

Service Performance: An Outcome of Employee Commitment and Efficacy across Organizations

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Abstract

Employee commitment refers to an employee's emotional attachment with an organization, while as self efficacy refers to belief in one's abilities for successful accomplishment of a given task. Employee commitment and Self efficacy have been significant employee job attitudes leading to positive job outcomes. Organizations tend to enhance favourable job attitudes and outcomes for the achievement of individual and organizational objectives and goals leading growth and development. The current study would be about impact of job attitudes like Eland SE of employees on employee service performance. The study being conducted across service sector of Jammu and Kashmir, India.

Keywords: Employee commitment, employee self efficacy and employee service performance.

Introduction

Employee commitment refers to an employee's emotional attachment with an organization. Employee commitment comprises of affective, continuance and normative components. Affective commitment is based on emotions that bind an employee to an organization, continuance commitment refers to the binding based on costs and benefits approach for leaving an organization, while as normative commitment refers to the binding based on feeling of obligation perceived by an employee towards an organization (Boehman, 2006; Canipe, 2006; Meyer and Allen, 1991).

Self efficacy refers to belief in one's abilities for successful accomplishment of a given task (Bandura, 1986). Self efficacy is characterized by self control, resilience, effective problem solving in difficult times (Bandura, 1986; Stajkovic & Luthans, 1998). Self officious employees respond to organizational changes like change in techniques, procedures, processes for accomplishing tasks with firm effort and self belief. Task commitment, performance is influenced by self efficacy (Bandura, 1986; Hackett and Betz, 1989).

Service Performance, refers to the goal directed behaviour of employees set by an organization like superior service delivery, customer satisfaction, customer retention, etc (Campbell et al., 1993) and include performing in-role tasks (mentioned in job contract), out-role tasks (outside job contract) like helping co-workers, showing courtesy to customers, etc (Carlzon, 1987; Zemke and Schaaf, 1989). Service performance comprises of individual as well as organizational performance. Individual performance include outcomes like work performance, rate of turnover, absenteeism rate etc, while as organizational outcomes service quality, productivity, image etc (Dyer and Reeves, 1995). Individual performance behaviours could be service oriented organizational citizenship behaviours, job oriented.

Review of Literature

Employee commitment has been well probed construct in management literature. Research studies explored different facets of EC ranging from antecedents, consequences, components of

ECetc. Research study by G. L. Wang, Y. J. Lee and C. C. Ho, 2012 was conducted in insurance sector in Taiwan. The study examined the relationship between job satisfaction, organizational commitment, turnover intentions and organizational performance. The results were in favour of positive relationship among these variables. That is, job satisfaction, Employee commitment enhances organizational performance. Research study by B. H. Lee and M. Jamil, 2003 in an international insurance company examined Employee commitment at individual as well as at group level. At individual level relationship of ECwith job satisfaction and trust were explored. At group level relationship of ECwith role clarity and ambiguity were examined. The results were in favour of significant positive relationship between OC, job satisfaction and trust at individual level as well as between ECand role clarity at group level.

Self efficacy enhances performance of employees by meeting changes and challenges in organizations, environments, work teams, personal life etc. Self efficacy represents the reaction of internal forces like motivation, personality traits, to external demands or suppressive measures present in the external environment posing challenge or threat to self esteem, self respect, and confidence. Employees when met with these forces exert internal as well as external efforts in terms of persistence, hard work, resilience, while utilizing scientific tools, techniques from external environment, respectively to overcome challenges and achieve desired results. Employee attitude like job satisfaction shown significant relationship with self efficacy (McDonald and Siegal, 1992) that has an impact on employee performance. Bradley and Roberts (2004) found increase in job satisfaction due to self efficacy. Research study by Cheng Lai et al, 2012 examined the relationship between Self efficacy, Effort, Job performance, Satisfaction and Turnover intention. A sample size of 616 employees from automobile organization of Taiwan form part of the study. The results were in favour of strong influence of self efficacy on job performance of employees.

