer satisfaction as “the consumer’s fulfillment response” (p.4). In other words, consumer satisfaction is the degree to which the product or service delivers a level of fulfillment to the consumer. In contrast to this,

Rust and Oliver (1994) define service quality as a comparison to an ideal or excellence in the service encounter. Oliver (1993) posits that consumer satisfaction includes elements of judgment (e.g., cognition) and affect (e.g., emotion); whereas service quality is based only on elements of cognition. Oliver (1997) summarizes the conceptual differences between quality and satisfaction (see Table 1). For example, although service quality expectations are based on ideals or excellence, customer satisfaction expectations are based on predictions or needs.

Insert table 1 about here

Iacobucci, Grayson, and Ostrom (1994) suggest that service quality and customer satisfaction are complementary operationalizations of the total evaluation of customers. For instance, the focus of service quality is primarily long-term, but the focus of satisfaction is short-term (Oliver, 1997). Thus, both constructs are important for understanding customer reactions. My proposition is that organizational citizenship behaviors targeted to the organization and to specific individuals inside the organization may be positively related to customer attitudes of satisfaction and of perceptions of service quality.

I also study service quality and customer satisfaction at the group level. Service quality and customer satisfaction are measures of work effectiveness, and Organ noted that the ultimate effect of OCBs is the benefit of the organization. Thus, OCBs may be important primarily because they facilitate the achievement of organizational or group

goals. Therefore, one reason for investigating service quality and customer satisfaction at the group level is to demonstrate the effect of OCBs on group level effectiveness. The marketing literature also notes that customers interact with or have several service encounters with different employees of the same group. Consequently, service quality and customer satisfaction perceptions may come from the aggregated encounters the customer has had with service employees. Thus, this rationale provides an additional reason to examine service quality and customer satisfaction at the group level. The rationale for my hypotheses follows.

OCB-Service Quality/Customer Satisfaction Relationship

As mentioned previously, one of the main characteristics of service is its intangibility. Thus, evaluating a service may be compared to evaluating an experience (Pugh, 1997) because evaluation is more difficult when no hard evidence on which to base a judgment exists. I propose that one indicator on which customers depend to evaluate quality is organizational citizenship behavior. In other words, I want to know if OCBs from service employees translate into improved service perceptions and attitudes for customers.

As mentioned previously, the OCB domain includes five dimensions: altruism, courtesy, conscientiousness, sportsmanship, and civic virtues. This study examines these OCB dimensions at the group level. Through altruism and courtesy, service employees of a bank branch help each other accomplish their activities, help coworkers with specific problems (e.g., serving or handling a problematic customer), or serve customers of colleagues when an employee is sick. At the group level, an example of courtesy in the

service industry may be the service employees who agree to notify their supervisors concerning the details of angry customers who wishes to talk with their supervisors. A final example given by Organ (1988) is the case of a service department that promptly and informally keeps in touch with production people when orders that need special dispositions are given by the service department.

Through conscientiousness, sportsmanship, and civic virtue, groups of service employees will perform activities such as coming in early and enforcing the delivery of an order before the scheduled time. This means that the organization will not have problems with a new customer because of lateness or as a consequence of unforeseen circumstances. In relation to sportsmanship in the service industry, a group of employees does not complain about job conditions among themselves, but also avoids complaining to the customers. Thus, if service employees in a bank branch feel they have not been treated well or do not have adequate job conditions, they may complain to other group members or customers, thereby affecting the image or perception the customer has of the service and the organization (Schneider & Bowen, 1985). Finally, through civic virtue behaviors, groups of service employees may create and discuss constructive suggestions proposing how the branch can improve its service quality, resulting in the group or organization benefiting by giving better service. For example, Bowen and Schneider (1985) recommend that as a consequence of the direct contact with the customer, service employees can effectively participate in the design of new products and can provide organizations with important market information.

Previous research (Parasuraman et al., 1990; Berry, Zeithaml, & Parasuraman, 1990) found that cooperation among service employees (teamwork) is important for achieving service quality. For instance, in the example of the car dealership described at the beginning of this chapter, through the helping behavior of or cooperation among salespeople, the story ended with a happy customer. Also, Zeithaml and Bitner (1996) add “the nature of many service jobs suggests that customer satisfaction will be enhanced when employees work as teams” (p.321). Moreover, Berry and Parasuraman (1991) posit that “an interactive community of coworkers who help each other, commiserate, and achieve together is a powerful antidote to service burnout” (p. 162). Thus, discretionary behaviors, such as altruism and courtesy, among groups of service employees may be related to service quality and to customer satisfaction.

Therefore, because of the helping behavior among groups of service employees and because of the friendly atmosphere created by employees who are helpful or courteous to each other, fewer mistakes are likely to be made in the delivery of the service. For instance, as a consequence of work group helping behavior, service employees may communicate or perform the necessary activities so that customers who placed a special order will receive the requested service on time. Thus, the customer may perceive service quality and, thus, be satisfied with the service. In a bank branch, new tellers who are unsure of how to deal with a specific situation and who do not want to make a mistake may ask more experienced tellers how to handle the situation. Often, this scene happens in front of customers who observe the helping behaviors among employees.

Additionally, I believe that through OCB, service employees can develop behaviors that enhance their organization's service orientation. Borman and Motowidlo (1993) posit that "contextual activities... support the organizational, social, and psychological environment in which the technical core must function" (p.73). The climate or environment resulting from these behaviors provides better service as perceived by customers. Researchers, for example, have found a relationship between employee attitudes and customer evaluations (Schneider & Bowen, 1985). As Schneider and Bowen (1993) put it, "[the] internal organizational climate visible to employees spills over on external customers, a consequence of the psychological and physical closeness that exists between employees and customers in service encounters" (p.39). In this case, however, the climate is not what management *gives* to its employees, but what the service employees as a group *create* or display inside the organization.

H1: There is a positive relationship between group level OCB (altruism, courtesy, conscientiousness, sportsmanship, and civic virtue) and customers' perceived service quality and customer satisfaction at the group level of analysis.

I have argued above that group citizenship behaviors and aggregated customer service indicators are positively related. These OCBs are displayed among service employees and not directly to customers; however, besides displaying helping behaviors towards coworkers and the organization, service employees may also display helping behaviors directly toward customers (Podsakoff & MacKenzie, 1997). These behaviors also may be related to customer service indicators. Hartline and Ferrell (1996) posit that "the responses of customer-contact employees heavily influence customers' perceptions

of service quality and the service encounter”(p. 53). Thus, the helping behaviors by employees toward customers are included in the customer orientation construct. In the next section, the customer orientation construct is defined, and its relationship with service quality/customer satisfaction is discussed.

Customer Orientation

The marketing literature, posits that customer orientation is a significant predictor of organizational effectiveness (e.g., Kelley, 1992; Deshpandé, Farley, & Webster, 1993; Jaworski & Kohli, 1996; and Han, Kim, & Srivastava, 1998). *Customer orientation* refers to service behaviors that generate value to the customer (Narver & Slater, 1990).

Employees may generate customer value by meeting the needs and expectations of the customer (Narver & Slater, 1990). For example, bank branch service employees who treat customers with respect are meeting customer expectations with a friendly attitude.

Schneider and colleagues (e.g., Schneider & Bowen, 1985) have investigated the climate for service construct, which refers to employee perceptions of the organization's service related characteristics in the form of routines, practices, and policies that support the ability of employees to provide good service. On the other hand, customer orientation-as-service-behaviors are the actual behaviors (i.e., actions) by members of a group that are displayed toward customers to foster good service. Schneider et al., (1998) assert that organizational service characteristics lead to service behaviors that may result in higher customer service evaluations. Borucki and Burke (in press) also differentiate service behaviors from organizational service characteristics. Borucki and Burke's research suggests that service behaviors mediate the service climate effects on store financial

performance. Moreover, Sigauw, Brown, and Widing (1994) found that market orientation defined as organizational service characteristics affects service employees' customer orientation. This study, therefore, examines customer orientation-as-service-behavior (COB) and its relationship with organizational performance. A few empirical studies focus on the effects of customer orientation on customers' responses, such as service quality and customer satisfaction (Jaworski & Kohli, 1996; Podsakoff & MacKenzie, 1997). In the next section, I develop this construct and argue for a relationship between the two different constructs of customer evaluations included in this study.

Customer Orientation as Service Behaviors (COB)

As mentioned above, COB may be defined as behaviors displayed by service employees (group level) that generate value to customers (Narver & Slater, 1990; Saxe & Weitz, 1982). For example, customers expect to be treated with a certain courtesy. Also, customers expect service people to have a helpful attitude about the products or services they offer. For instance, members of a bank branch who treat customers with respect are meeting customer expectations of a friendly attitude. Also, a group of tellers at a bank branch who keep customers informed about changing regulations are meeting customers' needs with a helpful attitude about informing customers how to follow the right procedures. Another example, given in the initial part, of this chapter discussed salespeople in a car dealership who worked together creating customer value by keeping the customer informed about changes in car models. Another example is that of service employees in a car dealership who keep track of a car's performance through calling

customers after an automobile purchase. Additionally, bank personnel may handle a special request or problem. Helping a customer by handling special service problems can inspire trust and confidence, thus positively influencing perceptions of service quality and customer satisfaction. One reason customer orientation is important is that aspects of customer service, such as service quality and customer satisfaction, may be influenced by the interpersonal interaction between customers and contact employees (Bitner, Booms, & Mohr, 1994). In relation to service behavior, Bitner et al., (1994) found that many satisfactory customer encounters are the result of the service employee's desire and disposition to adjust to the needs of customers. Finally, Schneider and Bowen (1992) also argue that in a service context most companies only concentrate on the technical job skills, for instance bank tellers learning how to operate a computer. However, companies also need to encourage employees to focus on the customer relationship aspects of the service interaction necessary to keep good relations between an organization and the customers (Hogan, Hogan, & Busch, 1984).

One important point regarding OCBs and COBs is that they can be differentiated. OCBs are mainly directed internally toward the employees or the organization while COBs are directed externally toward customers. Different antecedents can also determine OCBs and customer orientation. Motowidlo and Van Scotter (1994) found that personality factors are more highly related to helping behaviors than to job-specific task proficiency. Additionally, experience was found to be more highly correlated with the core activities of the position than with helping behaviors. Finally, organizational practices can determine COBs. For instance, with organizational policies, although there may not be any rule or procedure that a service employee must follow to help a coworker

in a specific situation, there may be specific procedures that service employees are required to follow to be customer oriented. Moreover, service employees receive training to deal with customers, but most employees do not receive training to perform OCBs. By means of employee training on customer orientation, behavioral service similarity among service employees within a branch can be promoted.

As mentioned earlier, this research studies COBs at the group level (i.e., bank branch). In other words, COBs are bank branch service personnel's behaviors to create value for their customers. The ASA framework (Schneider, 1987) also provides a theoretical justification for the existence of group level COBs. As noted, the ASA framework posits that similar people will be attracted to, selected by, and retained in a work setting (Schneider, 1987). This process may result in similar group behaviors. Therefore, service employees in a service organization may display homogeneous levels of customer oriented behaviors. Thus, COBs will be also studied at the group level.

COB and Service Quality/Customer Satisfaction Relationship.

According to Podsakoff and MacKenzie (1997), evidence of the effect of COBs "is only just beginning to accumulate" (p. 147). Until recently however, research has mainly focused on financial performance and not on customer service evaluation. For instance, Narver and Slater (1990) studied the relation between different financial measures of organizational effectiveness and customer orientation. Measures of customer orientation included achieving customer commitment, creating customer value, understanding customer needs, and providing after-sales service. Narver and Slater (1990) found positive relationships between customer orientation with return on assets ($r = .30$, p

< .001), low cost-based competitive advantage ($r = .27, p < .01$), and differentiation-based competitive advantage ($r = .44, p < .001$) among 113 strategic business units in a forest products division of an organization. Kizilos (1995) studied the level at which *customer-centered behavior* mediated the effect of employee involvement on organizational effectiveness. Kizilos (1995) found that customer-centered behavior measured as anticipating and adapting to customer needs, exceeding customer expectations, and resolving customer problems related positively ($r = .31, p < .05$) to unit sales volume. Finally, Borucki and Burke (in press), found a positive relationship between sales personnel service performance and store financial performance ($r = .17, p < .05$). Sales personnel service performance was measured with a 13-item scale that tapped aspects of helping behaviors toward customers and financial performance as operating profit/loss as a percentage of total sales.

Customers may perceive high service quality and satisfaction when interacting with a group of service employees who are highly customer oriented because the customer views these behaviors as beneficial, authentic, and real. As mentioned above, Bitner et al. (1994) found that satisfactory customer encounters are the result of the service employee's desire to handle special requests or problems. Also, Price, Arnould, and Tierney (1995) argue that an "authentic understanding [of the customer] involves...real giving on the part of the provider" (p.93). For example, a service employee who explains the care of a product or the most beneficial use of the product or service to a customer may help the customer to perform the service or to use the product in such a way that he/she will take full advantage of it. As a consequence, the customer

may perceive high service quality and respond with service satisfaction. Thus, I propose the following hypothesis:

H2: There is a positive relationship between COB and perceived service quality and customer satisfaction at the group level of analysis.

