# The Effect of Organizational Concern to Service Quality(OCSQ) on Frontline Public Employees' Job Satisfaction, Organization Commitment and Service Recovery Performance

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#### Abstract

This study examines the effect of organizational concern about service quality (OCSQ) on frontline employees' (FLEs') job satisfaction, organization commitment and service recovery performance in the public sector by applying Bagozzi's (1992) reformulation of attitude theory, which till now has been used in private industries. Data were collected from 238 frontline public employees in Gyeongnam Province of Korea. These FLEs completed a self-administered questionnaire on how factors characterizing OCSQ affect their job satisfaction and organizational commitment, and how these job attitudes impact service recovery performance. Data obtained from the FLEs were analyzed using structural equation modeling (SEM). The results revealed a significant influence of OCSQ on job satisfaction and organizational commitment, which in turn affected service recovery performance. The implications of the results and further research directions are discussed in detail.

Key words: public sector, Bagozzi's (1992) attitude theory, service recovery performance, Gyeongnam Province, SEM

## I. Introduction

Frontline employees (FLEs) play crucial roles in service delivery and building relationships with customers (Babakus, Yavas, Karatepe, & Avci, 2003), and their attitudes and behaviors towards

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customers determine customers' perceived service quality and satisfaction (Yoon, Beathy, & Suh, 2001). Given the presence of service failures, the performance of FLEs in dealing with service failure (service recovery performance) has been identified as an important strategic issue in the services literature (Bendall-Lyon & Powers, 2001; Ruyter & Wetzels, 2000). Surprisingly, there is a paucity of research examining this variable and its vital role from a managerial perspective.

Addressing service recovery performance is critical because correctly solving and addressing a customer's dissatisfaction can raise the customer's loyalty to a level than if the initial service had been satisfactory(Magnini, Ford, Markowski, & Honeycutt, 2007; Yanamandram & White, 2006). The services literature also acknowledges the retention of satisfied and committed FLEs as being critical to business success (Alexandrov, Babakus, & Yavas, 2007). This is because employee turnover represents a substantial cost for companies both in tangible and intangible terms, seriously hinders efficient and effective customer service and undermines competitiveness (Alexandrov et al., 2007; Frank, Finnegan, & Taylor, 2004).

The fact that low levels of service recovery performance represent undesirable outcomes for an organization begs the following question: What managerial practices are critical for enhancing the service recovery efforts of FLEs? Past research indicates that managerial practices in the form of organizational concern about service quality (OCSQ) are a critical determinant of FLE behavior in the workplace (Alexandrov et al., 2007; Babakus et al., 2003). Babakus et al. (2003) define OCSQ as 'employees' appraisal of an organization's concern to nurture, develop, support and reward its employees to achieve service excellence.

Against this background, in this study we develop and test a service recovery performance model that is grounded in Bagozzi's (1992) reformulation of attitude theory (appraisal - emotional response - behavior). Specifically we propose that OCSQ generates affective responses of FLEs' job satisfaction (feelings towards the job) and affective organizational commitment (feelings towards the organization), which in turn influence FLEs' perceived service recovery performance. With the exception of Babakus et al. (2003) and Alexandrov et al. (2007), no empirical study has examined the relationship between managerial practices and these job outcomes using Bagozzi's (1992) reformulation of attitude theory. We address this paucity in the literature in several ways. First, we present and test a model examining relationships between OCSQ and job outcomes using Bagozzi's (1992) theoretical framework. We suggest that it is timely to consider the applicability of models examining critical FLE behavioral outcomes to new public management (NPM) settings where service delivery is subject to competitive market forces (Nwankwo & Richardson, 1994). 'Customer sovereignty' is a central facet of NPM practice (Rosenthal & Peccei, 2006). The central features of NPM are captured by Hood (1995) as 'lessening or removing differences between the public and the private sector and shifting the emphasis from process

accountability towards a greater element of accountability in terms of results'.

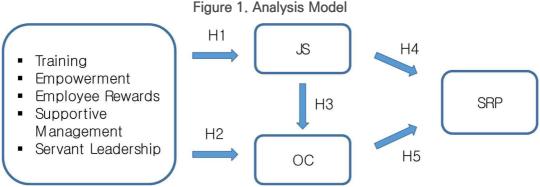
Second, we extend the work of Babakus et al. (2003) by broadening the construct of OCSQ. In a study of retail banks, Babakus et al. (2003) identified three indicators of OCSQ: training, empowerment and rewards/recognition. These were previously identified as well-known human resource practices by Pfeffer (1994). However, our review of the literature reveals additional human resources practices that embody the OCSQ construct. Based on this services literature (Lytle & Timmerman, 2006; Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005) and social support theory (Thoits, 1995), we identify two additional indicators in the form of supportive management and servant leadership. We therefore extend the work of Babakus et al. (2003) by examining a more complete set of relevant indicators of OCSQ and suggest that the joint and simultaneous presence of these variables is critical for significantly impacting the service recovery performance.

