



**Queensland University of Technology**  
Brisbane Australia

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## Abstract

This paper reports on findings from research conducted in South African service organizations that frontline employees' perceptions of HRM practices have a direct influence on their service behaviour. Specific HRM practices have more impact than others and this was attributed to the influence of external factors such as the socio-political situation and national culture and to internal factors linked to the way managers implemented the HRM practices in the organization. Organizational commitment was found to play a mediating role in the relationship between frontline employees' perceptions of HRM and their service behaviour.

## Introduction

Frontline employees are critical to the success of service organizations. In the eyes of the customer they are the service providers, and carry the responsibility of projecting their organization's image and creating a satisfying service experience for the customer (Bettencourt and Brown, 1997; Bowen and Lawler, 1992; Redman and Mathews, 1998; Schneider and Bowen, 1995). Essentially, the customer's service experience rests in the hands of the frontline employee. It is, therefore, critical that these employees are competent and motivated to deliver service that will result in customer satisfaction. Meeting the needs of these employees through high quality human resource practices is critical in the pursuit of service quality (Schneider and Bowen, 1993). It forms the foundation to providing excellent customer service. Employees who feel valued and supported will actively invest their energy into providing quality service to customers.

Research was conducted in four South African service organizations to determine the perceptions frontline employees have of the role of HRM in their organizations and the impact of the current human resource management (HRM) practices on the service provided by frontline employees and as a consequence on the service experience of the customer. The perceptions of employees of seven HRM practices was measured, namely, selection, training, human resource development, pay, rewards, performance appraisal and management support. The level of organizational commitment as a mediating variable in the relationship between employees' perceptions of the HRM practices and their service behaviour was also explored.

## Theoretical framework

The key question raised by this research study is whether frontline employees' perceptions of HRM policies and practices influence their service behaviour and under what conditions? The importance of the relationship between human resources management and employee attitudes and the impact this has on their service behaviour has been highlighted by the research of Zerbe *et al.* (1993), Schneider and Bowen (1985, 1993) and more recently by Jago and Deery (2002) and Chebat *et al.* (2002). Zerbe *et al.* (1993: 7) conceptualize service behaviour as 'the nature and content of the interpersonal interaction between service providers and customers'. While these findings establish the importance of service organizations focusing on their HRM practices there is also a need to determine which HRM practices have the most significant impact on service behaviour and under what circumstances. This has implications for the design and implementation of HRM practices in different service industries and in different contexts.

The impact of specific HRM practices has been reported in research such as Zerbe *et al.* (1993) who find that employees in the airline industry engage positively with customers

when they perceive that their organization provides opportunities for career development and that management actively support them. Pay management and training have the strongest effect on bank contact employees (Chebat *et al.*, 2002), while innovative training, strategic recruitment and a team environment influence employees in the tourism industry to provide more effective customer service (Jago and Deery, 2002).

Why do specific HRM practices seem to have more impact on service behaviour than others? Factors specific to the organization and external factors impacting on the organization and the employee could come into play here. Schmit and Allscheid (1995) find support for a strong association between an employee's intention to serve and their evaluations of the policies and practices that support them in providing quality customer service. Schneider and Bowen (1995), Bettencourt and Brown (1997) and more recently Chebat *et al.* (2002) propose that employees' perception of workplace fairness, which includes pay rules, job supervision and recruitment and selection procedures is a key predictor of service behaviour. Training, and in particular multiskilling, improves an employee's sense of competence in dealing with the conflicting demands of customers (Davidow and Uttal, 1989; Peccei and Rosenthal, 1997). Support of frontline employees by management in the form of providing relevant information, resources and moral support, is also significantly associated with service behaviour (Schneider *et al.*, 1998; Yoon *et al.*, 2001). The implementation of HRM practices and management behaviour are important factors that influence the perception frontline employees' have of the HRM practices.

However the context within which the service organization is operating needs also to be taken into consideration when determining the relevancy of specific HRM practices to service behaviour (Ford, 1994; Schneider, 1991). Schneider (1991: 156) cautions against the 'overly simplistic' and universal expectation of a relationship between HRM practices, employee attitude and profitability. However, while there is an acknowledgement of the importance of a match between HRM practices and the business strategy and the service on offer, other factors external to the organization could also be important in determining which HRM practices have the most influence on service behaviour. For example, the socio-political and economic situation of the country and the national culture that impact directly on the employees. Could limited access to educational opportunities and jobs, discrimination and oppression, as in the case of South Africa, influence the importance that frontline employees attach to specific HRM practices and how they are implemented in their organizations? Could national culture determine the appropriateness of leadership style and HRM practices within a service organization? Lessem (1993) highlights the humanistic approach of African management which upholds the values of 'Ubuntu', compassion, respect, human dignity and collective unity. Could frontline employees in South African service organizations have expectations for this more convivial style of management that emphasizes relationship building and team work?