The Additive Relationship of OCB and COB in Predicting Customer Evaluations

Hypotheses 1 and 2 argue for a positive relationship between OCBs among service employees and COBs, which are mainly displayed towards customers, and two customer service evaluations: service quality and customer satisfaction. However, OCB or COB alone may not result in the strongest perceptions of service quality or customer satisfaction. As noted above, previous research (e.g., Parasuraman et al., 1990) argues that cooperation among service employees is important for achieving good service and that teamwork prevents service failures (Berry & Parasuraman, 1991). However, helpful behaviors among service employees alone may not result in the highest evaluations of customer service. George (1990), for example, asserts that prosocial behaviors may be focused mainly on group members; “hence, one might not expect such groups to be more helpful to customers, per se.” (p. 114). Similarly, through customer oriented behaviors, the service employee may directly influence service evaluation measures. Bitner et al. (1994) found that many satisfactory customer encounters are the result of the service employee’s desire and disposition to adjust to the needs of customers. However, different researchers (e.g., Gronroos, 1990; Berry, 1995; Christopher, Payne, & Ballantyne, 1991) assert that the quality of relationships among employees within the organization may also influence the level or quality of relationship with customers. Thus, as mentioned above, OCB or

COB alone may not result in the strongest perceptions of service quality or customer satisfaction. Therefore, OCB and COB may additively explain variance in service quality and customer satisfaction beyond that explained by OCB or COB alone. Consequently, I present the following hypothesis.

H3: OCB and COB will additively predict perceived service quality and customer satisfaction at the group level.

The Interaction of OCB and COB in Predicting Customer Evaluations

Although hypothesis 3 posits that OCB and COB additively predict perceived service quality and customer satisfaction, a possibility exists that these variables also multiplicatively interact to predict the respective criteria. That is, the interaction of OCB and COB may explain variance in service quality and customer satisfaction beyond that explained by OCB or COB alone. An interaction occurs when the effect of one independent variable depends upon the level of another independent variable at which it is evaluated (Chambliss & Dunlap, 1994). Similarly, Cohen and Cohen (1983) define interaction as “two variables, u and v, [which] are said to interact in their accounting for variance in Y when over and above any additive combination of their separate effects, they have a joint effect” (p. 302).

Groups of employees who display high OCB may facilitate the transfer of COB towards customers by creating an environment in which good service is promoted. There are several possible reasons why the display of OCBs by members of a group may enhance that group’s willingness to deliver good service. Below I demonstrate how each of the OCB dimension’s could enhance COBs.

As stated above, altruism refers to group members displaying helping behaviors towards one another. One way that altruism may enhance COB in a group and foster good service is when group members help new group members with suggestions and share their positive and negative service encounters with customers. Members of a group may have different experiences dealing with customers. When experienced service employees share or spread these experiences, all members of a group may exhibit the best service behavior practices, which, in turn, can lead to better customer service evaluations (Podsakoff & MacKenzie, 1997). Schneider and Bowen (1995) assert that organizations require the coordination and interdependence of many service employees to provide good service. Members of a group who do not share their experiences or who avoid contact with one another can create an enmity environment (Berry, 1995). This environment can lead members of a group to work independently of one another instead of communicating with each other, and this way of working can lead to poor service. Finally, altruism may also enhance COB in a group if experienced group members take over a bad situation or problem when a new group member is dealing with a customer. New members of a group may not have enough experience dealing with “special” customers who always demand service employees’ full attention or who make special requests. In groups that display high altruism, members with more experience may be willing to take over or help new service employees satisfy these customers, thereby, facilitating the transfer of COBs.

Conscientiousness refers to behaviors that are above the standards asked by the organization. A conscientious group may also facilitate the transfer of COBs by consistently making their best efforts to please customers. Berry (1995) describes a good example of a behavior that is above the required levels: “I ordered my lunch at the deli

counter, and found when it arrived that I could not carry my tray very well because I was holding my baby son. An employee who was apparently on her lunch break gave up her place in line right behind me to carry my tray to the table” (p.1). In this example, the group member clearly carried out her duties beyond the minimum levels, and by taking time from her lunch hour, she displayed a helpful attitude towards a customer. Group members who display behaviors that are above the standards asked by the organization may encourage other group members to display COBs. For instance, service employees who do not spend time on personal phone calls leave telephone lines available for post-sale phone calls to find out about a product’s performance.

It is also possible that groups that display high civic virtue behaviors promote COBs. Civic virtue implies that group members will participate in the organizations’ meetings and are concerned about the life of the company (Organ, 1988). In the service industry, one of the main challenges is to control for diversity in the delivery of a service (Zemke & Schaaf, 1989). By sharing their best service strategies with other members the service organization, group members may not only reduce diversity in service delivery but also may have an impact on the customers’ image of the organization. Additionally, customers very easily get used to certain levels of service (Schneider & Bowen, 1995). As the organization keeps improving its service levels, customers will keep demanding and expecting an improved service. As a consequence, responsible and active presentation of constructive suggestions from group members may enhance service behaviors. As Zeithaml et al. (1990) posit, “teamwork is the heart of service-quality initiatives-employees need to work together to have service come together for customers” (p.107).

Courtesy, a fourth dimension of OCBs, consists of behaviors aimed at preventing work-related problems with others (Organ, 1988). To deliver good service, groups of service employees may share responsibility and coordinate with each other who can lead to improved effectiveness and speed (Schneider & Bowen, 1995). Groups that display high courtesy behaviors may engage in the practice of checking with other group members before taking actions that may affect their ability to coordinate with other group members in the organization. A coordinated organization can help employees offer good service. For instance, sometimes members of a group need to handle a customer's special request and must obtain information concerning the possibility of delivering a product in a specific period of time. By "touching base," the group may avoid customers' waiting for the product.

Finally, sportsmanship is the desire of the employee to accept or to tolerate less than desired circumstances of the job without complaining (Organ, 1988). Groups that exhibit high sportsmanship behaviors by not complaining about unimportant matters may help group members focus on displaying service behaviors (COBs) that may lead to satisfied customers. By not being distracted and by focusing on customers, group members' exhibit helpful attitudes to a customer. Additionally, not complaining about unimportant matters may help to avoid low morale and a pessimistic environment that may interfere with behaviors that should center on the customer. Pessimistic environment where members of the groups are constantly complaining even about unimportant matters can diminish both the service employees' willingness to give customer their full attention and the ability for the employee to have a friendly attitude.

On the other hand, when OCB is low, customers, independently of the level of COBs, are likely to perceive low service quality and customer satisfaction. Groups with low OCB may work competitively rather than cooperatively, independently as opposed to interdependently (Berry, 1995). Therefore, under conditions of low OCB, service behaviors directed toward customers will not be effective in enhancing customer service evaluations. Groups with a low OCB will not engage in the helping behaviors that facilitate the coordination of COBs. For instance, group members may keep to themselves the best service behavior practices instead of sharing and spreading their experiences. Also, as stated before, members of a group who do not share their experiences may create a hostile environment (Berry, 1995). This environment can lead members of a group to work competitively instead of courteously, and this way of working can lead to perceptions of poor service quality and to low customer satisfaction.

Therefore, the relationship between COBs and customer service evaluations may be stronger in groups that display high OCBs than in groups that display low OCBs. In sum, I argue that group helping behaviors facilitate group COBs toward customers. As such, I hypothesized that OCBs would moderate the relationship between COBs and perceptions of service quality and customer satisfaction.

Based on this discussion, the following hypothesis is presented.

H4: The multiplicative interaction component of OCB and COB predicts perceived service quality and customer satisfaction. This interaction effect is such that when OCB is low, the relationship between COB and perceptions of service quality and customer satisfaction will be low; however, for high levels of OCB, COB will be strongly related to customer perception of service quality and, thus, to customer satisfaction.

Therefore, this study also includes a test of the multiplicative effect of OCB and COB in the prediction of service quality and customer satisfaction.

Summary

This chapter began by asserting that the research on OCBs and COBs rarely addresses the possible consequences of these behaviors at the group level of analysis. This study argued that two of the consequences of OCB and COB in the aggregate will be service quality and customer satisfaction. The general rationale for the positive relationship between OCBs and service quality and customer satisfaction is that the intangibility of services results in perceptions of service quality mainly based on the functional characteristics of services, and these functional characteristics include OCBs. In other words, one of the main characteristics of service is its intangibility. Thus, evaluating a service may be compared to evaluating an experience (Pugh, 1997) because evaluation is more difficult when there is no hard evidence on which to base a judgment. “In the absence of tangible evidence to evaluate quality, consumers must depend on other cues” (Parasuraman et al., 1985, p.42). I proposed that one of those cues was organizational citizenship behavior. Further, I assert that the determinants of service-quality perceptions are related to the interaction between the service provider and the customer (Bitner et al., 1990). Moreover, satisfactory customer encounters are the result of the service employee’s behaviors in creating value for their customers by meeting their needs and expectations, in other words in being customer orientated. This value leads to customers’ enhanced perceptions of service quality and satisfaction. All of these are examples of OCB or customer orientation. Simply put, I want to know if organizational

citizenship behaviors and customer orientation from service employees translate into improved service perceptions and attitudes for customers. Additionally, I assert that an additive relationship between OCB and COB with perceptions of service quality and customer satisfaction will discover a stronger relationship between service quality and customer satisfaction when both OCB and COB are high than when one or both variables are low. Finally, because service employees usually depend on one another to render good service (Berry et al., 1990), I argue that a multiplicative interaction component of OCB and COB predicts perceived service quality and customer satisfaction. This interaction effect is such that when OCB is low, the relationship between COB and perceptions of service quality and customer satisfaction will be low; however, for high levels of OCB, COB will strongly relate to customer perceptions of service quality and to customer satisfaction.

As discussed above, to my knowledge, no study has addressed the OCB-service quality relationship, and only one study (Walz & Niehoff, 1996) has examined the relationship of OCB-customer satisfaction in the aggregate. As argued earlier, however, the study by Walz and Niehoff has methodology limitations that will be addressed in the present research. Also, although the COB-service quality/customer satisfaction relationship may be direct, there is a paucity of empirical studies on the subject (Jaworski & Kohli, 1996). Studying these variables involved acquiring data from external resources such as customers and comparing the data with internal resources such as branch managers who report the internal culture and behaviors of employees. Additionally, researching these constructs required gathering data from internal sources (i.e., managers) and comparing them with external sources (i.e., customers). In addition, to my

knowledge, no study has addressed the additive relationship or the multiplicative interaction between OCB and COB with customer service evaluations. If this study's hypotheses are supported, this study will show that group level organizational citizenship behaviors and group level customer orientation translate into perceptions of improved service quality and customer satisfaction. Further, the test of the multiplicative interaction component of OCB and COB with perceived service quality and customer satisfaction will enhance our knowledge of the role played by the externally oriented behaviors (COBs) in combination with the internally oriented behaviors (OCBs) and their consequences for customer service evaluations. These findings will add to the known benefits of organizational citizenship behaviors and customer orientation, enhance our understanding of organizational effectiveness, and bridge the gap between organizational behavior and marketing research.

CHAPTER II: METHODOLOGY

The hypotheses described in Chapter 1 were tested in multiple branches of a bank in Monterrey, Mexico. Data were collected from two different sources: 1) managers from each branch, and 2) customers of each particular branch. This chapter describes the data site, the procedures used for data collection, the participant characteristics, the sample size, the measures used, and the statistical analyses used to test the hypotheses.

Data Site, Participants, and Data Collection Procedures

This research was conducted at 71 branches of a bank in Monterrey, Mexico (the bank has about 80 branches total). The researcher chose branches of the same bank because using units or branches from the same organization allows a researcher to control for differences that may result from the product, service, industry, or even the nature of the activities performed (Podsakoff et al., 1997). The city is divided into three different territories. After getting approval from top management, the researcher attended three different meetings organized by the bank to collect the data from managers. At the beginning of each meeting I asked branch managers to participate, explained the purpose of the research, and answered any questions managers raised.

The service group studied was the tellers. The researcher collected OCB behaviors by means of a paper and pencil survey of branch managers. Each branch manager completed a questionnaire for the group of tellers at his/her branch. The branch managers

evaluated tellers as a group on the five different dimensions of OCB and customer orientation behaviors (COB). Each branch manager received a consent form and one questionnaire. See appendices A and B for the consent form and the questionnaire. Branch managers read and signed the consent form before they started answering the questionnaire. As soon as each manager finished, the researcher picked up the consent form and the completed questionnaire. All branch managers in the three meetings participated in the study.

The bank was so interested in the study that it decided to hire a company to gather customer data. Customer data were collected through exit interviews after a customer completed a transaction with any of the branches' tellers. The measures of service quality and customer satisfaction were included on the customer questionnaire. The researcher participated in all the data gathering process. For instance, the researcher helped train the group of people who worked at the company and collected the data. Because the customer exit interview is time consuming, I limited the number of customers' questionnaires collected from each branch to 20. Customers' verbal assent to completing an anonymous questionnaire was considered informed consent. The statement read to customers soliciting their participation in the study and the questionnaire is presented in Appendix C.

Sample Size

Power analysis (Cohen, 1977) is a tool that helps determine a minimum number of subjects or groups needed to reject a null hypothesis. A particular power, alpha, and an estimated effect size are needed to determine the sample size. Appropriate studies are

available on which to base effect size estimates (e.g. George & Bettenhausen, 1990; Johnson, 1996; Bettencourt & Brown, 1997; Podsakoff et al., 1997). These studies show correlations between discretionary behaviors (or items that can be indicators of OCBs) and measures of effectiveness such as sales performance or quantity produced. Correlations between these variables have been found to range from .22 (Bettencourt & Brown, 1997) to .69 (Johnson, 1996). Thus, I estimated a conservative effect size at a range of .30, with an alpha of .05 and a desired power level of .70, requires 66 groups (branches). However, the number of branches that participated in the study was 71.