Third, we examine the relationship between FLE organizational commitment and service recovery performance, which the extant literature has suggested but which has not yet been validated empirically. Intuitively, FLEs with low organizational commitment will not only provide poor service to customers but could also seriously undermine service recovery, which is essential for customer retention (Alexandrov et al., 2007; Tax & Brown, 1998). However, this relationship has yet to be empirically examined in the services literature.

We begin by discussing the research model used to guide the study and related literature. Specifically, we describe Bagozzi's (1992) reformulation of attitude theory as a general theoretical framework to guide the development of our conceptual model. In doing so, we present hypotheses that relate OCSQ, job satisfaction, organizational commitment, service recovery performance. Second, we outline the approach taken in this study, providing research design such as data collection and measuring tools. Finally, we discuss the key findings with respect to the research question, present some brief concluding suggestions for future study, and give an overview of the study.

# II. Theoretical Review and Hypotheses

Bagozzi's (1992) model links appraisal, emotional response and behavior in a sequential process. An individual appraises past, present and future outcomes which produce particular emotions (affective outcomes) leading to various coping responses (behaviors)hence the sequence of appraisal, emotional reactions and coping responses (Schmit & Allscheid, 1995). We classify human resource management practices that embody OCSQ as appraisal variables. Consistent with Bagozzi (1992), these OCSQ appraisal variables are hypothesized to represent an underlying emotional response or affect towards the organization. Specifically, our conceptual framework (see Figure 1) examines the process through which OCSQ influences FLE job satisfaction (feelings towards the job) and organizational commitment (feelings towards the organization), and the relationship between these job attitudes and important FLE behavioral outcomes (service recovery performance).



Note: 1. Training, empowerment, employee rewards, supportive management, servant leadership pertain to OCSQ.

2. JS=job satisfaction, OC=organizational commitment, SRP=service recovery performance

Table 1 presents the differences between our model and Bagozzi's (1992).

Table 1. Differences between our model and Bagozzi's (1992)

Author	OCSQ	Affective Outcomes	Job Outcomes	
Our Model	-Training -empowerment -employee rewards -supportive management(*) -servant leadership(*)	-job satisfaction -organizational commitment	-service recovery performance	
Bagozzi's ('92) Model	-Training -empowerment -employee rewards	-job satisfaction -organizational commitment	-service recovery performance -turnover intention(*)	
Remarks	It's insufficient for measuring OCSQ. So two factors(*) added	_	In Korea, examination for service in the public sector is severe and preference of it is too much high. So turnover intention is not appropriate for measuring job outcomes in public sector of Korea. Thus one factor(*) eliminated.	

Organizational commitment is defined as the relative strength of a person's identification with

and involvement in an organization (Jaramillo, Mulki, & Marshall, 2005). This definition is consistent with Allen and Meyer's (1990) concept of affective organizational commitment, which refers to the strength of an employee's emotional attachment to an organization. Job satisfaction is defined as 'the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values' (Locke, 1969). Service recovery performance is defined as FLE perceptions of their own abilities and actions to resolve a service failure to the satisfaction of the customer (Babakus et al., 2003). The hypothesized relationships among the study variables are developed in the following paragraphs.

## 1. The relationship between organizational concern about service quality (OCSQ) and affective job outcomes (job satisfaction and organizational commitment)

#### 1) Employee rewards

An important element of service quality is the link between employee compensation/reward and service delivery performance (Liao & Chuang, 2004; Lynn, Lytle, & Bobek, 2000). Rewards are not only important in incentivizing employees to deliver high quality services, but also in motivating them when dealing with customer complaints (Yavas, Karatepe, Avci, & Tekinkus, 2003). The services literature suggests that an organization's reward structure can have a significant impact on employee satisfaction and organizational commitment (Bowen, Gilliland, & Folger, 1999; Lawler, 2000). When FLEs perceive rewards systems and policies as genuine commitments by management, they are more likely to possess high levels of job satisfaction and organizational commitment. By rewarding exemplary service efforts, management is aptly demonstrating its commitment to service quality efforts.

#### 2) Training

In the services literature, it is widely reported that employees who do not possess the requisite job and interpersonal skills fail to provide a high level of service in dealing with customers' complaints (Lytle & Timmerman, 2006; Yavas et al., 2003). The presence of customer service training programs sends a strong signal to FLEs regarding management's commitment to service quality (Babakus et al., 2003). Customer service training has a direct impact on FLE job satisfaction because of its role in developing skills to handle service failures effectively (Babakus et al., 2003; Tax & Brown, 1998). Other studies have also demonstrated that FLEs are more committed to organizations that invest more in customer service training programs (Babakus et al., 2003; Sweetman, 2001).