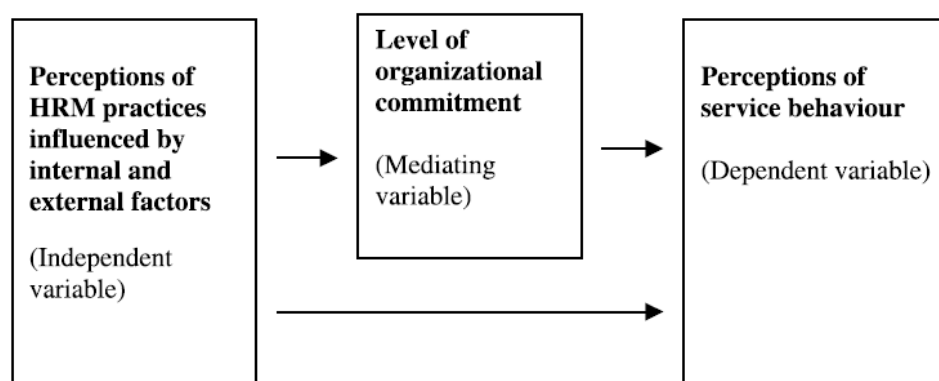
Up to now the discussion has focused on the impact of specific HRM practices but it is evident that HRM practices work as 'an integrated and coherent package' (Hoque, 1999: 419). They do not work in isolation but need to support each other if they are to exert any influence on the service behaviour of frontline employees (Dreher and Doherty, 2001; Schneider *et al.*, 1998). The question is, how do HRM practices support each other in a way that could influence frontline employees to engage in providing quality customer service? Lastly, in developing an understanding of why employees' perceptions of the HRM practices have an influence on their service behaviour, there is a need to explore the possible role of mediating variables. Peccei and Rosenthal (1997) raise the importance of examining what they call the 'black box' between HRM practice and employee performance. Zerbe *et al.* (1993) propose that satisfaction with human resource activities results in overall job satisfaction that increases the level of job performance. Commitment has also been

highlighted by Beer *et al.* (1984) as one of the human resource outcomes of HRM practices which would impact on employee performance and ultimately result in increased organizational effectiveness. Within a service context, high commitment of frontline employees has many benefits, including increased motivation, lower turnover, lower absenteeism and a willingness to exert extra effort on behalf of the organization resulting in improved service quality (Castro *et al.*, 2004; Malhotra and Mukherjee, 2004; Pitt *et al.*, 1995). Organizational commitment has been found to act as a mediator in specific relationships. The most common use of organizational commitment in a casual model has been as a mediator of the influences of personal characteristics and work experiences on employee turnover (Mathieu and Zajac, 1990). Organizational commitment also mediates the influence of organizational formalization and role ambiguity on the alienation among professionals and non-professionals (Podsakoff *et al.*, 1986).

In light of the discussion up to this point, it is proposed that frontline employees' perception of HRM practices in their organization will influence the service they provide to their customers and that this relationship could be mediated by the employees' level of organizational commitment. Specific HRM practices could also have more impact on their service behaviour by virtue of factors operating both within and outside the organization.

## Method

Three hypotheses were proposed in this research study to explore these proposed relationships as illustrated in Figure 1.



**Figure 1** *The proposed relationships between HRM practices, organizational commitment and service behaviour*

*Hypothesis 1:* There is a significant relationship between frontline employees' perceptions of HRM practices and the service behaviour of frontline employees in their organization.

*Hypothesis 2:* Perceptions of some HRM practices will have a stronger association with service behaviour than others.

*Hypothesis 3:* Organizational commitment will have a mediating effect on the relationship between perceptions of HRM practices and service behaviour.

The independent variables under consideration are frontline employees' perceptions of HRM practices (selection, training, human resource development, pay, rewards, performance

appraisal and management support) and frontline employees' level of organizational commitment (intervening variable). The dependent variable is perceptions of frontline employees' service behaviour.