Measures

The measures used in this research are described in this section. I divide the measures into those collected from the supervisors and those collected from customers.

Organizational Citizenship Behavior (OCB) Measures

Because social desirability (Schnake, 1991) may bias self-report measures of OCB, the branch managers rated the branches' organizational citizenship behaviors. Most OCB researchers have used employee supervisors to rate discretionary behaviors (e.g., George, 1991; Williams & Anderson, 1991; Organ & Konovsky, 1989; Bettencourt & Brown, 1997; Motowidlo & Van Scotter, 1994; MacKenzie et al., 1993; Puffer, 1987; Settoon, Bennett, & Liden, 1996). Further, Bettencourt and Brown (1997) note that "the theoretical position in defining these behaviors presupposes a firm perspective in evaluation" (p.45). The bank branch manager is, arguably, the best person in the bank to provide this perspective.

OCB dimensions were measured using a scale slightly modified from that developed by Konovsky and Organ (1996). I modified the wording of some of the items to rate the average level of OCB displayed by group members instead of rating OCB behaviors at the individual level. This scale has been used in several different studies (e.g., Konovsky & Pugh, 1994). This measurement consists of 32 items that describe employee behaviors. Supervisors rated the group on a 7-point scale ranging from strongly disagree (1) to strongly agree (7). Konovsky and Organ calculated a reliability of .90 for altruism, .84 for conscientiousness, .88 for sportsmanship, .87 for courtesy, and .80 for civic virtue. Konovsky and Pugh obtained the following reliabilities: conscientiousness (.84), altruism (.90), and sportsmanship (.88). The set of items comprising this scale can be found in Appendix B. Items 1 to 32 are the items that measure OCB.

Customer Orientation Behaviors (COB)

This variable was measured using one slightly modified scale developed by Schneider (1990). The scale consists of four items that include service behaviors group member (tellers) may display. Supervisors considered group behaviors at their branches on a seven-point scale from strongly disagree (1) to strongly agree (7). Schneider obtained a reliability for this scale of .88, .89, and .89 in different studies conducted during 1990, 1991, and 1993. The items comprising this scale can be seen in Appendix B and are items 33 to 36. Additionally, two items from Schneider's knowledge (competency) scale were used. Schneider's scale was generated specifically to rate bank personnel regarding their ability to solve customer problems and handle special requests. The scale consists of five items. However, only two items were used in this study because they were designed to

measure behaviors toward customers. The other three items measure organizational support toward employees (e.g., the extent to which the bank provides employees with adequate tools and training to do a job). Supervisors rated group behaviors at the branch on a seven-point scale from strongly disagree (1) to strongly agree (7). The items (37 and 38) comprising this scale can be seen in Appendix B.

Finally, branch managers were also asked to provide demographic information describing each group member. The questionnaire included a set of demographic questions used to describe each teller. These variables included age, education, and average length of time with the organization. Finally, the manager answered two questions related to branch characteristics, branch size and location.

Service Quality and Customer Satisfaction Measures

Customer data were collected during an exit interview. After the customer finished a transaction with any of the group of tellers, he/she was approached. The interviewer identified themselves and asked the customer to answer a few questions. If a customer declined to answer the questions, the interviewer recorded the apparent demographic data for that customer and looked for another customer. If the customer agreed to answer the questions, the interviewer proceeded to read the instructions and recorded the answers as given in Appendix C. Thus, the interviewers obtained tacit consent from customers because they verbally agreed to answer or refused to respond to the questions.

Service Quality

In the development of the SERVQUAL instrument, Parasuraman et al., (1985) reported ten dimensions that customers use in forming perceptions of service. The authors empirically tested their model in a study across four service industries: retail banking, credit card, security brokerage, and product repair and maintenance. In a revision of the SERVQUAL scale, Parasuraman et al., (1988) redefined the number of factors and changed the determinants of service quality from ten to five (reliability, responsiveness, assurance, empathy, and tangibles).

Because the interest of this research is on an overall perception of service quality, the items to measure service quality were combined for an overall score and averaged to obtain a group (branch) level score. The original SERVQUAL scale measures gap scores and the difference between customer expectations and actual performance of service. However, other researchers (e.g. Cronin & Taylor, 1992; Gotlieb, Grewal, & Brown, 1994; Babakus & Boller, 1992) argue for using a performance-only scale of service quality. These authors posit that a performance-only measure is more efficient and generalizable than the original SERVQUAL (Hartline & Ferrell, 1996). Moreover, after doing further research, the original authors of SERVQUAL (Parasuraman et al., 1988) argue that measuring service quality perceptions as performance-only are as reliable and as valid as the original measure (Parasuraman, Zeithaml, & Berry, 1994). Thus, the measure of perceptions of service quality for this research followed the scale developed by Gotlieb et al., (1994) and Teas (1993), which incorporates two items for each of the

five dimensions. Using Cronbach's alpha, Gotlieb et al. (1994) obtained a reliability for the scale of .95. The items comprising this scale are displayed in Appendix C.

Overall Customer Satisfaction

A three-item scale taken from Oliver (1980), was used to measure customer satisfaction. This scale has been used in other studies (e.g., Mano & Oliver, 1993; Gotlieb et al. 1994; Pugh, 1997). Gotlieb et al. (1994) found a reliability for the scale of .97. Scores on the items were averaged to determine the overall score and averaged to obtain a group (branch) level score. The items of this scale are displayed in Appendix C.

Demographic Variables

At the end of the questionnaire, the interviewer also recorded customer demographic variables such as gender and approximate age. Additionally, the interviewer asked customers the length of time they have been bank customers. Finally, the interviewer also recorded the branch code. See Appendix C for these items.

Questionnaire Translation

As stated before, this research was performed in Monterrey, Mexico. Thus, the scales and letters included in Appendices A and B were translated into Spanish. To accomplish this task, the researcher followed the methodology recommended by Werner and Campbell (1970) and Brislin (1980). In general, the methodology consisted of a back translation: the questionnaires were first translated from English to Spanish by one PhD student in the organizational behavior area and then back into English by a second PhD student. After this procedure, an independent person (bilingual) reviewed the back translation to ensure that the meaning of the items was the same in the two languages.

Scoring Procedures and Assessment of Interrater Agreement

As mentioned previously, the OCB and COB variables were rated at the group level. In other words, the referent for this measure is the group. Therefore, branch managers rated their teller groups' on OCB and COB. As mentioned in Chapter 1, this approach is justified by the ASA framework (Schneider, 1987) that posits that similar people will be attracted to, selected by, and retained in a work setting. Also, training programs standardize customer orientation behaviors among service employees.

The individual customer evaluations of service quality and customer satisfaction were aggregated to the bank-branch level. Individual customers rated perceptions of service quality and customer satisfaction, and I calculated scale scores on the measures for each individual adding the items for each scale for that customer. Individual scale scores then were aggregated to the branch (group) level of analysis by averaging the customers' responses for each branch. As discussed in Chapter 1, the marketing literature notes that customers interact with or have several service encounters with different employees of the same group. Thus, perceptions of service quality and customer satisfaction may come from the aggregated encounters the customer has had with service employees. Additionally, Borucki and Burke (in press) demonstrated that customers may have similar perceptions of customer service evaluations because management strategies often concentrate on customers to enhance store performance. In sum, similarity of service quality and customer satisfaction within settings can be expected.

Because the individual level measures of service quality and customer satisfaction were aggregated, assessment of interrater agreement is necessary to justify aggregation of

individual measures to a group level. To evaluate interrater agreement, I followed the James, Demaree, and Wolf (1984) and the Burke, Finkelstein, and Dusig (1997) procedures. The James et al. (1984) methodology compares the observed-response distribution for the scale to a hypothesized null response distribution. This distribution represents the agreement expected by chance. Because no response bias is expected the null response distribution supposed will be rectangular or uniform. I also used the Burke et al., (1997) procedure to calculate interrater agreement from the median response obtained for each scale. The Burke et al., (1997) procedure posits the use of the average deviation indices for assessments of within-group interrater agreement. The researchers argue that “the average deviation indices may provide for a more direct conceptualization and assessment of interrater agreement because they yield magnitude estimates of interrater agreement in the metric (units) of the original scale” (p.21). The findings of these analyses are presented in the results section.

Data Analysis

SPSS was used to conduct preliminary analyses and to test the hypotheses. Preliminary analyses included examining the differences between respondent customers and non-respondent customers on demographic variables. The meaning of the significant differences found are discussed in the results section. Additionally, I examined all scales for the internal consistency reliability using Cronbach’s (1951) procedure. Additionally, the item analysis results were examined to assess the validity of each scale item. Factor analysis was conducted to further evaluate all scales. Because the sample size is too small ($N = 71$), a confirmatory factor analysis is not recommended. However, I examined the

factor structure of the scales using principal axis factor analysis and varimax rotation.

According to Podsakoff et al. (1997), this procedure demonstrates whether items load on their expected factors and do not have high cross loadings on non-expected factors. Items that do not have a substantial loading on the hypothesized factor or items that cross-load were eliminated. The cut-off for the items' loadings on their hypothesized factor was .35. The scale items for service quality and customer satisfaction were averaged to form the measures. Hypotheses one and two were tested by examining inter-scale correlations. The additive relationship of OCB and COB was tested using multiple regression. Two regression equations were formed, one for service quality and one for customer satisfaction. The two measures of customer service perception, service quality and overall customer satisfaction, were then regressed on the aggregate level measures of OCB and COB. Finally, the significance of the multiplicative interaction between OCB and COB on service quality and customer satisfaction was tested using hierarchical regression (Cohen & Cohen, 1983). Therefore, to test hypothesis 4, OCB was entered into the equation, followed by COB. Finally, the multiplicative interaction between OCB and COB was included in the third step. The results of this test showed, at each step, if the variables entered in the equation made a significant contribution to explained variance (ΔR^2).

CHAPTER III: RESULTS

This chapter reports the major findings of the research study and is organized as follows: First, I present information about the sample characteristics. Then, I provide descriptive statistics on scale properties and intercorrelations among study variables. Next, the chapter presents results for inter-rater agreement analyses. Additionally, the results of testing the four hypotheses are presented and summarized. Finally, post-hoc analyses are described that analyze data for nonlinear relationships.

Sample Characteristics

Teller Information

This research was conducted at a bank in Monterrey, Mexico. Organizational citizenship behaviors (OCB) and customer oriented behaviors (COB) data were collected from 71 branch managers. Each manager completed one questionnaire rating the behaviors that tellers have as a group. The branch managers' response rate was 100%. The total number of tellers rated was 432. The tellers rated were 32% men and 68% women. Bank branches averaged 16 employees and 6 tellers per branch. Of the tellers rated, 81% were between 20 and 29 years old; 16% between 30 and 39 years old; and 3% over 40 years old. Also, 22% had worked less than one year as a teller; 56% between 1 and 5 years; 16% between 6 and 10 years; and 6% more than 10 years. Finally, 96% of the tellers were full-time employees.

Customer Information

Customers provided data on service quality and customer satisfaction. Twenty customer questionnaires per branch were collected. To collect a total of 1,420 customer interviews, 1,863 customer contacts had to be made because 443 customers declined to answer the questionnaire. Data gathered from customers who declined to participate in the research were registered by gender and approximate age. Customers who declined to participate in the research were 70% male and 30% female. Among the non-participants, 3% were less than 20 years old; 30% were between 20 and 29 years old; 33% were between 30 and 39 years old; 22% were between 40 and 49 years old; and 12% were over 50 years old.

Customers who participated in the exit interview were 61% male and 39% female. Of these customers, 5% were less than 20 years old; 31% were between 20 and 29 years old; 27% were between 30 and 39 years old; 18% were between 40 and 49 years old; and 19% were over 50 years old. In terms of education level, 52% of customers had a high school or less education; 9% had some college education; 34% had a bachelor's degree, and 5% had a graduate degree. Also, the interviewees had been bank customers for varying times: 15% less than a year, 48% between 1 and 5 years, 17% between 6 and 10 years, and 20% more than 10 years.

Chi-square tests revealed significant differences between respondents and non-respondents in the variables of customer gender and customer age. The obtained $\chi^2 = 12.1$, $df = 1$, was significant at the .001 for gender. The obtained $\chi^2 = 19.9$, $df = 4$, was significant at the .001 level for age. Getting women to agree to the interview was easier than getting men to agree. The percentage of working women in Mexico is still low, so

women may have had more time to answer the questionnaire than men. Also, people age 30 to 39 and age 40 to 49 were less cooperative in answering the questionnaire than other age groups. Middle-age people tend to be more hurried than younger or older people. Additionally, younger people in Mexico may believe that providing information to organizations is an important tool for improving services.

Scale Development

Hair, Anderson, Thatham, and Grablovsky (1979) recommend factor analysis to refine scale measurements. The factor analytic technique has the purpose of summarizing information contained in a number of original variables into a smaller set of factors with a minimum loss of information. The next section describes a series of factor analyses to refine the variables used in this research.