#### 3) Empowerment

Empowerment refers to the employees'degree of discretion to make daily decisions about activities relating to their work (Lashley, 1995). By empowering FLEs, management is demonstrating its commitment to service quality by giving them the authority and responsibility to deliver excellent service delivery (Bowen & Lawler, 1992; Hartline & Ferrell, 1996). Empowered FLEs have control over their work and how the work is done. They also have a great deal of task autonomy and identity which are desirable job characteristics that improve morale and job satisfaction (Ackfeldt & Wong, 2006; Ugboro & Obeng, 2000). Empowerment also enhances FLE commitment towards the organization by allowing them to make on-the-spot decisions (Iris, 1991). In the services literature, Ellinger, Elmadag and Ellinger (2007) reported a significant relationship between FLE empowerment and both affective states.

#### 4) Supportive management

Supportive management characterizes management concerns and support for employee work and represents the degree to which they create a facilitative climate of support, trust and helpfulness (Hartline, Maxham, & McKee, 2000). As FLEs perceive greater support and authority from management, their effort and their sense of obligation to reciprocate will increase. Singh (2000) for example, found that a supportive management environment builds organizational commitment and job satisfaction, reduces turnover intentions and enhances employee performance.

#### 5) Servant leadership

Servant leadership is a practical philosophy that supports people who choose to serve first, and then lead as a way of expanding service to individuals and institutions (Greenleaf, 1991). Servant-leaders set service standards by their own behavior and management styles (James, 2005) and actively engage in helping, assisting and meeting the needs of employees within the work setting (Lytle & Timmerman, 2006). In the services literature, servant leadership behavior is identified as a critical and integral ingredient necessary for creating and maintaining an effective climate for delivering excellent customer service (Lytle et al., 1998; Schneider et al., 2005). Servant leadership has an impact on FLEs'job satisfaction and organizational commitment because of its role in creating an environment conducive to delivering high quality service and

handling customer complaints effectively. Our hypothesis is that leaders who recognize and accept the importance of service quality will induce higher levels of FLE job satisfaction and increase identification with and involvement in the organization.

In summary, the conceptualization presented in Figure 1 suggests that training, empowerment, employee rewards, supportive management, and servant leadership will send powerful signals to FLEs regarding management commitment to service quality. None of these factors on their own are sufficient to foster job satisfaction and commitment to the organization (Babakus et al., 2003; Boshoff & Allen, 2000). It is the simultaneous implementation of these factors together that makes a significant impact on FLEs' affective states and subsequently on their behavior. In light of the above discussion, we present the following hypotheses:

- H1: There will be a positive relationship between OCSQ (as manifested by training, empowerment, employee rewards, supportive management and servant leadership) and FLE job satisfaction.
- H2: There will be a positive relationship between OCSQ (as manifested by training, empowerment, employee rewards, supportive management and servant leadership) and FLE organizational commitment.

### 2. The relationship between job satisfaction and organizational commitment

Job satisfaction is less stable than organizational commitment and is affected by transitory events (Paulin, Ferguson, & Bergeron, 2006). Numerous researchers have noted that job satisfaction requires multiple satisfactory job experiences to create high organizational commitment (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Researchers in the services literature have generally argued that job satisfaction precedes organizational commitment causally 'because it is more specific, less stable, and more rapidly formed' (MacKenzie, Podsakoff, & Ahearne, 1998). On theoretical grounds, it is contended that job satisfaction precedes organizational commitment, which develops over time (Meyer & Herscovitch, 2001). Support for this relationship in the services literature can be found in the work of Alexandrov et al. (2007), and Jones, Chonko, Rangarajan and Roberts (2007). In light of the above theoretical reasoning and empirical evidence we advance the following hypothesis:

H3: There will be a positive relationship between FLE job satisfaction and organizational commitment.

# 3. Consequences of affective outcomes (job satisfaction and organizational commitment) on service recovery performance

The relationship between job satisfaction and overall job performance has been subject to much empirical study. Although the most frequently cited meta-analyses (Iaffaldano & Muchinsky, 1985) suggest only a weak correlation between the two at best, more recent evidence suggests a much stronger relationship (Judge, Thoresen, Bono, & Patton, 2001; Yousef, 1998). In the services literature, Hartline and Ferrell (1996) and Yoon et al. (2001) reported a significant positive relationship between FLE job satisfaction and customer perceptions of service performance. More recently Babakus et al. (2003) found a significant positive relationship between job satisfaction and service recovery performance suggesting that when FLEs are satisfied in their jobs, they perform at a higher level in dealing with service failure. In light of the literature, we propose the following hypothesis:

H4: There will be a positive relationship between FLE job satisfaction and service recovery performance.