There were three stages to the research, with the objective of the first stage to collect information that would inform the development of a questionnaire. The second stage of the research involved piloting the questionnaire to identify any issues or problems that might arise when administering the questionnaire. In stage 3, a revised version of this questionnaire was administered to measure the frontline employees' perceptions of HRM practices in their organizations, their level of organizational commitment and their perception of the service-orientated behaviour of frontline employees in their organization. The research took both a qualitative and a quantitative approach to the collection and analysis of the data. The reason for this approach rests in one of the key objectives of methodological triangulation, which is to combine the strengths of both approaches and as such offset the weaknesses of each method. Leedy (1993) emphasizes that research studies are enhanced by a combined approach. A qualitative approach was taken in Stage 1 and quantitative approach in stages 2 and 3. Figure 2 provides a detailed breakdown of the stages of the research.

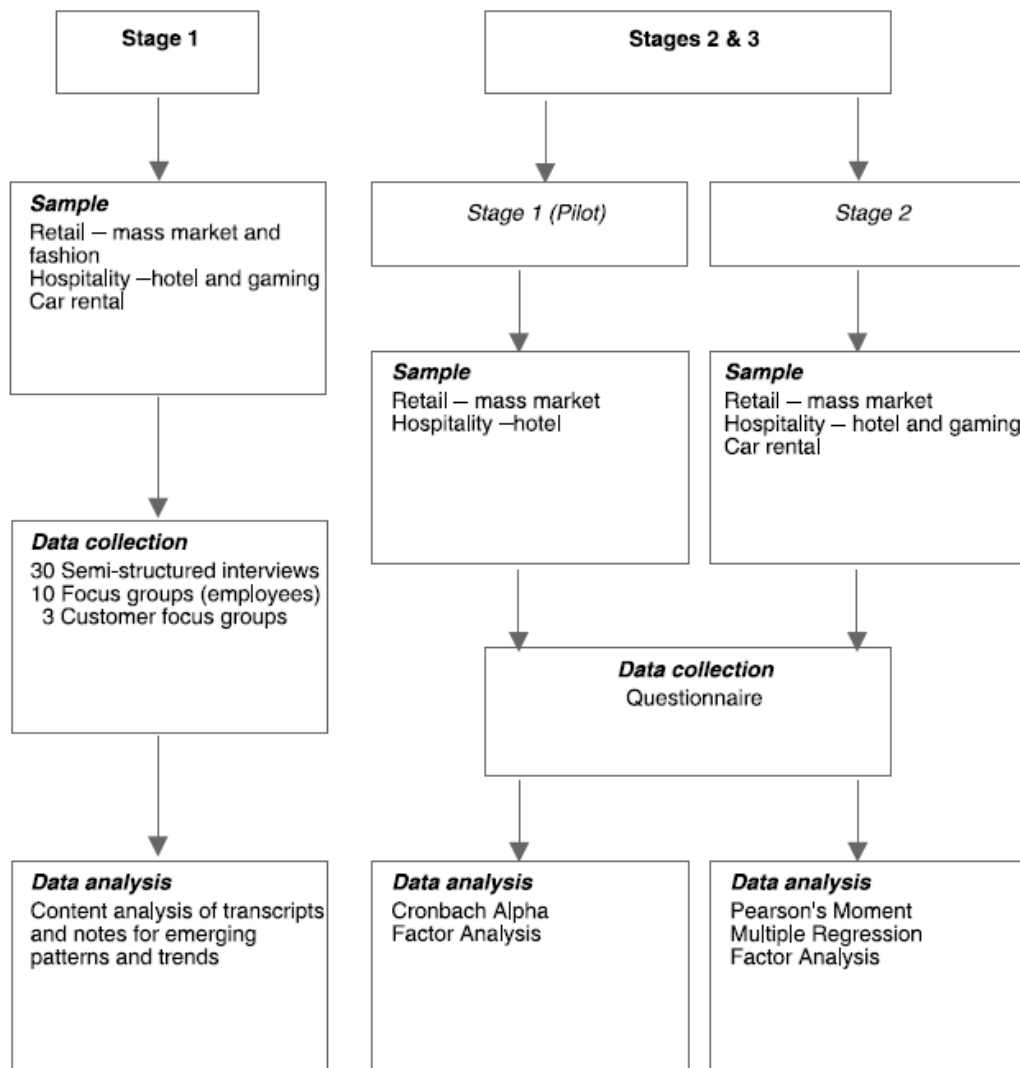


Figure 2 The stages of the research

## **Sample**

### **Stage 1 of the research**

Thirty-three managers were interviewed and 62 frontline employees participated in ten focus groups from four service organizations in the first stage of the research. The four service organizations were from three service sectors, namely car rental, hospitality and retail, and they agreed to participate when approached by the researcher. Two of the organizations came from the hospitality sector and car rental sector respectively while the other two organizations represent the retail sector. A list of possible organizations was generated from three sources, namely the Breakwater Monitor research project<sup>1</sup> based at the Graduate School of Business, University of Cape Town, from those organizations who sent delegates on short executive courses offered by the Graduate School of Business and from contacts provided by the 1999 part-time MBA class at the business school. Both the managers and employees from the organizations that agreed to participate were approached by the branch manager and HRM managers to take part in the interviews and focus groups. They came from several departments across the organization and included a mix of race, gender and age groups.

### **Stage 2 of the research**

From the same hospitality and retail organizations that took part in Stage 1 of the research, 149 frontline employees completed a pilot questionnaire. The human resource managers were asked to select only frontline employees and to include a range of races and ages and both gender groups. The selection of which employees would be part of the sample was based on their availability at the time the questionnaire was administered. The sample consisted of 94 frontline employees from a hotel and included waiters, receptionists and housekeeping employees. Sales assistants and customer service employees from one of the stores of the retail organization formed the remaining 55 members of the sample.