OCB Factor Analysis

Factor analysis was conducted to evaluate the OCB items. The factor analysis of the OCB items used all 71 branch managers' ratings. The scale included a total of 32 items, which Organ (1988) groups into five dimensions: altruism, courtesy, sportsmanship, conscientiousness, and civic virtue. The factor analyses had the following characteristics: (a) there were no missing values; (b) principal axis factoring was used; and (c) varimax rotation was employed for interpretation of the factors. Additionally, the cut-off for the items loadings on their hypothesized factor was +/- .35. The number of factors was restricted to five dimensions that Organ (1988) conceptualized. Table 2 presents the factor analytic results for the branch manager ratings of the teller groups.

Insert Table 2 about here

The five factors proposed in previous research did not correspond to the factors obtained in this study. For instance, factor 1 in this study included items from three different dimensions of OCB: civic virtue, conscientiousness, and altruism. Therefore, in an attempt to better delineate the OCB construct, three items from each of the five dimensions were chosen for a subsequent factor analysis. The criteria for choosing the items were twofold: first, items in each dimension with the highest corrected item-total correlation were selected; second, to make alpha highest, the items with the lowest alpha were deleted. Table 3 shows the results of this factor analysis. The cut-off for the items loadings on their hypothesized factor was +/- .35. A factor loading represents the correlation between an original variable and its respective factor. The larger the absolute size of the factor loading, the more significant the loading is in interpreting the factor. Hair et al. (1979) posit that factor loadings above .30 are considered significant. Items in three out of the five dimensions -civic virtue, sportsmanship, and conscientiousness- have a loading above 0.35 on the designated factor with no high loading on another factor. For courtesy and altruism, some items have a factor loading over .35 on two different factors. The item "try to avoid creating problems for each other" has a loading over .35 for courtesy and sportsmanship; the item "help each other when they have been absent" has a loading over .35 for civic virtue, altruism, and conscientiousness; and, the item "help each other to be more productive" has a loading higher than .35 for civic virtue and altruism. However, the highest loading for those items correspond to the appropriate factor. Therefore, these 15 items, three for each dimension, were kept for later analyses. The alpha reliability (Cronbach, 1951) obtained for the 15-item OCB scale was .90; the alpha reliabilities for each OCB dimension were altruism (.88), courtesy (.87),

sportsmanship (.76), conscientiousness (.70), and civic virtue (.86). The commonly accepted criteria for research purposes is an alpha of .70 (Nunally, 1978).

Insert Table 3 about here

COB Factor Analysis

A factor analysis for the Customer Oriented Behaviors (COB) was also conducted. The factor analysis of the COB items used all 71 branch managers' ratings. The factor analysis for COB included a total of six items and had the following characteristics: (a) there were no missing values; (b) principal axis factoring was used; and (c) varimax rotation was employed for interpreting the factors. This analysis was restricted to one factor. Table 4 shows the results of this analysis. The results show that all six items have a loading above .35; therefore, all items were retained for subsequent analyses. The alpha reliability of this scale was .85.

Insert Table 4 about here

Service Quality and Customer Satisfaction Factor Analysis

Tables 5 and 6 show the results of the service quality and customer satisfaction factor analyses. The characteristics followed for these analyses were similar to those followed in the factor analyses previously described. The only difference was that for these constructs, factor analyses were conducted with individual level data. Therefore, the total sample size in the service quality and customer satisfaction factor analyses was 1,420 subjects. For both scales, the results show that all items have a loading well above

.35. Therefore, all items for each scale were retained for subsequent analyses. The alpha reliability for the service quality scale was .87. For the customer satisfaction scale, it was .97.

Insert Tables 5 and 6 about here

Assessment of Inter-rater Agreement for SQ and CS

Before aggregating the service quality and customer satisfaction data to the group level of analysis, interrater agreement was assessed for service quality and for customer satisfaction, using the methodology of James et al. (1984) and Burke et al. (1999). James et al. (1984) developed a procedure using the rwg index to compare the observed response distribution for the scale to a hypothesized null response distribution. The rwg indices should range from 0 to 1. According to the literature, rwg coefficients greater than .70 have been considered an acceptable interrater agreement (Burke et al., 1999). Burke et al. (1999) created a procedure that posits the use of the average deviation indices for assessments of within-group interrater agreement. Agreement analyses considered ADm or ADmd estimates that were less than 1.2 on the 7-point scale as acceptable agreement (Burke & Dunlap, 2000).

Table 7 reports the results of the values obtained for service quality and customer satisfaction. The average rwg index based on a uniform null distribution obtained for customer data in the 71 branches was .955 for service quality and .968 for customer satisfaction. The average ADm index obtained was .66 and .52 for service quality and for customer satisfaction, respectively. Finally, the average ADmd index obtained for the 71 branches was .61 for service quality and .46 for customer satisfaction. According to these

results, both service quality and customer satisfaction show sufficient agreement to justify the aggregation of individual scores on service quality and customers satisfaction to the branch level.

Insert Table 7 about here

Means, Standard Deviations, Reliabilities, and Intercorrelations

Table 8 presents the means, standard deviations, internal consistency reliabilities, and intercorrelations among the main study variables for the group level data obtained from 71 bank branches. As table 8 indicates, all scales exhibited acceptable reliabilities. Alpha reliabilities (Cronbach, 1951) ranged from a minimum of .70 to a maximum of .96. The commonly accepted criteria for research is .70 (Nunally, 1978).

Because hypotheses proposed for this study are directional, one-tailed tests were conducted to calculate the intercorrelations (Chambliss & Dunlap, 1994). As expected, most of the intercorrelations among the OCB dimensions were statistically significant ($p < .01$). Also, the intercorrelation between OCB and COB was .56 ($p < .01$). The relationship between service quality and customer satisfaction was .87 ($p < .01$). Intercorrelations among OCB and COB variables with service quality and customer satisfaction show mixed results. The correlation between overall OCB and service quality, for example, was $r = .19$ ($p = .058$); with customer satisfaction, it was $r = .15$ ($p = .10$). Finally, the correlations between COB and service quality and customer satisfaction were $r = -.03$ (n.s.) and $r = -.07$ (n.s.) respectively.

Insert Table 8 about here

Test of Hypotheses

The proposed hypotheses describe a partial examination of the framework appearing in Figure 2. The results of testing each of the hypotheses are described in this section.

Insert Figure 2 about here

Hypothesis 1

Hypothesis 1 proposed a positive relationship between group level OCB (altruism, courtesy, conscientiousness, sportsmanship, and civic virtue) and customers' perceived service quality and customer satisfaction at the group level of analysis. When only one independent variable exists, R is the simple correlation (Cohen & Cohen, 1983). Therefore, as Table 8 shows, results tend to support a marginally statistically significant ($\dagger p < .10$) relationship between overall OCB and service quality or customer satisfaction. The correlations were $r = .19$ ($p = .058$) and $r = .15$ ($p = .10$) for service quality and for customer satisfaction, respectively. Additionally, I specifically examined each of the OCB dimensions (altruism, courtesy, sportsmanship, conscientiousness, and civic virtue) and its individual relationship to service quality and customer satisfaction. As Table 8 shows, all dimensions but sportsmanship are statistically significant with service quality. The results obtained were: altruism ($r = .21$, $p < .05$), courtesy ($r = .21$, $p < .05$), conscientiousness ($r = .17$, $p < .10$), civic virtue ($r = .16$, $p < .10$), and sportsmanship ($r =$

-.01, ns). For customer satisfaction, courtesy was the only dimension that was statistically significant ($r = .21, p < .05$). For the other dimensions the correlations obtained were: altruism ($r = .13, ns$), sportsmanship ($r = .01, ns$), conscientiousness ($r = .12, ns$), and civic virtue ($r = .12, ns$).

Hypothesis 2

Hypothesis 2 proposed a positive relationship between COB and perceived service quality and customer satisfaction at the group level of analysis. However, contrary to what was expected, no statistically significant relationship exists between COB and service quality or customer satisfaction. The correlations contained in table 8 indicate that hypothesis 2 received no support. The results show a small, non-significant negative relationship between COB and service quality ($r = -.03$) and between COB and customer satisfaction ($r = -.07$)

Hypothesis 3

Hypothesis 3 stated that OCB and COB will additively predict perceived service quality and customer satisfaction at the group level. Table 9 contains the results of the regression analysis for this hypothesis, and these results indicate that hypothesis 3 received no support. As table 9 shows, no significant relationship exists between OCB and COB and service quality ($R^2 = .06, ns$) and customer satisfaction ($R^2 = .06, ns$). A similar analysis was conducted for each OCB dimension, and the results followed a similar pattern.

Insert Table 9 about here

Hypothesis 4

Hypothesis 4 stated that the multiplicative interaction of OCB and COB will predict perceived service quality and customer satisfaction. To conduct the hierarchical regression analysis, OCB was entered into equation in the first step. In the second step, COB was entered into the equation. Finally, in the third step, the interaction term of OCB and COB was entered into the equation. Table 10 indicates no significant relationship between the multiplicative interaction of OCB and COB with service quality ($\Delta R^2 = .02$, ns) or customer satisfaction ($\Delta R^2 = .02$, ns). A similar analysis was conducted for each OCB dimension, and the results followed a similar pattern. The R^2 changes obtained from the hierarchical regressions for each of the OCB dimensions follow: altruism ($\Delta R^2 = .03$), courtesy ($\Delta R^2 = .00$), sportsmanship ($\Delta R^2 = .01$), conscientiousness ($\Delta R^2 = .03$), and civic virtue ($\Delta R^2 = .02$) for service quality as the dependent variable. The results obtained for customer satisfaction follow: altruism ($\Delta R^2 = .05$), courtesy ($\Delta R^2 = .01$), sportsmanship ($\Delta R^2 = .02$), conscientiousness ($\Delta R^2 = .03$), and civic virtue ($\Delta R^2 = .01$).

Insert Table 10 about here

Post-Hoc Analysis

Because, unexpectedly, only hypothesis 1 received mixed support, and hypotheses 2, 3 and 4 were not supported, follow-up analyses were conducted. The previous analyses conducted to test hypotheses 1 to 4 were designed to test a linear relationship among the variables. Therefore, to find out if there were other types of relationships, a test was conducted for non-linear relationship. In addition, an eta analysis (Glass & Hakstian,

1969) to measure the level of association between the variables was conducted. Surprisingly, the level for the overall association (η) between OCB and service quality was .69; between OCB and customer satisfaction, .60; between COB and service quality, .59; and between COB and customer satisfaction, .64. Moreover, according to Glass and Hakstian (1969), the difference of the eta square and the correlation square is a measure of the degree of nonlinearity of a best-fitting line for predicting a dependent variable from an independent variable. Therefore, the results of the relationship of OCB with service quality was .43; of OCB with customer satisfaction, .34; of COB with service quality, .34; and of COB with customer satisfaction, .40. Thus, these results show the possibility of a nonlinear relationship among the variables under study.

Subsequent to examining the etas, a local linear regression (LLR) curve or smoother was added to the scatterplots of the bivariate relationship to examine the underlying form of the nonlinear relationship (Simonoff, 1996; Fan & Marron, 1994). The LLR curves were computed with SPSS Interactive Graphics 10.0 (SPSS, 1999) using the normal kernel (default) and a bandwidth of 3.5. I should note that the bandwidth changes the amount of data included in each calculation of a small part of the smoother. The multiplier can range from 0 to 10; the larger the multiplier, the smoother the curve.

Figure 3 presents the smoother for the relationship between OCB and service quality. The relationship between OCB and customer satisfaction followed a similar pattern of results (Figure 4). Also, Figure 5 presents the smoother for the relationship between COB and service quality. The relationship between COB and customer satisfaction followed a similar pattern of results (Figure 6). Figures 3 and 4 show that as OCB increases, service quality increases, and as OCB increases, customer satisfaction

also increase. However, this growth ceases at a point and remains unchanged. Figures 5 and 6 show the relationship between COB, service quality, and customer satisfaction. The figures also show an inflection point where, as COB increases, customer service evaluation decreases. Further, to test the significance of these relationships, a series of quadratic regression equations was calculated. All results show, however, a non-significant statistical relationship. For instance, results obtained from the OCB and service quality relationship show a ($\Delta R^2 = .02$, ns). The other set of relationships followed the same pattern of results. Although the non-significant results might be due to power issues, the results suggest nonlinearity.

Insert Figures 3, 4, 5, and 6 about here

Summary

Partial support was found for hypothesis 1 and no support was found for hypotheses 2, 3, and 4. Overall OCB, altruism, courtesy, conscientiousness, and civic virtue were significantly related to service quality. Also, overall OCB and courtesy were significantly related with customer satisfaction. Post-hoc analyses consisted of an eta analysis and a local linear regression (LLR) curve, or smoother, added to the scatterplots of the bivariate relationship. These analyses showed a possible nonlinear relationship among the variables under study. A full discussion of the results of testing these four hypotheses and the follow-up analyses is provided in the next chapter.

CHAPTER IV: DISCUSSION

This study sought to relate two service employee behaviors, OCB and COB, to two measures of organizational effectiveness, service quality and customer satisfaction. Results show that at the group level OCBs may lead to better perceptions of service quality; however, OCB relationships with customer satisfaction results were generally not significant. Also, tests of additive and multiplicative effects of OCB and COB in the prediction of customer service evaluations were not supported. Finally, a post-hoc analysis shows a probable nonlinear relationship between the variables under study. This chapter discusses the theoretical implications of the study's findings, presents a follow-up analysis of the findings, and concludes by considering the limitations of the study, future research directions, and the practical implications of the study.