Meyer, Paunonen, Gellatly and Jackson (1989) and Mowday et al. (1979) argue that individuals affectively committed to their organizations perform at a higher level. Meyer and Herscovitch (2001) state 'the mind-set characterizing affective commitment is a desire ... to pursue a course of action of relevance to a target'. In the case of a service failure, the target of desire is the organization the FLE works for, and the course of action is addressing the service failure to the customer's satisfaction. Long-term customer relationships can be built with a longtermcommitted workforce (Boshoff & Allen, 2000). Thus, the organizational commitment of FLEs has an important role to play in determining the level of service quality delivered to customers (Malhotra & Mukherjee, 2004). Two meta-analyses provide evidence of a significant relationship between organizational commitment and job performance (Jaramillo et al., 2005; Meyer et al., 2002). In their meta-analyses, Jaramillo et al. (2005) and Meyer et al. (2002) found affective organizational commitment to be a significant predictor of job performance, with the latter study revealing this relationship to be stronger for FLEs involved in boundary-spanning than in noncustomer- contact roles.

Although the extant literature has largely focused on overall job performance, a few studies have specifically focused on service recovery performance. Boshoffand Allen (2000) for example, found a significant positive relationship between the affective organizational commitment and service recovery performance of banking service FLEs. More recently, Babakus et al. (2003) found a significant relationship between affective organizational commitment and service recovery performance in a study of Turkish banks. In light of the presented evidence, organizational commitment by FLEs should have a significant direct impact on service recovery performance.

H5: There will be a positive relationship between FLE organizational commitment and service recovery performance.

# III. Methodology

#### 1. Data Sampling

The study participants were 326 FLE employees working in local government in Gyeongnam Province of Korea, who received a single questionnaire survey enquiring about OCSQ, job satisfaction, organizational commitment and service recovery performance. In our study, the individual (FLE) is the unit of analysis because our focus is on the affective and behavioral consequences of an organization's commitment to nurture, develop, support and reward its FLEs to achieve service excellence. Because the sample size is over Krejcie & Morgan's (1970) recommended limit for ensuring statistical power, the targeted population's number is considered logical for appraising the study results. Of 326 surveyed, response were received from 238 (73% response rate), all of which were useable and were included in the data analysis.

Prior to the actual collection of data, the requirements prompting the need to collect data have to be fully understood, as well as how and how many survey groups are selected must be identified, in order to ensure the study results can be verified. Data were collected through a written questionnaire hand-delivered to participants, for which the study employed self-reports known to get accurate information about internal states such as attitudes or emotions than any other method(Spector, 2006). Of course, self-reported responses tools are likely to suffer common method variance (Podsakoff et al., 2003). Therefore, studies should try to reduce the common method effects for collecting correct data. 1) In the current study, a pilot study with a few respondents was conducted to review and recommend changes to the questionnaire prior to the main study to reduce question ambiguity. The questionnaire included a few reversed scored items to hinder rater tendencies from falling into patterned responses which are strongly regarded as a

<sup>1)</sup> According to Podsakoff et al. (2003), the arrangement and format of questions on a questionnaire might induce common method effects when questionnaires include ambiguous questions requiring appraiser interpretations or use similar scaling anchors.

provoker of common method effects.

The questions enquired into the participants' socio-demographic characteristics(e.g., gender, age, and years of career experience). The respondents were predominately male(62.2%) with an average age of 38.5 years and an average work experience of 14.8 years, and had held their current position for 3.7 years on average. Gender was dummy-coded, and age was marked as follows: 1 = below 25, 2 = 26 to 35, 3 = 36 to 45, 4= 46 to 55, and 5= over 56, and length of career was marked as follows: 1 = below 5 years, 2 = 6 to 10, 3 = 11 to 15, 4= 16 to 20, and 5= 21 to 25, and 6= over 26. Except for the demographic questions(gender, age, and years of career experience), research participants were asked to respond to survey questions using a 7-point Likert-type scale ranging from 1 = "strongly disagree" to 7 = "strongly agree" depending on the question. Further information on the demographic characteristics is as displayed in Table 2.

	Items	Frequency	Percentage	
Gender	Male	148	62.2	
	Female	90	37.8	
	25 Year Old or Fewer	17	7.0	
	26-35	37	15.5	
Age	36-45	44	18.6	
	46-55	78	32.7	
	56 and Above years	62	26.2	
	Five Years or Fewer	13	5.6	
	6 to 10 Years	43	17.9	
Years of Career	11 to 15 Years	59	24.9	
Experience	16 to 20 Years	65	27.5	
	21 to 25 Years	32	13.1	
	26 Years or More	26	11.0	
Total		238	100	

Table 2. Participants' Demographic Characteristics

#### 2. Instrumentations

In designing the survey instrument, the relevant writings in the services literature were canvassed. Multiple item indicators from this literature were adapted to operationalize the eight study constructs.