Service performance has always been the outcome of effective work attitudes, leadership behaviour, organizational policies, culture, relationships, etc. Service performance of employees, results into customer satisfaction, retention, loyalty, positive word of mouth, profitability, etc. Service performance, represents the blend of employee motivation, commitment, effort, etc, and is the reflection of soft skills, technical knowhow, executed by service employees. Frontline employees in service organizations, acts as boundary spanning elements that links an organization with its prospected customers. Service performance, antecedents include employee relationships, management support, rewards, recognition, feedback, communication, trust, employee satisfaction etc that results in consequences like customer loyalty, satisfaction (Reynierse and Harker, 1992). Employee performance in service industry plays critical role while forming customer perceptions of service quality. Performing customer oriented service behaviours in real time would lead to customer satisfaction, retention (Borucki and Burke, 1999; Johnson, 1996). Service performance of employees, when supported by organizational systems and procedures increases customer repurchase intentions, satisfaction, positive, word of mouth (G. C. Saha and Theingi, 2009). Customer centric behaviours, performed by employees, while delivering service, influences customer relationship building. Service organizations, focussing on customer centric processes, have more satisfied customers.

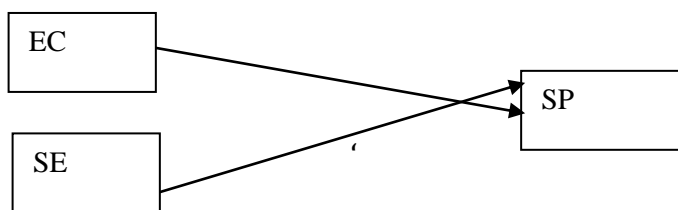
Employee commitment has been linked with various positive outcomes like employee performance (Meyer et al., 2002) and inversely with absenteeism, turnover intentions, etc. Strong positive relationship has been reported between Organizational Commitment and various

human resource management practices like selective hiring, extensive training, employment security, performance based compensation etc (Meyer and Herscovich, 2001). EC has been linked with various workplace behaviours like OCB'S, job satisfaction (Meyer et al., 2002). EC also influences various behavioural and attitudinal outcomes like job performance, satisfaction, turnover, productivity, etc (Meyer, et al., 2002). Committed employees are more hardworking, efficient and perform better (Mowday et al., 1982). EC enhances performance by reducing rate of absenteeism. (Hoy & Miskel, 2001. Therefore, taking above review of literature into consideration, we hypothesize that EC positively influence employee service performance.

H1: EC positively influence employee service performance.

Self efficacy enhances performance of employees by meeting changes and challenges in organizations, environments, work teams, personal life etc. Self efficacy represents the reaction of internal forces like motivation, personality traits, to external demands or suppressive measures present in the external environment posing challenge or threat to self esteem, self respect, and confidence. Employees when met with these forces exert internal as well as external efforts in terms of persistence (Multon, et al., 1991), hard work, resilience (Mento, et al., 1992), while utilizing scientific tools, techniques from external environment, respectively to overcome challenges and achieve desired results. Employee attitude like job satisfaction shown significant relationship with self efficacy (McDonald and Siegall, 1992) that has an impact on employee performance. Research study by Lai et al, 2012 examined the relationship between Self efficacy, Effort, Job performance, Satisfaction and Turnover intention. A sample size of 616 employees from automobile organization of Taiwan form part of the study. The results were in favour of strong influence of self efficacy on job performance of employees. A meta-analytical study of 14 research studies performed by Cherian and Jacob, 2013 examined impact of self efficacy on motivation and performance of employees. The conclusion was in favour of significant impact of self efficacy on employee motivation and performance. After going through above discussion, we therefore hypothesize that SE of employees positively influence employee service performance.

H2: SE of employees positively influence employee service performance.