Study Findings

Relationship of OCB to Service Quality

Overall, this research found that, at the group level, OCBs may lead to organizational effectiveness and, specifically, to better customer service evaluations. Altruism ($r = .21, p < .05$), courtesy ($r = .21, p < .05$), conscientiousness ($r = .17, p = .08$), and civic virtue ($r = .16, p = .09$) are OCB dimensions that were modestly related to service quality. Through work group helping behaviors, service employees may communicate and work together to provide better service quality. Through altruism and courtesy, service employees of a bank branch may help each other accomplish their tasks

or help a coworker with a specific problem (e.g., serving or handling a problematic customer). Previous research (e.g., Parasuraman et al., 1990) has also found that cooperation among service employees (teamwork) is important for achieving service quality. Berry and Parasuraman (1991) state that “an interactive community of coworkers who help each other, commiserate, and achieve together is a powerful antidote to service burnout” (p. 162).

Other studies (e.g., Podsakoff et al., 1997; Walz & Niehoff, 1996) also have found that helping behaviors (i.e., altruism and courtesy) tend to have more systematic effects on organizational effectiveness than do other OCB dimensions. Unfortunately, none of the researchers have provided conceptual explanations for these differences. It is possible that the cultural context itself may encourage or discourage certain OCBs (Paine & Organ, 2000). According to Paine and Organ (2000), collectivist cultures may encourage behaviors that benefit the group, such that helping behaviors may be expected among members of the group. Behaviors among group members such as altruism and courtesy are encouraged and well valued not only by in-group members, but also by out-group members (e.g., customers). Mexico is a country that is classified as high on collectivism, with a tight social framework (Hofstede, 1980). Consistent with Paine and Organ’s arguments about the effect of collectivistic cultures on the exhibition of OCBs, helping behaviors may have been more encouraged in the Mexican bank that I studied.

Mexico has been classified as a country with high power distance-- in other words, power in institutions and organizations is not distributed equally. Employees in high power distance cultures may not be encouraged to make suggestions to management or take initiative, because these behaviors may be seen as a challenge to the leader’s

authority (Paine and Organ, 2000). Behaviors such as complaining (which the measure of sportsmanship tapped) may not be encouraged by group members and thus may be at relatively low levels in comparison to behaviors for other OCB dimensions. The results of this study do in fact show that the level of sportsmanship was lower than behaviors associated with other OCB dimensions and varied considerably across bank branches. Notably, the level of sportsmanship obtained in this study was considerably lower than sportsmanship scores for work teams in a low power distance country (i.e., the US). That is, the present mean on the three-item sportsmanship scale (i.e., 4.47) is significantly less than the mean on a similar three-item sportsmanship scale presented in Podsakoff et al. (1997) for manufacturing crews (i.e., 5.09), ($t = 2.59$, $p < .05$).

Another possibility is that sportsmanship and service quality are unrelated since tellers may not complain about job conditions in front of customers. One bank executive explained that although group members may complain about job conditions, the group acts professionally in front of customers and does not show personal dissatisfaction. Additionally, because of the close relationship the group has with the immediate supervisor, the immediate supervisor may listen to complaints that group members have so that the organization can work to resolve them internally, rather than having tellers inappropriately vent in front of customers out of a sense of professional frustration. Given the flat (i.e., rectangular) distribution of bank branch scores on sportsmanship, managerial practices across banks may vary considerably with respect to assisting employees in resolving complaints. Future research could examine the potential moderating effect of these factors on relations between OCB variables and service quality.

Relationship of OCB to Customer Satisfaction

Although OCB relationships with customer satisfaction are in the expected direction, results were generally not significant. Overall OCB was positively related to customer satisfaction, but only the dimension of courtesy was significantly related to customer satisfaction. Previous studies relating employee behaviors and customer satisfaction also have shown mixed results. For instance, while Walz and Niehoff (1996) found a relationship between helping behaviors and customer satisfaction ($r = .62$, $p < .001$), they did not find a relationship between customer satisfaction and sportsmanship or civic virtue. Unfortunately, the researchers did not provide an explanation for these mixed results.

Customer satisfaction compared with service quality refers to evaluations of the bank as a whole, not to the service received. For instance, items measuring service quality included “employees of XYZ are consistently courteous” or “XYZ employees understand your specific needs.” In contrast, items in the customer satisfaction measure included: “I am happy about my decision to use XYZ bank”, “I believe I did the right thing when I used XYZ bank”, and “Overall, I am satisfied with my decision to use XYZ bank.” Although results are in the expected direction, a weak or a non-significant relationship between OCB and four out of five of its dimensions and customer satisfaction may exist because the customer satisfaction measure is primarily and more narrowly based on core or technical aspects (e.g., Gronroos, 1990) of the bank’s services or products (e.g., interest rates or fees charged). Organ (1988) provides support for this interpretation:

OCB is not the end-all and be-all that exclusively determines organizational effectiveness. OCB is worth little if unaccompanied by sound managerial strategy,

the requisite intellectual and motor skills of members, quality services and products, competitive pricing, efficient technologies, and effective systems for motivating in-role excellence and productivity (p.14).

Core or technical aspects of the bank's services or products, not the functional or peripheral elements (e.g., OCB or COB), may be more important aspects of customers' satisfaction ratings. Gronroos (1990) argues that what customers look for in service quality is defined by technical and functional aspects. Technical aspects refer to the characteristics of the services delivered (e.g., interest rates and fees). Particularly in the context of a troubled economy, technical aspects may be what consumers are most conscious of, not functional or peripheral elements. Mexico has been through significant economic turmoil since 1982. In 1982, the bank industry was nationalized by the Mexican government. During these years, Mexico suffered annual inflation rates of 150%, and the Mexican peso was devaluated 650% --from \$20 pesos for \$ 1 US dollar to \$150 pesos for \$1 US dollar. In the beginning of 1990, the Mexican government decided to sell the bank industry again to private investors. However, by the time this process was completed, the Mexican government had to interfere again by creating a special investment fund so that the bank industry would not collapse or go bankrupt. Again in 1994, the Mexican peso suffered a 100% devaluation. As a consequence, interest rates for a loan rose as high as 100% annually; therefore, families had to stop paying mortgages. During 1995, many families lost their houses and cars. As a consequence of these events, the bank industry has lost its credibility, even though the situation has improved since 2000. Therefore, Mexican banking customers may prioritize core or technical aspects of the bank's services or products aspects (e.g., the security of the bank, security of the

deposits, or interest rates) over the functional or peripheral elements (e.g. OCBs) when making customer satisfaction ratings.

If customers were basing judgments of their satisfaction with the bank as a whole on attributes other than helping behaviors, it follows that behaviors such as OCBs of employees should not impact customer satisfaction. Yet, a positive, significant relationship between courtesy and customer satisfaction exists. Therefore, evaluations of the bank as a whole also seem to include some functional or peripheral elements (e.g., helping behaviors) and the technical versus functional or peripheral distinction might not fully account for customer satisfaction results.

Organ (1997) defines courtesy as behavior aimed at avoiding the creation of problems for coworkers. Podsakoff and MacKenzie (1997) posit that employees who display courtesy reduce intergroup conflict and avoid organizational crisis. At the group level, this effect may involve not only behaviors among team members of a specific branch, but also with other functional groups (Podsakoff & MacKenzie, 1997)-- for example, with other groups inside the same branch, with groups of other branches, or with groups at the corporate offices. Therefore, group members displaying courtesy may reduce the number of problems in the organization or bank as a whole. Moreover, Han et al. (1998) argue that in periods of high market turbulence, such as what the Mexican bank industry has been suffering for the last 20 years, interfunctional coordination is an important component to help organizations cope with crisis. Therefore, courtesy may involve behaviors that affect the functioning of the bank as a whole and therefore that affect customer satisfaction with the bank as a whole. Future research, however, is necessary to test this interpretation and to explain why these broader organizational and

customer satisfaction effects may be uniquely disproportionately associated with courtesy.

Relationship of COB to Service Quality and Customer Satisfaction

Contrary to hypothesis 2, no support was found for the relationship between COB and service quality or customer satisfaction. A number of reasons, methodological and theoretical, may explain why this relationship did not emerge.

One reason for the failure to establish a relationship between COB and customer service evaluations may involve the manner in which the independent variable was operationalized. On the COB scale, some items may have described customer oriented behaviors that branch managers or customers do not expect a teller to display-- for example, such items as "Are willing to solve customer problems." According to bank policy, when customers need help solving a specific problem, they should go directly to the branch manager or to a specific service executive who can help them. Because the tellers do not have to handle these problems, other customers spend less time waiting in line. Another item that may not be relevant to the customer oriented behaviors that a teller displays is "frequently allow customers to stay long enough to get to know them." Customers of a bank probably want to complete their transaction as soon as possible, without being interested in personal interaction with a bank teller. Therefore, to rate COB's of tellers, different scale items may be necessary. This scale should be designed to represent fully the behaviors that both the organization and the customers want tellers to display.

Other considerations for the failure to demonstrate a relationship between COB and service quality or customer satisfaction may also exist. A possible reason for the

failure to demonstrate a relationship between COB and customer service evaluations is that to display service employee courtesy/friendliness, physical proximity to customers may be necessary. In Mexico, however, all banks have taken security measures because of the economic and social situation and because of governmental regulations. For instance, the bank where the data were gathered had installed, among other security devices, about a half an inch of glass between tellers and customers. Only a small open space exists so that cash, papers, or forms can be exchanged during the service encounter. Therefore, bank tellers may have difficulty displaying, and customers may have difficulty fully perceiving, any kind of friendly or helpful attitude. For this reason, service evaluations may not be a function of COBs.

What has been going on in the Mexican bank industry since 1982 also may help explain why, for Mexican customers, service quality and customer satisfaction are a function of other variables than COB. COB may not be crucial to Mexican consumers; for example, receiving courteous attention from a teller may not be important as the interest rate the bank is charging. These priorities may be related to what Han et al. (1998) call “market turbulence” (p. 32). In other words, such core variables as cost-benefit considerations may be more important to Mexican customers than how the service is delivered (Schmit & Allscheid, 1995).

Still another possible explanation for the results between COB and service quality or customer satisfaction may be cultural differences in what customers look for in service encounters. For example, Winsted (1997) found cultural differences between United States and Japan that may affect service encounters. For example, whereas friendliness is important in the United States, friendliness may mean impoliteness in Japan, and thus

formality is chosen. Additionally, the research found that in Japan, promptness is an important service factor; that is, in Japan, many customers prefer a service employee who is unfriendly but quick. Therefore, differences across cultures may explain why COB and service quality were not significantly related. Mexicans, in contrast to those other cultures such as the United States, may prefer prompt, quick service over fuller but slower service.

A final approach to explaining a linear relationship between the variables is that interactions between tellers and customers may be classified as highly structured (Pugh, 1997). Customers wait in line, their transactions are processed by the teller, and then the teller processes transactions for the next customer in line. Thus, transactions processed by tellers are usually highly standardized. A bank executive asserts that bank tellers in Mexico mainly perform four tasks: provide balance of accounts, receive deposits, cash checks, and process utilities payments (e.g., telephone and electricity). Therefore, transactions are highly routinized, and the average time of the service encounter is short. Price et al. (1995) discuss how duration, affective content, and spatial proximity perform important roles in the development and the outcome of the service encounter (p. 83). Price et al. classify a customer-bank teller relationship as an encounter with low affect, brief duration, and high social/public distance. Therefore, as with convenience stores, banks may also be settings in which transactions between tellers and customers should be brief. As Sutton and Rafaeli (1988) posit, customers look for rapid and friendly service; however, customers are willing to give up friendly service for rapid service. Moreover, as Schneider and Bowen (1992) argue, customers may have different definitions of good service, and the setting in which the service is rendered may influence customers'

definition of good service. For instance, in a beauty shop, some customers may enter into intimate conversations with the service employee. However, in a bank branch where people wait in line to receive service, customer expectations may only be to receive quick, reliable service. Ostrom and Iacobucci (1995) also found that customers may be willing to trade-off different service requirements. Therefore, although friendliness may be an important service attribute in some service circumstances --such as in the interaction between customers and beauticians-- in a bank service encounter between customers and tellers, friendly front-line personnel may have less or no impact on the way consumers evaluate a service.

In support of this latter explanation, follow-up analyses indicated that a nonlinear relationship may more adequately describe the relationship between several sets of variables. Therefore, a post-hoc analysis was conducted. A discussion of these findings is presented in the next section.

Follow-Up Analysis

The hypotheses presented in this study proposed a linear relationship between the variables; therefore, all statistical analyses conducted in this study were to test for this kind of relationship. However, as mentioned previously, hypothesis 1 received mixed support, and hypotheses 2, 3, and 4 were not supported. A post-hoc analysis suggested non-linear relationships. Even though the non-linear relationships were non-significant, most probably because of statistical power issues, the results are suggestive of nonlinearity.

Figures 3 and 4 show the relationship between OCB and service quality and customer satisfaction. The figures show that as OCB increases, service quality and

customer satisfaction also increase. However, an inflection point exists where, even though OCB increases, customer service evaluations remain unchanged. These results may indicate that OCB raises customer service evaluations only to a certain level. Some plausible explanations for this relationship exist. If high quantity of OCBs are displayed, they may turn out to be for the benefit of personal or group goals rather than for the benefit of the organization. Brief and Motowidlo (1986) called these behaviors dysfunctional behaviors, behaviors that involve helping others to achieve personal goals, but at the expense of the organization. Podsakoff and MacKenzie (1997) assert that helping behaviors may enhance team spirit and cohesiveness. However, if cohesiveness is too high, the group may evolve into a social club in which group members have a good time and look the benefits to the group rather than looking for benefits to the organization. Moreover, in collectivistic cultures such as that in Mexico, employees are expected to act according to the interests of the group (Hofstede, 1991). Therefore, this behavior may promote being more loyal to the group than to the organization. This group loyalty may, turn, negatively impact organization effectiveness.