Organizational commitment was measured using four items from Mowday et al. (1979). The questions are included as follows: i) I am proud to tell others that I work for XYZ, ii) I find that my values and XYZ's values are very similar, iii) I talk up XYZ to my friends as a great organization to work for, and iv I really care about the future of XYZ.

Job satisfaction was measured with four items from Babin and Boles (1998). Items are: i) My job is very pleasant, ii) I am highly satisfied with my job, iii) I definitely like my job, and iv) My job is very worthwhile.

Employee rewards (three items) and servant leadership (four items) were measured using items from Lytle et al. (1998). Employee rewards items are: i) I receive positive recognition when I excel in serving customers, ii) We have financial incentives for service excellence, and iii) My promotion depends on the quality of service I deliver. On the other hand, servant leadership items are: i) Management regularly communicates the importance of service quality, ii) Management is constantly measuring service quality, iii) Management provides leadership into creating quality service, and iv) Managers show they care about service by constantly giving of themselves.

A four-item empowerment scale was adapted from Hayes (1994). These are: i) I am encouraged to handle customer problems by myself, ii) I do not have to get management's approval before I handle customer problems, iii) I am allowed to do almost anything to solve customer problems, and iv) I have control over how I solve customer problems.

Training(four items) was measured using items from Rogg, Schmidt, Shull and Schmitt (2001). Items are: i) At XYZ, training programs focus on how to improve service quality, ii) At XYZ, sufficient time is allocated for training, iii) At XYZ, training programs are consistently evaluated, and iv) At XYZ, the training is useful.

Supportive management used three items adapted from Bell, Menguc and Stefani (2004). Items are: i) My branch manager is very concerned about the welfare of those under him or her, ii) My branch manager is willing to listen to work-related problems, and iii) My branch manager can be relied on when things get difficult at work.

Finally, service recovery performance was measured with four items from Boshoff and Allen (2000). These are: i) Considering all the things I do, I handle dissatisfied customers quite well, ii) I do not mind dealing with complaining customers, iii) No customer I deal with leaves with problems unresolved, and iv) Satisfying complaining customers is a great thrill to me.

Responses to the questionnaire items were elicited on Likert-type five-point scales ranging from '5=strongly agree' to '1=strongly disagree'. All constructs were deemed reflective constructs since the items reflect the meaning of the construct. Reflective indicators are created under the perspective that they all measurethe same underlying phenomenon (Chin, 1998). Measurement of service recovery performance via a self-report measure is justified on the grounds that FLEs are in the best position to evaluate performance outcomes, and their perceptions typically converge with those of the customers (Schneider & Bowen, 1995; Tax & Brown, 1998).

Following Babakus et al. (2003) and Forrester (2000), we defined and measured OCSQ as a multidimensional construct from an FLE perspective. Historically, OCSQ has been conceptualized and measured from the managers' perspective (Hartline & Ferrell, 1996; Sureschchandar, Rajendran, & Anantharaman, 2002). However, management desires and good intentions mean little unless employees see them as such. Specifically, we used the composite scores of each set of items comprising training, empowerment, rewards, servant leadership and supportive management since the use of composite scores to represent the construct as a partial aggregation model acknowledges its multidimensional nature (Bagozzi & Heatherton, 1994). Strong correlations among training, rewards, servant leadership and supportive management provided empirical justification for treating five of the six measures as indicators of OCSQ. Due to the self-report nature of the survey, method variance is identified as a potential issue. Spector (1987) reported that the most frequently found sources of method variance in self-reports are acquiescence and social desirability bias. The survey instrument was also organized into various sections by separating the independent and dependent variables in an effort to reduce single-source method bias (Podsakoff, Mackenzie, Lee, & Podsakoff, 2003).

## **IV.** Statistical Results

## 1. Reliability Test

Coefficient  $\alpha$  or Cronbach's alpha is widely used to provide a reliable estimate in most situations<sup>2)</sup> hence, this method was used in this study for testing internal consistency. The coefficient alphas for the different constructs computed by statistical software are presented in parentheses on the diagonal in the following table.

<sup>2)</sup> Coefficient alpha is an average of all possible split-half coefficients which result from different ways of splitting the item of the scale.

Variables	М	SD	1	2	3	4	5	6	7
Gender	1.26	.73							
Age	38.5	.82	.19						
Tenure	14.8	.45	.14	.14					
OCSQ	4.54	.39	.15	.13	.21	(.89)			
JS	5.32	1.13	.16	.11	.20	.54**	(.92)		
OC	5.26	1.01	.18	.19	.24*	.51**	.63**	(.86)	
SRP	5.18	.81	.20	.16	.21	.59**	.74**	.66**	(.82)

Table 3. Means, Standard Deviations, and Correlations for Research Variables

Note: 1. Cronbach's alpha values of each scale are on the diagonal parenthesized.