### **Stage 3 of the research**

For the final stage of the research a total of 438 frontline employees completed a questionnaire from all rental agencies of the car rental organization, a hotel and two casinos from the hospitality organization and three stores from one of the retail organizations that originally participated in Stage 1. Employees were selected by the HRM managers of each organization across several departments and included a mix of race, gender and age groups. They also came from a cross-section of jobs, including hotel receptionists, casino staff, rental agents, drivers, sales assistants and customer service staff.

## **Data collection**

Interviews and focus groups were conducted in Stage 1 of the research to obtain information on managers' and employees' understanding of the role of the HRM and seven HRM practices (selection, training, development, pay, rewards, performance appraisal and management support) in their organizations and also what they considered as effective service behaviour. The information provided was used to develop items for a questionnaire to measure employees' perceptions of HRM practices and service behaviour that was piloted in Stage 2 of the research. Three customer focus groups made up of five customers from the car rental sector, eight from the retail sector and six from the hospitality sector also provided input for

developing the items on service behaviour. These items measured frontline employees' perceptions of their customers' perceptions of the service behaviour of frontline employees from their service organization. This relied on frontline employees putting themselves into the position of their customers. This method of third person interviewing is used in both marketing and psychological research and assessment. To overcome possible bias the respondents were asked to assess the perceptions of customers for frontline employees in general in their organization rather than specifically of themselves. Zerbe *et al.* (1993) also relied on self-assessment of flight attendants of a display of emotion towards passengers. Schneider *et al.*'s (1980) review of boundary-spanning literature supports the view that employees and customers' perceptions are strongly related.

The nine positively worded items in the Organizational Commitment Questionnaire (OCQ) were used to measure an employee's level of organizational commitment (Mowday *et al.*, 1979). Mowday *et al.* (1979) report that results from reliability and item analysis indicate that the nine-item short form is acceptable where the length of the questionnaire is a consideration. Simpler wording was used for the items so that South African frontline employees with on average between 7–10 years schooling could understand them. For example, Item 10 of original questionnaire was adapted from 'I am extremely glad that I chose this organization to work for over others I was considering at the time I joined' to 'I am very glad I chose this organization to work for and not another one.' Organizational commitment is defined as 'the relative strength of an individual's identification with and involvement in a particular organization' (Mowday *et al.*, 1979: 226).

Out of the 149 pilot questionnaires received back in Stage 2 of the research, 110 were used. Questionnaires with missing data were discarded. A revised questionnaire was administered in Stage 3 of the research of which 335 of the 438 received back were used for data analysis. Again, those questionnaires with missing data were discarded.