Another possible reason for controlling and maintaining the amount of OCBs at a certain level is that helping behaviors are displayed at the expense of core or technical work behaviors (Lam, Hui, & Law, 1999). For instance, experienced bank tellers who help inexperienced tellers may neglect their own work activities. Podsakoff and Mackenzie (1994) found a significant negative correlation between OCB and helping behaviors. They speculate that although inexperienced sales agents may increase their outcomes with the help of other sales agents, the decrease in the outcomes of the experienced employees may be greater. In sum, OCB's may help organizational

effectiveness. However, after a certain level, these behaviors may cease to be beneficial or even become detrimental to the organization.

Additionally, Figures 5 and 6 show the relationship among COB, service quality, and customer satisfaction. The figures also show an inflection point where COB no longer helps improve customer service evaluations. Higher COB may even have negative effects on service quality and customer satisfaction.

Although the reason for the negative effects of COB on service quality and customer satisfaction is not clear, several interpretations are viable. Sutton and Rafaeli (1988) found an unexpected negative relationship between employees' display of positive emotions to customers in retail stores. The researchers found that in fast-paced stores with high sales and long lines, there was an implicit agreement that the indication of pleasant feelings was not essential. Being friendly to a customer caused clerks to move slowly and thus cause longer lines. Staying longer in a line caused customers to become irritated. This irritation occurs mainly in such service settings as a convenience store or bank in which transactions between service employees and customers must be brief. The point here is that greater COB does not necessarily result in a more positive service experience. Solomon et al. (1985) argue that the result depends upon the particular requirements of the situation.

Two examples described below explain the negative outcome for service quality and customer satisfaction as a consequence of extremely high customer oriented behaviors. On a recent trip to a first-class international hotel on a nice beach in Mexico, I had the opportunity to talk with one of the service employee supervisors. He explained the rigorous training program through which all hotel employees have to go so that the

hotel can guarantee excellent service. He also explained that the hotel has had to lower the service it delivers to its customers. For instance, hotel service employees who observed a guest approaching the beach used to approach the guest to find out how to help the guest -for example, if the guest might have needed beach towels or an umbrella for protection from the sun. However, the supervisor I spoke to explained that the management found out that guests were not pleased to be constantly approached by the hotel employees, even though the employees approached to help the guests. The hotel found out that guests also need time to be alone to think and to decide what activities they would like to do.

In another instance, I had the opportunity to have dinner in a nice restaurant in Monterrey, Mexico. As soon as my wife and I arrived at the restaurant, we were assigned to a table. We were followed by a group of four waiters, including the restaurant captain. As soon as we were seated, the four waiters stood in front of us and asked immediately what we would like to drink. Even though we wanted to think about it, we felt the pressure to order a drink immediately. During the process of reading the menu, ordering, eating, and talking after dinner, we were always observed by a waiter who stood close by to be available if we needed something. Even though this situation may represent excellent service, we felt uncomfortable because of the constant attention. For instance, we checked the time it took for the waiter pick up the empty plates after we finished our meal, and the approximate time was 30 seconds. In sum, the excessive customer oriented behaviors of the waiters became something negative instead of something pleasant or positive. These examples may help to demonstrate that although customers are willing to receive excellent service from employees, more is not always better.

Limitations of the Study, Future Research Directions, and Practical Implications

This section describes the main limitations of the study and provides some possible methodological explanations for the pattern of results obtained. First, results showed that relationship between OCB and service quality and customer satisfaction was in the predicted direction; however, the sample size may not have been large enough for this relationship to reach the level of statistical significance. The sample size for this study was calculated estimating an effect size of .30. However, most of the effect sizes obtained for this study were lower than or around .20. Consequently, a larger sample size may be required to reach statistical significance. According to the power tables, to get a correlation that will be significant at the 5% value with an effect size around .20, and have the minimum accepted power level of .60, the necessary sample size is 121 bank branches.

Second, branch managers were not accustomed to rating service employees at the group level. Typically, managers rate their employees at the individual level; however, for this study, branch managers were asked to rate tellers as a group. Additionally, the branch manager rating may be influenced by such variables as experience or tenure in a management position (Borman, White, & Dorsey, 1995). Moreover, the weak results and nonsignificant findings may also be related to the methods and personalities of branch managers. The study did not use the tellers' self-ratings because they would have a tendency to be biased positively towards themselves (Schnake, 1991). However, ratings from supervisors may have other limitations. For example, such tendencies of branch managers as leniency or strictness may distort the actual differences in teller OCB and COB between branches and thus confound survey results.

Third, the branch managers may not have been the best people to rate tellers because the managers may not have been close enough to the tellers to evaluate their performance. The branch managers in this study had direct or indirect responsibility for all branch employees from service or account executives to security. Therefore, branch managers may have lacked opportunities to observe specifically their tellers' daily performance. Moreover, the branch manager was not the immediate teller supervisor; a teller supervisor was in charge of controlling the tellers' work. This person may be better qualified to rate tellers' behavior. Future researchers, however, need to remember that the teller supervisor may him or herself perform as a teller. Therefore, teller supervisors would also be rating their own behavior, a situation that may lead to other biases such as inflating their rating to enhance the evaluation (Steel & Ovalle, 1984). As discussed above, one option for measuring OCB is to use a self-evaluation. A self-evaluation process, however, also has its limitations. For instance, participants may be biased in the assessments of their performance. Participants may tend to inflate their ratings of their group's performance either because they believe they have performed well, or because the participants might believe they must have a high evaluation to defend a low evaluation from external sources.

Therefore, one challenge for future research lies in addressing the methodological issues raised above. Additionally, the way COB was operationalized in this study may not be the best measure for a bank environment in which the relations between customers and tellers are highly structured. Therefore, for future research, new COB items should be developed to investigate specifically what behaviors customers expect from a teller. The last limitation of the study results from the cross-sectional nature of the data obtained.

Because the data were gathered at one point in time, determining causality between the variables is difficult. Moreover, because the data are cross-sectional, they are only capable of exposing a net effect of OCB's and COB's at a specific point in time. Therefore, it is possible that even though COB's do not have a significant effect in the short run, they may have consequences in the long run. Thus, for future research, longitudinal studies will have advantages over cross-sectional data.

Additionally, future research must explore the nonlinear relationship among the variables. For instance, future research should attempt to determine the point of inflection for OCB. In other words, it may be interesting to find out up to what point a manager should promote OCB among his/her employees in order to obtain better customer service evaluations. Another interesting follow-up would be finding the point where COB begins to have a negative effect on service quality and customer satisfaction. It also might be important for further research to identify other forms of OCB and COB behaviors and their effects. These behaviors can be sales or non-sales related.

Although this study obtained only partial support for one of the hypotheses, it may still have practical implications. First, managers must be aware that OCB's at the group level are related to service quality. In other words, OCB's may translate into improved service perceptions. Additionally, observing the smoothers of the bivariate relationship suggests nonlinear relationships among study variables. Therefore, managers must be cautious about the degree of customer oriented behaviors they enforce among service employees. To determine the amount of COB's customers like to receive, organizations must generate a market intelligence system. Through market intelligence, organizations can gather information relating to current and future customer needs (Kholi

& Jaworski, 1990). In this way, managers can monitor the variables of service quality and customer satisfaction and may conclude that they need to increase or perhaps even decrease COB's.

In summary, this study attempted to merge organizational behavior and marketing literature variables by studying relationships among OCB, COB, service quality, and customer satisfaction constructs. Although strong conclusions about the veracity of the hypotheses cannot be reached, results from a post-hoc analysis suggest nonlinearity and are worthy of additional study. If further research establishes a non-linear relationship between the variables, results from this study may provide the foundations of important theoretical contributions to both organizational and marketing fields.

TABLES

Table 1. Conceptual Differences between Quality and Satisfaction

Comparison Dimension	Quality	Satisfaction
Experience dependency	None required; can be externally or vicariously mediated	Required
Attributes/dimensions	Specific to characteristics defining quality for product or service	Potentially all attributes or dimensions of product or service
Expectations/standard	Ideals, excellence	Predictions, norms, needs
Cognitive/affective	Primarily cognitive	Cognitive and affective
Conceptual antecedents	External cues (e.g. price, reputation)	Conceptual determinants (e.g. equity, affect)
Temporal focus (short-term versus long-term)	Primarily long-term (overall or summary)	Primarily short-term (transaction- or encounter-specific)

Source: Oliver, R. L. (1997). Satisfaction: A behavioral perspective on the consumer. New York, McGraw-Hill, p.177.

Table 2: Factor Loadings (rotated solution) for OCB (5-factor)

Variables	1	2	3	4	5
1. Stay informed about developments in the company (CV)	.74	.08	.08	.17	.00
2. Attend and participate in meeting regarding the company (CV)	.74	.32	.22	.12	-.05
3. Demonstrate concerns about the image of the company (C)	.65	.09	.24	.26	.16
4. Help each other to be more productive (A)	.63	.41	.13	.18	.27
5. Help each other when they have heavy work loads (A)	.59	.47	.17	.05	.06
6. Share personal property with others if necessary to help them with their work (A)	.58	.27	.05	.06	.25
7. Always do more than they are required to do (A)	.57	.28	-.03	.24	.25
8. Offer suggestions for ways to improve operations (CV)	.53	.37	.26	.11	.18
9. Help orient new people even though it is not required (A)	.44	.42	.19	-.07	.30
10. Look for other work to do when finished with their assigned work (A)	.42	.30	.05	.00	.36
11. Do not complain about their work assignments (C)	.39	.34	.11	.36	.17
12. Have attendance at work that is above the average (CON)	.08	.72	.02	.02	.21
13. Help each other when they have been absent (A)	.55	.65	.14	.08	.10
14. Never abuse their rights and privileges (C)	.27	.64	.32	.04	.10
15. Maintain a clean workplace (CON)	.25	.56	.27	.29	.25
16. Always treats company property with care (C)	.28	.54	.21	.14	.18
17. Give advance notice when they are unable to come to work (CON)	.35	.50	-.07	.12	-.09
18. Always follows the rules of the company and the department (C)	.37	.48	-.07	.32	.02
19. Are always on time (CON)	.37	.40	.05	.18	.09
20. Express resentment with any changes introduced by management (S) (R)	.11	.00	.80	-.02	-.03
21. Complain a lot about trivial matters (S) (R)	.11	.04	.69	.21	-.16
22. Try to avoid creating problems for each other (C)	.44	.35	.51	.09	.25
23. Think only about their work problems, not others (S) (R)	.11	.06	.49	-.08	.16
24. Always find fault with what the organization is doing (S) (R)	.30	.16	.45	.09	-.38
25. Pay no attention to announcements, messages, or printed material that provide information about the company (S) (R)	-.07	.11	.38	.23	.18
26. Consult with me or other people who might be affected by their actions or decisions (C)	.09	.00	.15	.81	.00
27. Inform me before taking any important actions (C)	.23	.14	.05	.79	.04
28. Always complete their work on time (C)	.11	.37	-.18	.41	.18
29. Are able to tolerate occasional inconveniences when they arise (C)	.23	.11	.21	.32	.21
30. Consider the effects of their actions on coworkers (C)	.34	.31	.33	.04	.62
31. Try to make the best of the situation, even when there are problems (C)	.15	.16	-.14	.27	.57
32. Respect the rights and privileges of others (C)	.44	.27	.28	.06	.50
Eigenvalue					
Unrotated solution	11.00	2.05	1.64	1.20	.96
Rotated Solution	5.40	4.30	2.78	2.36	2.00
Percentage of Variance explained					
Unrotated solution	34.40	6.40	5.12	3.74	3.00
Rotated solution	16.88	13.40	8.70	7.39	6.26

R= Reverse Score, A= Altruism, C= Courtesy, S= Sportsmanship, CON= Conscientiousness, CV= Civic Virtue

Items used for each scale appear in bold lettering

Table 3 : Factor Loadings (rotated solution) for OCB

Variables	Civic Virtue	Courtesy	Sports Manship	Altruism	Conscien- tiousness
1. Attend and participate in meetings Regarding the company (CV)	.78	.19	.17	.29	.20
2. Stayed inform about developments in the Company (CV)	.75	.11	.14	.23	.04
3. Offer suggestions for ways to improve Operations (CV)	.68	.29	.12	.07	.34
4. Respect the rights and privileges of others (C)	.25	.85	.09	.21	.12
5. Consider the effects of their actions on Coworkers (C)	.14	.83	.14	.13	.26
6. Try to avoid creating problems for each Other (C)	.28	.51	.39	.20	.34
7. Complain a lot about trivial matters (S) (R)	.05	.04	.78	.03	.12
8. Express resentment with any changes Introduced by management (S) (R)	.07	.19	.77	-.05	.01
9. Always find fault with what the Organization is doing (S) (R)	.18	-.03	.59	.27	.03
10. Help each other when they have heavy Work loads (A)	.32	.22	.18	.78	.22
11. Help each other when they have been Absent (A)	.38	.28	.08	.63	.44
12. Help each other to be more productive (A)	.42	.33	.12	.45	.33
13. Maintain a clean workplace (CON)	.19	.20	.18	.18	.82
14. Have attendance at work that is above the Average (CON)	.13	.33	-.05	.27	.39
15. Are always on time (CON)	.29	.24	.02	.29	.38
Eigenvalue					
Unrotated solution	6.42	1.43	1.01	.65	.46
Rotated Solution	2.40	2.29	1.88	1.71	1.70
Percentage of Variance explained					
Unrotated solution	42.79	9.50	6.76	4.35	3.08
Rotated solution	15.98	15.26	12.55	11.37	11.33