2. OCSQ=organizational concern about service quality, JS=job satisfaction, OC=organizational commitment, SRP=service recovery performance

As shown above, all four scales were highly reliable: 0.89(OCSQ scale), 0.92(JS scale), 0.86(OC scale) and 0.82(SRP scale). After the reliabilities were confirmed, the correlations between these four scales were calculated. In light of the guidelines (r value of .20) offered by Kerlinger and Lee(2000), the significant relationship between the variables was definitely accepted. More specifically, OCSQ was positively correlated with JS, and OC with SRP, which suggests a convergent validity. JS was significantly and positively correlated with OC and SRP. OC was also correlated significantly with SRP, suggesting a possible interaction effects.

## 2. Validity Test

Factor analysis was also used to estimate construct validity(Kline, 2005), which is considered an avenue to determine whether the study results are reliable and predictable. Principal component analysis (PCA) is typically used for the elimination of the overlapping items. Table 4 shows the reliabilities of the items for the analyses of the relationship between OCSQ and JS, OC and SRP. AVEs of variables were all in excess of .55 (considered satisfactory by Tabachnick and Fidell, 2001), signifying that these factors were reliable for the empirical analysis of the relationship between study variables.

<sup>\*</sup> P \langle .05, \*\* p \langle .001

Table 4. SMC and AVE of Variables

Variables			SMC (Square Multiple Correlation)	Items (original)	AVE (Average Variance Extracted)
JS	Job Satisfaction	JS-1 JS-2 JS-3 JS-4	.744 .761 .649 .725	4	.574
	Supportive management Training Servant Leadership Rewards Empowerment	OCSQ-sup1 OCSQ-sup2 OCSQ-sup3	.717 .743 .628	3	.598
		OCSQ-trn1 OCSQ-trn2 OCSQ-trn3 OCSQ-trn4	.733 .763 .641 .388	3(4)	.622
OCSQ		OCSQ-ser1 OCSQ-ser2 OCSQ-ser3 OCSQ-ser4	.725 .738 .733 .687	3	.673
		OCSQ-rew1 OCSQ-rew2 OCSQ-rew3	.726 .645 .779	3	.615
		OCSQ-emp1 OCSQ-emp2 OCSQ-emp3 OCSQ-emp4	.535 .437 .446 .376	3(4)	.484
OC	Organizational Commitment	OC-1 OC-2 OC-3 OC-4	.742 .763 .712 .759	4	.647
SRP	Service Recovery Performance	SRP-1 SRP-2 SRP-3 SRP-4	.736 .629 .693 .698	4	.619

Note: JS=job satisfaction, OCSQ-sup=supportive management, OCSQ-trn=training, OCSQ-ser=servant leadership, OCSQ-rew=rewards, OCSQ-emp=empowerment, OC=organizational commitment, SRP=service recovery performance

## 3. Overall Model Fit Analysis

Furthermore, consistent with Kline(2005), the model fit was assessed to conform whether the proposed model is a good fit,<sup>3)</sup> using the model chi square, RMSEA, the Bentler comparative fit

<sup>3)</sup> The Comparative Fit Index is a recommended index of overall fit, Goodness of Fit Index measures the fitness of a model compare to another model (Bentler, 1995), Normed Fit Index measures the proportion by which a model improves fit compared to null model (Bentler, 1995), and the latter provides information in terms of discrepancy per degree of freedom for a model (Kline, 2005).

index(CFI), GFI, and NFI, because the study reliability increases as more indices are used. Applying commonly used threshold values (RMSEA .08, GFI, NFI and CFI .90) as indicative of poor fit, the tests were proven to conform to the criteria suggested by researchers(Schumacker & Lomax, 1996; Joreskog & Sorbom, 1996; Bentler, 1995) as follows: GFI= .914, NFI= .932, CFI= .975, and RMSEA= .02. Therefore, the proposed model can be expected to moderate for testing the hypotheses suggested in the literature review.