**EC- Employee Commitment, SE- Self-efficacy and SP- Service Performance.*

Methodology

Data Collection and Sample Size

Data collection and analysis were done in an ethical manner. Confidentiality of data, were maintained for each respondent. A survey was initiated, by distributing Research packets consisting of cover letter, structured Questionnaires, and followed by face to face interviews. A sample of 150 respondents form part of the study. A sample comprises of employees, including

middle management, frontline, lower level as well as customers, were informed about the purpose of research, expected outcome, role of participants etc. Interviews were conducted to overcome constraints like time paucity, hectic work schedule, illiteracy of customers, etc. Demographic information was obtained by placing, demographic variables along –side with structured Questionnaires. A coding method was used to link each direct supervisor with his/her immediate subordinate and each customer with his/her frontline or lower-level employee.

Measures

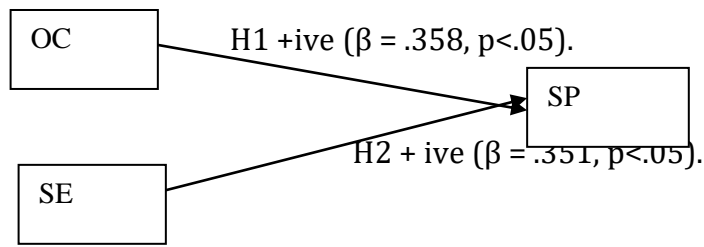
Employee commitment was measured by using Porter et al., (1974) Employee commitment Questionnaire. The scale consists of 9- items. Likert 5-point scale is used to record responses ranging from (1) - strongly disagree to (5) - strongly agree. Reliability and validity has been proved by Porter et al., (1974). The Coefficient of alpha ranges from .82 to .93 in these studies. Coefficient of alpha for the present study is 0 .69.

Self Efficacy was measured by using Ellen Usher, 2005 sources of self efficacy scale. 3 items from each source like mastery experience, vicarious experience, social persuasion and physiological and emotional states. Likert 5- point scale was used to measure responses ranging from 1- strongly disagree to 5- strongly agree. Cronbach alpha for current study is 0.68.

Employee Service Performance is measured by using a composite of scales like empathy and excellent job performance scales with 3 items each based on SERVQUAL empathy scale (Parasuraman, Zeithaml and Berry, 1988) and Service Provider Performance Scale (Price, Arnould and Tierney, 1995). Internal consistencies i.e. Cronbach's alphas were .89 for empathy and .88 for excellent job performance. Items were scored on five point rating scale ranging from 1- completely agree to 5- completely disagree. Global internal consistency of composite of both subscales (i.e. performance) was 0.88. However, for current study, Cronbach alpha was estimated at 0 .74.

Data Analysis and Results

Data were analysed through various techniques in order to test the hypothesized model. The path model depicting the impact of LMX on employee trust and Employee commitments examined through structural equation modelling. SEM enable to test the extent to which variables in the hypothesized model is consistent with the data. The maximum likelihood estimation technique is used to estimate the model as the given technique generates reliable results. Measurement model was first confirmed using factor analysis, and then SEM was performed based on the measurement model to estimate the fit of the hypothesized model to the data. The structural modeling suggest that the hypothesized model fit the data well with χ^2 statistically significant ($\chi^2 = 913.1$, $df = 391$, $p < 0.05$, $RMR = 0.043$, $GFI = 0.831$, $AGFI = 0.787$, $CFI = 0.913$). The goodness-of-fit index (GFI) and the adjusted goodness-of-fit index (AGFI) were 0.812 and 0.778, respectively. The CFI showed a high value of 0.913. Each and every hypothetical relationship of present study is well supported by structural modelling results. The path coefficients for the hypothesized model are shown as below:



*OC- Organizational Commitment, SE- Self-efficacy and SP- Service Performance.

Limitations and Future Research

The current study may be vulnerable to various discrepancies that may include issues like, data collection techniques, geographic reach, etc. Although, data is collected from different companies like banking, insurance and postal sectors. But, lack of representation from other fields like health, tourism, hospitality, education, may limit the scope of application to these sectors of service economy. Future researchers can contribute to the LMX construct by exploring LMX across different sectors of service economy like, hospitality, health, non-banking, travel, utility services, fire services, etc. Also, service organizations operating in different countries should be made part of the research study. The different geographical, cultural, political and demographic factors may influence the results in a different way.

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