Note: R= Reverse Score, A= Altruism, C= Courtesy, S= Sportsmanship, CON= Conscientiousness, CV= Civic Virtue

Items used for each scale appear in bold lettering

Table 4: Factor Loadings for Customer Oriented Behaviors (COB) (1 factor)

Variables	Factor
1. Always have a friendly, helpful attitude toward customers	.70
2. Treat customers with the respect they deserve	.64
3. Often give the customer their full attention	.64
4. Frequently allow customers to stay long enough to get to know them	.45
5. Are willing to solve customer problems	.90
6. Are willing to handle special requests or problems	.82
Eigenvalue	2.98
Percentage of Variance Explained	49.74

Table 5: Factor Loadings for Service Quality (1 factor)

Variables	Factor
1. Employees of XYZ can answer your questions	.80
2. Employees of XYZ are consistently courteous	.76
3. XYZ employees understand your specific needs	.74
4. XYZ performs the service right the first time	.73
5. Employees of XYZ are never too busy to respond to your requests	.72
6. When you have a problem, XYZ shows a sincere interest in solving it	.66
7. Employees of XYZ give you prompt service	.62
8. XYZ's physical facilities are visually appealing	.55
9. XYZ has modern looking equipment	.49
10. XYZ has operating hours convenient to all its customers	.38
Eigenvalue	4.32
Percentage of Variance Explained	43.16

Table 6: Factor Loadings for Customer Satisfaction (1 factor)

Variables	Factor
1. I am happy about my decision to use XYZ bank	.97
2. I believe I did the right thing when I used XYZ bank	.95
3. Overall, I am satisfied with my decision to use XYZ bank	.91
Eigenvalue	2.66
Percentage of Variance Explained	88.64

Table 7: r_{wg}, AD_m, and AD_{md} for Service Quality and Customer Satisfaction

Variable	r _{wg}	range	AD _m	range	AD _{md}	range
Service Quality	.955	.620 - .999	.66	.05 - 1.33	.61	.11 - 1.19
Customer Satisfaction	.968	.754 - 1.0	.52	0 - 1.26	.46	0 - 1.13

Table 8: Means, Standard Deviations, Reliabilities, and Intercorrelations for Study Variables^{a,b,c,d}

Variable	<u>M</u>	<u>SD</u>	1	2	3	4	5	6	7	8	9
1. OCB	5.25	.88	(.90)								
2. Altruism	5.57	1.17	.85**	(.88)							
3. Courtesy	5.27	1.13	.80**	.63**	(.87)						
4. Sportsmanship	4.47	1.32	.59**	.29*	.34**	(.76)					
5. Conscientiousness	5.47	.99	.76**	.67**	.59**	.20*	(.70)				
6. Civic Virtue	5.46	1.24	.80**	.68**	.53**	.30**	.52**	(.86)			
7. COB	5.08	.93	.56**	.51**	.56**	.22*	.41**	.45**	(.85)		
8. Service Quality	6.25	.35	.19†	.21*	.21*	-.01	.17†	.16†	-.03	(.87)	
9. Customer Sat.	6.49	.33	.15†	.13	.21*	.01	.12	.12	-.07	.87**	(.96)

† $p < .10$; * $p < .05$; ** $p < .01$

^a One-tail test

^b Alpha coefficients are reported in parentheses on the diagonal

^c All variables range from 1 to 7

^d $N = 71$ branches

Table 9: Regressions Results for Hypothesis 3^a

Predictor Variables	Criterion Variables:					
	Service Quality			Customer Satisfaction		
	β	R ²	ΔR^2	β	R ²	ΔR^2
Step 1: OCB	.30	.04		.28	.02	
Step 2 : COB	-.20	.06	.02	-.23	.06	.04

^a N = 71 branches

Table 10: Regressions Results for Hypothesis 4^a

Predictor Variables	Criterion Variables:					
	Service Quality			Customer Satisfaction		
	β	R^2	ΔR^2	β	R^2	ΔR^2
Step 1: OCB	.83	.04		.15	.02	
Step 2: COB	.44	.06	.02	-.23	.06	.04
Step 3: OCB*COB	-1.04	.08	.02	-1.11	.08	.02