#### 4. Hypotheses Testing

Table 5. Structural Model Results

Path(Hypothesis)	Proposed Effect	Path Coefficient	Observed t-value	p-Value
Effects on Job Satisfaction (R-square= 0.231) H1: OCSQ	+	.481	4.499	***
Effects on Organizational Commitment (R-square= 0.186) H2: OCSQ	+	.184	2.173	*
Effects on Organizational Commitment (R-square= 0.550) H3: Job Satisfaction	+	.702	9.366	***
Effects on Service Recovery Performance (R-square= 0.329) H4: Job Satisfaction	+	.478	2.986	**
Effects on Service Recovery Performance (R-square= 0.283) H5: Organizational Commitment	+	.281	1.873	*

P-value: \* p < .05, \*\* p < .01, \*\*\* p < .001

The results of the structural model are summarized in Table 5. The results show that the structural model explains 18.6 - 55.0% of the variance in job satisfaction, organizational commitment, and service recovery performance. OCSQ exhibited a significant positive relationship with job satisfaction and organizational commitment. Thus Hypotheses 1 and 2 were supported. The path coefficients suggested that the relative influence of OCSQ was stronger on job satisfaction than on organizational commitment. The structural model results also indicateda significant positive relationship between job satisfaction and organizational commitment, thus supporting Hypothesis 3. Also, at higher levels of job satisfaction and organizational commitment, FLEs performed at higher levels in dealing with service failures. Hypotheses 4 and 5 were also supported. Interestingly, the relative impact of job satisfaction on service recovery performance

was stronger than for organizational commitment. In addition, the total effect of OCSQ on service recovery performance was .27, which wasthe sum of its indirect effects through job satisfaction  $(.48 \times .47 = .22)$  and organizational commitment  $(.18 \times .28 = .05)$ . Hence, OCSQ exerted a stronger influence on service recovery performance through the mediating role of job satisfaction relative to organizational commitment.

## V. Discussion

This study has examined the underlying process through which a set of OCSQ variables generate job satisfaction and organizational commitment, which in turn influence service recovery performance. To our knowledge, our study is the first examining those managerial practices important for enhancing the service recovery efforts of FLEs and those managerial practices necessary for reducing FLE turnover intentions. The present study supports studies in private settings where there is a longer history of being commercially focused (Babakus et al., 2003; Boshoff & Allen, 2000). Our study, however, has some interesting differences. Our results suggest that OCSQ has a direct beneficial effect on both job satisfaction and organizational commitment, but with a significantly stronger impact on job satisfaction. The study results also suggest that training, employee rewards, supportive management and servant leadership jointly affect service recovery performance through the partial mediating roles of FLEs'job satisfaction and organizational commitment. However, these OCSQ variables exert a stronger influence on service recovery performance through job satisfaction relative to FLEs' organizational commitment. The finding pertaining to the impact of OCSQ on FLE service recovery performance through job satisfaction relative to organization commitment contrasts with that reported by Babakus et al. (2003) and with Frederick Reichheld's argument that FLEs'loyalty is more critical than their job satisfaction in delivering excellent service (Finnie & Randall, 2002). The results of our study clearly demonstrate that FLE job satisfaction is more important than organizational commitment is in delivering higher levels of service recovery performance. There is indirect support for this finding in the private sector where Payne and Webber (2006) found employee job satisfaction, but not affective organizational commitment, to be a significant predictor of job performance (specifically service worker organizational citizenship behavior). In addition, Lee, Nam, Park and Lee (2006) found job satisfaction, but not affective organizational commitment, to be a significant predictor of role-prescribed customer service behavior. Kim (2005) presented more compelling support for this relationship in a study of public sector workers, with a finding that both job satisfaction and organizational commitment had a significant impact on

organizational performance, but that job satisfaction was a significantly stronger predictor with more than three times the Beta of organizational commitment. We suggest that these findings straddle both public and private sectors in terms of the work attitudes of their FLEs. Our findings suggest several guidelines for managerial action that can cover the transition from private to public sector corporate governance. OCSQ is a significant predictor of FLE job satisfaction and organizational commitment, whileboth affective outcomes are significant predictors of their service recovery performance. However, given the relatively stronger impact on service recovery performance, job satisfaction is the critical work lever and should receive priority from management. The effect of OCSQ on FLE job satisfaction is also transmitted through organizational commitment. Such actions as explicitly designing and establishing organizational policies pertaining to education/training and employee reward systems, as well as creating a service climate that fosters supportive management and servant leadership behaviors, should facilitate a higher job satisfaction and therefore higher service recovery performance and lower turnover intentions. Internal marketing should emphasize management commitment to training, rewards, supportive management and servant leadership simultaneously and communicate clear organizational policies about each. Managerial action to improve individual and organizational performance that does not take all of these variables into consideration may fail. Babakus et al. (2003) state that these managerial initiatives will not be effective on their own. For example, the provision of training programs and employee rewards systems will not be effective unless they are aligned with appropriate supportive management and servant leadership behaviors (Schneider, White, & Paul, 1998). Similarly, Forrester (2000) and Hart et al. (1990) argue that training is unlikely to produce the intended results unless reward mechanisms are also in place.