^a N = 71 branches

FIGURES

Figure 1: Theoretical Framework

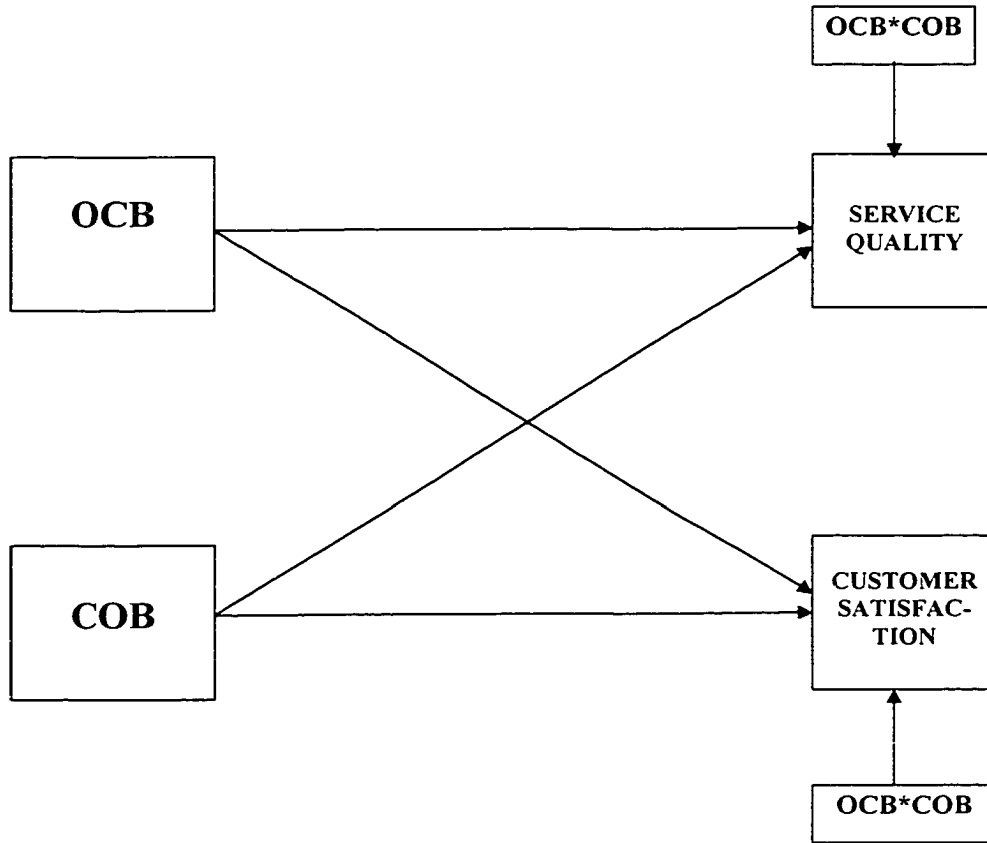


Figure 2: Results of the Proposed Theoretical Framework

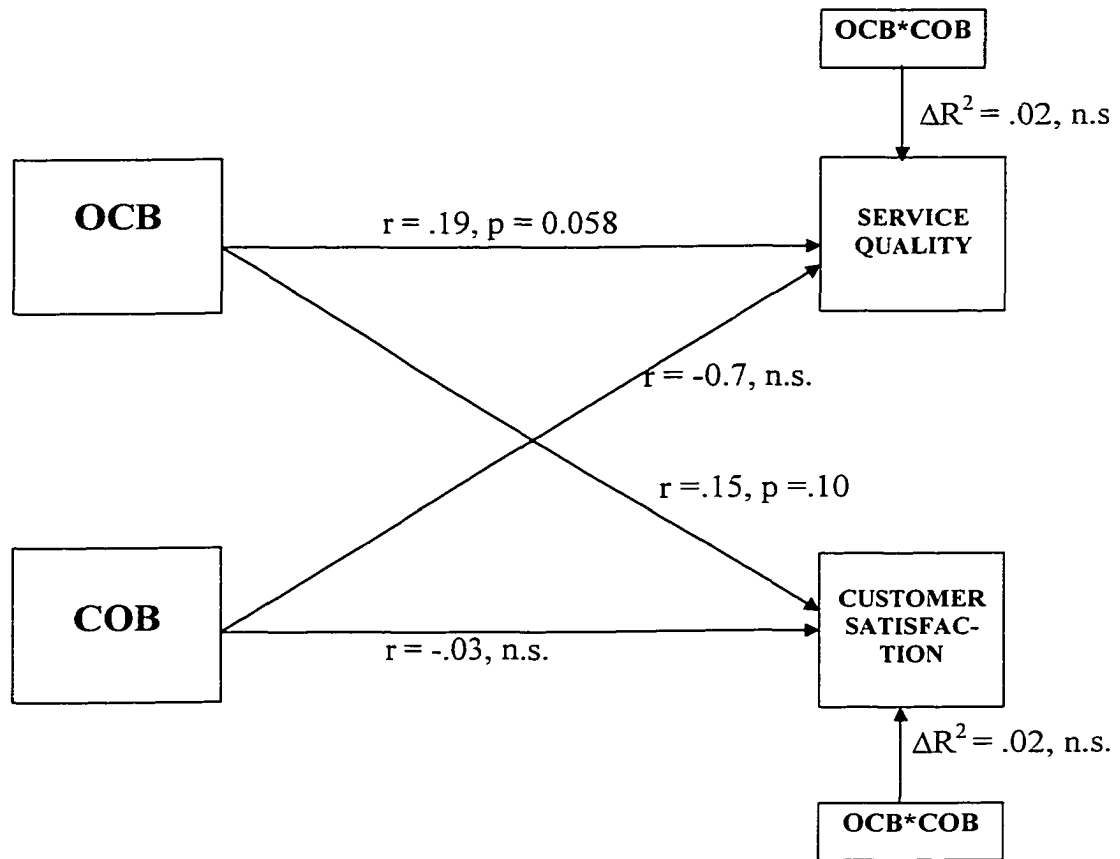


Figure 3: Local Linear Regression Curve for the OCB/SQ Relationship

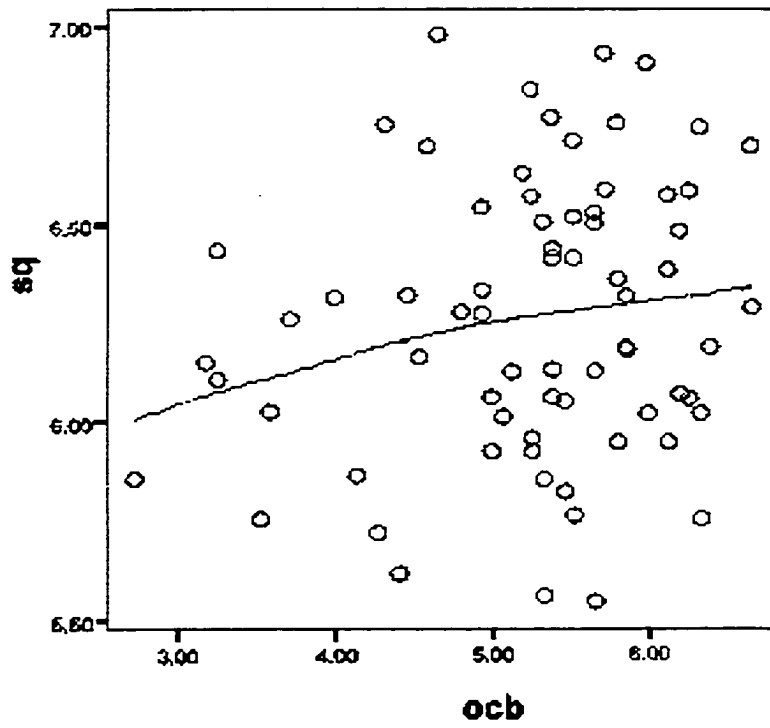


Figure 4: Local Lineal Regression Curve for the OCB/CS Relationship

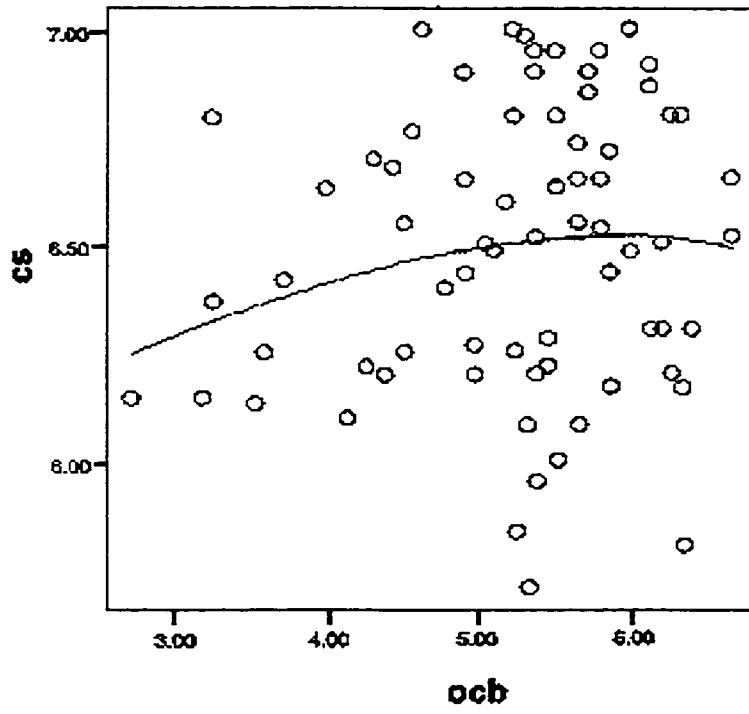


Figure 5: Local Linear Regression Curve for the COB/SQ Relationship

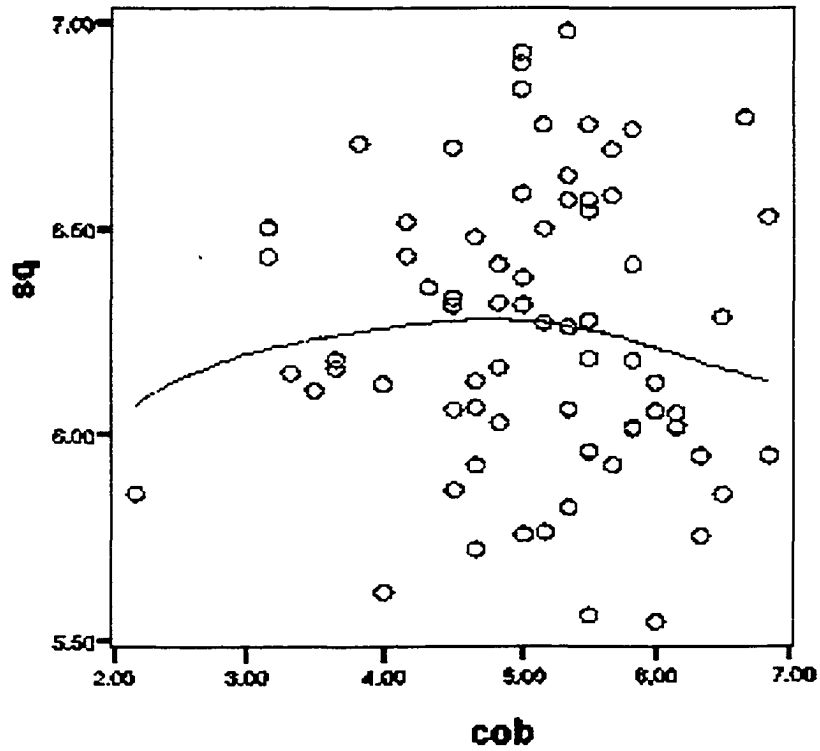
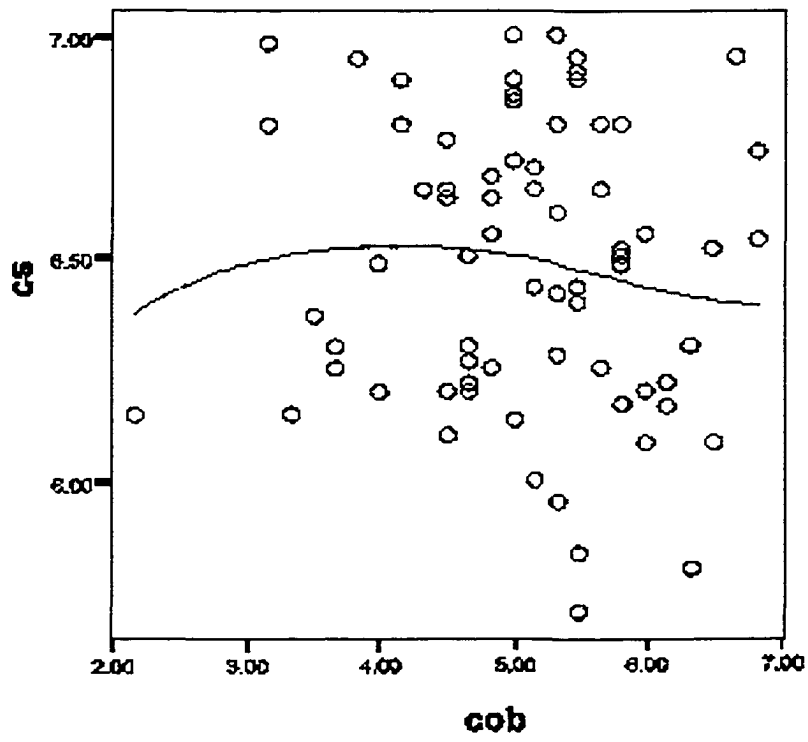


Figure 6: Local Linear Regression Curve for the COB/CS Relationship



APPENDICES

Appendix A: Consent Form for Branch Managers

I have been informed that this study will involve completing a questionnaire designed to study if discretionary behaviors and customer orientation have a relationship with service quality and customer satisfaction.

I understand that my participation in this study is voluntary, and that I may decide at any time to stop participating.

I hereby give my consent to participate as a respondent.

Participant's Signature

Date

Please, return this consent form with your questionnaires in the enclosed envelope

Appendix B: Branch Manager Questionnaire

Instructions: Please indicate how much you agree with each of the following statements by circling the single best response below. Your answer must represent, on average, the behaviors that your tellers display as a group.

	1 Strongly disagree	2 Disagree	3 Slightly disagree	4 Neither agree nor disagree	5 Slightly agree	6 Agree	7 Strongly agree	
1	2	3	4	5	6	7		Always do more than they are required to do
1	2	3	4	5	6	7		Are always on time
1	2	3	4	5	6	7		Maintain a clean workplace
1	2	3	4	5	6	7		Always complete their work on time
1	2	3	4	5	6	7		Look for other work to do when finished with their assigned work
1	2	3	4	5	6	7		Have attendance at work that is above the average
1	2	3	4	5	6	7		Give advance notice when they are unable to come to work
1	2	3	4	5	6	7		Always follows the rules of the company and the department
1	2	3	4	5	6	7		Never abuse their rights and privileges
1	2	3	4	5	6	7		Always treats company property with care
1	2	3	4	5	6	7		Help each other when they have been absent
1	2	3	4	5	6	7		Help each other when they have heavy work loads
1	2	3	4	5	6	7		Help orient new people even though is not required
1	2	3	4	5	6	7		Share personal property with others if necessary to help them with their work
1	2	3	4	5	6	7		Help each other to be more productive
1	2	3	4	5	6	7		Do not complain about their work assignments
1	2	3	4	5	6	7		Always find fault with what the organization is doing
1	2	3	4	5	6	7		Try to make the best of the situation, even when there are problems
1	2	3	4	5	6	7		Complain a lot about trivial matters
1	2	3	4	5	6	7		Express resentment with any changes introduced by management
1	2	3	4	5	6	7		Are able to tolerate occasional inconveniences when they arise

	1	2	3	4	5	6	7	
	Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree	
1	2	3	4	5	6	7		Inform me before taking any important actions
1	2	3	4	5	6	7		Consult me or other people who might be affected by Their actions or decisions
1	2	3	4	5	6	7		Respect the rights and privileges of others
1	2	3	4	5	6	7		Consider the effects of their actions on coworkers
1	2	3	4	5	6	7		Try to avoid creating problems for each other
1	2	3	4	5	6	7		Think only about their work problems, not others
1	2	3	4	5	6	7		Demonstrate concerns about the image of the company
1	2	3	4	5	6	7		Attend and participate in meetings regarding the company
1	2	3	4	5	6	7		Stay informed about developments in the company
1	2	3	4	5	6	7		Offer suggestions for ways to improve operations
1	2	3	4	5	6	7		Pay no attention to announcements, messages, or printed material that provide information about the company
1	2	3	4	5	6	7		Always have a friendly, helpful attitude toward customers
1	2	3	4	5	6	7		Treat customers with the respect they deserve
1	2	3	4	5	6	7		Often give the customer their full attention
1	2	3	4	5	6	7		Frequently allow customers to stay long enough to get to know them
1	2	3	4	5	6	7		Are willing to solve customer problems
1	2	3	4	5	6	7		Are willing to handle special requests or problems

Finally, I will ask you to provide demographic information describing each group member:

Employee 1

Average Age (check one): 20 – 29 30 - 39 40 - 49 50 and over

Average tenure in this position: under 1 year 1 - 5 years 6 - 10 years 10 and over

Employee status: Full Time Part Time

Employee 2

Average Age (check one):
 20 – 29 30 - 39 40 - 49 50 and over

Average tenure in this position:
 under 1 year 1 - 5 years 6 - 10 years 10 and over

Employee status:
 Full Time Part Time

Employee 3

Average Age (check one):
 20 – 29 30 - 39 40 - 49 50 and over

Average tenure in this position:
 under 1 year 1 - 5 years 6 - 10 years 10 and over

Employee status:
 Full Time Part Time

Employee 4

Average Age (check one):
 20 – 29 30 - 39 40 - 49 50 and over

Average tenure in this position:
 under 1 year 1 - 5 years 6 - 10 years 10 and over

Employee status:
 Full Time Part Time

Branch: _____
 Location: _____
 Branch size: _____

Appendix C: Customer Questionnaire

DATE:

		00
--	--	----

 GENDER M F SURVEY NO.:

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Branch Code (BC): _____

Good _____ (morning or afternoon), my name is _____. We are conducting research with the support of XYZ Bank any, in an attempt to understand the customer service process. We would appreciate your help in answering about 20 questions that will take about five minutes. Do you wish to continue and respond to questions about XYZ Bank's service?

CONTACTS (Use for persons who denied answering the survey).

GENDER	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
M														
F														
APPROXIMATE AGE														
- 20														
20-29														
30-39														
40-49														
50 +														
SUM MALE () SUM FEMALE ()														
SUM: UNDER 20 () 20 - 29 () 30 - 39 () 40 - 49 () 50 OR OVER ()														

Instructions: The following set of statements relates to your feelings XYZ Bank. For each statement, please indicate the extent to which you believe XYZ Bank has the feature described by the statement on a scale from 1 to 7. 1 means that you strongly disagree that XYZ Bank has that feature, and 7 means that you strongly agree. You may indicate any of the numbers in the middle that describe your feelings. There are not right or wrong answers, all we are interested in is the number that best shows your perceptions of XYZ Bank.

	1	2	3	4	5	6	7	
	Strongly disagree	Disagree	Slightly disagree	Neither agree nor disagree	Slightly agree	Agree	Strongly agree	
1	2	3	4	5	6	7		XYZ Bank has modern looking equipment
1	2	3	4	5	6	7		XYZ Bank has physical facilities are visually appealing
1	2	3	4	5	6	7		When you have a problem, XYZ Bank shows a sincere interest in solving it
1	2	3	4	5	6	7		XYZ Bank performs the service right the first time
1	2	3	4	5	6	7		Employees of XYZ Bank give you prompt service
1	2	3	4	5	6	7		Employees of XYZ Bank are never to busy to respond to your request
1	2	3	4	5	6	7		Employees of XYZ Bank are consistently courteous
1	2	3	4	5	6	7		Employees of XYZ Bank can answer your questions
1	2	3	4	5	6	7		XYZ Bank employees understand your specific needs
1	2	3	4	5	6	7		XYZ Bank has operating hours convenient to all its customers

Instructions: Read and record (overall customer satisfaction). Using the same scale, tell me the extent to which you agree or disagree with these questions.

- | | | | | | | | |
|---|---|---|---|---|---|---|--|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | I am happy about my decision to use XYZ Bank |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | I believe I did the right thing when I used XYZ Bank |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | Overall, I am satisfied with my decision to use XYZ Bank |

IMPORTANT

The following section must be answered after having respond to the questions above.

Would you please tell me your age: _____	Which was your last academic degree?	How long had you been a XYZ Bank customer?
What is your name? _____	<input type="radio"/> Elementary	<input type="radio"/> Under 1 year
	<input type="radio"/> Junior High	<input type="radio"/> 1 - 5 years
	<input type="radio"/> High School	<input type="radio"/> 6 - 10 years
To verify that I did my work well would you please give me your phone number?	<input type="radio"/> Some College	<input type="radio"/> 10 years or over
Phone number: _____	<input type="radio"/> Completed College	
	<input type="radio"/> Some Graduate School	
	<input type="radio"/> Completed Graduate School	

Time at which the application of this survey was finished: _____ (Use a 24 hrs scheme).

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BIOGRAPHY

Cesar J. Sepulveda-Martinez was born in Monterrey, Mexico on November 7, 1958. He received his bachelor's degree in Marketing at Tecnologico de Monterrey in December, 1978. He also obtained a master's degree in Business Administration at the University of Notre Dame in May, 1984. Mr. Sepulveda has been a professor at the Marketing department at Tecnologico de Monterrey since 1984, teaching undergraduate and graduate classes in the areas of marketing, sales, marketing research, and services marketing. He was director of the Undergraduate Marketing Program from 1997 through 2001. Mr. Sepulveda currently serves as the Chairman of the Marketing Department at the Tecnologico de Monterrey. Mr. Sepulveda has taught as visiting professor in countries such as Belgium, Honduras, Ecuador, Peru, Bolivia, and United States, and has worked as a consultant for companies in Mexico and Panama.