Meanwhile, the implications of the present study findings to the public sector are as follows. The public sector in most Western countries, including Korea, has undergone radical and ongoing reform over the past decade or so. Hughes(2012) argued that public sectors of Western countries are undergoing major changes as governments try to respond to challenges of technological change, globalization, and international competition. These wide-ranging reforms represent a paradigm shift from the traditional role of public administration. Economic rationalism, restructuring, down-sizing and corporatization have become public-sector buzz-words. In response to these new challenges, our conceptual models of service recovery performance will go far toward further improving organizational effectiveness.

## **VI.** Conclusions

We have expanded Bagozzi's (1992) attitude theory from its previous application solely in private industries to propose a model for examining the relationship between OCSQ variables and job outcomes in the public sector. We have contributed to the services literature by conceptualizing OCSQ with a more complete set of indicators. We then examined a model linking OCSQ variables with affective and behavioral job outcomes in order to make an important and clear contribution to understanding the determinants of service recovery performance. To date, the managerial practices necessary for improving FLE service recovery efforts in the public sector have not received any academic attention. Our research addresses this research gap. Overall, our measurement results were acceptable in terms of reliability and validity. However, one methodological limitation should be noted: we assumed that employee self-assessment of service recovery performance provides reasonable proxies of actual service recovery performance, because FLEs are in the best position to evaluate behavioral job outcomes. However, future research should examine actual service recovery performance by surveying real customers regarding their views on service recovery efforts and by drawing upon objective data from organization records.

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박철민(朴喆敏): 경북대학교에서 행정학 박사학위(논문: 공·사조직의 조직몰입 영향변인 및 결과변인 비교, 2002)를 취득하고. (재)부산인적자원개발원 연구위원을 거쳐. 현재 제주국제대학교 사회복지학과 부교수로 재직하고 있다. 주요 관심분야는 조직관리, 인적자원개발, 복지행정 등이며, 주요 논문으로는 "The Effect of Transformational Leadership and Perceived Organizational Support on Organizational Citizenship Behavior", "Preferences on the Merit Pay System in the Public Agency" 등이 있다(cmpark@jeju.ac.kr).

민기(閔基): University of Kentucky에서 행정학 박사학위(논문: Does Foreign Government Policy Matter?: The Case of U.S. Direct Investment Abroad in Manufacturing, 2000)를 받았으며, 국회사무처와 국무조정 실을 거쳐 현재 제주대학교 행정학과 교수로 재직 중이다. 주요 관심분야는 지방재정, 지방자치, 지역정책 등이다. 주요 논문으로는 "지방자치단체 예산 재의(再議)요구권의 쟁점 및 개선방안"과 저서로는 「현대지방 재정론」(공저) 등이 있다(minkee@jejunu.ac.kr).

#### 국문요약

## '서비스 질에 대한 조직의 관심'이 일선 공무원의 직무만족, 조직몰입, 서비스 회복 성과에 미치는 영향

박철민 민 기

이 연구는 사기업을 대상으로 구축된 Bagozzi's (1992)의 태도 이론을 변용하여, 일선 공무원의 '서비스 질에 대한 조직의 관심'이 직무만족, 조직몰입, 서비스 회복 성과에 미치는 영향 관계를 검증하는 데 목적을 둔다. 본 연구에서는 '서비스 질에 대한 조직의 관심(OCSQ)', 직무만족, 조직몰입, 서비스 회복 성과에 대한 선행연구들을 검토한 후 공공부분에서 서비스 회복 성과에 영향을 미치는 변인들을 이론적으로 탐색하고 이를 검증하기 위한 모형을 제안하였다. 연구 모형의 적합 성과 영향력을 검증하기 위해 경상남도 지역 238명의 일선 공무원을 대상으로 경험적 자료를 수집하였다. '서비스 질에 대한 조직의 관심'(교육/훈련, 임파워먼트, 보상, 지지적 관리, 서번트 리더십)', 직무만족, 조직몰입, 서비스 회복 성과에 관한 5개의 가설을 설정하고 영향력을 측정하기 위해 구조방정식모형(SEM)을 활용하였다. 특히 이 연구에서는 조직몰입의 매개효과도 함께 측정하였다. 분석 결과, 5개 가설의 통계적 유의성을 확인하였으며, 매개변인으로 조직몰입의 (부분) 매개효과의 존재도 확인하였다. 이 연구는 공공부분에서 서비스 회복 성과를 진단하고 관리하는데 관심이 있은 인적자원관리자에게 필요한 정보를 제공할 수 있을 것으로 판단되며, '서비스 질에 대한 조직의 관심(OCSQ)'→ 직무만족, 조직몰입→ 서비스 회복 성과에 이르는 인과경로를 설명할수 있는 통합모형을 구축하고 검증하였다는 점, 그리고 서비스 질 연구의 외연을 확대하였다는 점에서 연구 가치를 찾을 수 있다.

주제어: 공공부문, Bagozzi(1992)의 태도이론, 서비스 회복 성과, 경상남도, 구조방정식모형