## **Data analysis**

Detailed notes and transcriptions of the interviews and focus groups were analysed through a process of content analysis for Stage 1 of the research. The definitions of each of the seven HRM practices outlined in Appendix 1 are based on the information provided by managers and employees, as were the categories of effective service behaviour. The customer focus groups also informed the categories of service behaviour. The items to measure employees' perceptions of the HRM practices and service behaviour were also obtained from the interviews and focus groups and revised subsequent to the pilot questionnaire administered in Stage 2 of the research. The revisions were informed by the results of the Cronbach Alpha test and a principal component factor analysis (varimax normalized) and from feedback from the employees who completed the pilot questionnaire. All the Cronbach Alpha scores for the items used to measure both perceptions of HRM practices and service behaviour were above the acceptable cut-off level of .60 for exploratory research (Hair *et al.*, 1998). Ambiguous, double-barrelled and repetitious items were reworded or removed. Two of the items measuring perceptions of service behaviour that loaded less than .50 on the factor analysis were discarded. The same seven HRM categories and three service behaviour categories were kept for the revised version of the questionnaire as this was in line with the original research objectives. The items measuring organizational commitment in the pilot questionnaire were retained for the revised questionnaire. The Cronbach Alpha score of .91 for organizational commitment compared favourably with the median score of .90 reported by Mowday *et al.* (1979). This would indicate that simplifying the words to suit the South African respondents did not jeopardize the reliability of the instrument and could be used with South African frontline employees. All the items measuring organizational commitment loaded on one

factor above .58. Mowday *et al.* (1979: 232) also report finding a single factor that supports the conclusion that the items are measuring a single construct.

The results obtained from the administration of the revised questionnaire in Stage 3 of the research were analysed using Pearson's Moment correlation and multiple regression analysis. The Cronbach Alpha scores for the items measuring perception of HRM practices, organizational commitment and service behaviour were above the threshold value of .70 (Hair *et al.*, 1998), except 'selection' with a value of .69. A confirmatory analysis (CFA) was completed on each scale using results from the total sample only rather than separately for the samples for each organization. The covariance matrix was used and the generalized least squares estimation procedure followed by maximum likelihood estimation. One of the loadings for each scale was set to the fixed value of 1.0 to standardize the indicators of the construct (Hair *et al.*, 1998: 619). The fit indices for performance appraisal (CFI .921; GFI .927), management support (CFI .943; GFI .924) and attending to the customer (CFI .935; GFI .922) are above the acceptable cut-off value of .90 (Sharma, 1996: 160). The chi square statistics were not significant and the RMSEA indices did not fall between the acceptable band of .05 and .08 (Hair *et al.*, 1998: 656). The results of the CFA would indicate that a re-examination of the items for future applications of the questionnaire needs to take place to improve the validity of the results.

## Results

The following section presents a summary of the results from Stage 3 of the research, which is directly related to the three hypotheses proposed earlier in the paper.

### The relationship between HRM practices and service behaviour

Frontline employees' perceptions of HRM practices were found to be significantly associated with their perceptions of service behaviour across the total sample ( $r = .28, p \leq .001$ ) and within each organization. (Table 1) In the total sample selection, training and performance appraisal have the highest correlations with service behaviour ( $r = .27, p \leq .001$ ), followed by management support ( $r = .26, p \leq .001$ ).

**Table 1** *HRM practices and service behaviour – correlation of variables*

<i>Independent variables</i>	<i>Dependent variable – Service behaviour</i>			
	<i>Total sample n = 335</i>	<i>Car rental n = 93</i>	<i>Retail n = 150</i>	<i>Hospitality n = 92</i>
<i>HRM practices</i>				
Selection	.27 <sup>a</sup>	.40 <sup>a</sup>	.14 <sup>d</sup>	.31 <sup>b</sup>
Training	.27 <sup>a</sup>	.45 <sup>a</sup>	.24 <sup>b</sup>	.10
Development	.21 <sup>a</sup>	.41 <sup>a</sup>	.12	.19 <sup>d</sup>
Pay	.12 <sup>c</sup>	.23 <sup>c</sup>	.02	.18 <sup>d</sup>
Rewards	.17 <sup>b</sup>	.41 <sup>a</sup>	.08	.16
Performance appraisal	.27 <sup>a</sup>	.48 <sup>a</sup>	.20 <sup>c</sup>	.21 <sup>c</sup>
Management support	.26 <sup>a</sup>	.46 <sup>a</sup>	.16 <sup>c</sup>	.25 <sup>b</sup>
HRM practices	.28 <sup>a</sup>	.48 <sup>a</sup>	.19 <sup>c</sup>	.24 <sup>b</sup>

*Notes:* a  $\leq .001$ ; b  $\leq .01$ ; c  $\leq .05$ ; d  $\leq .10$ .



In a forward stepwise regression of the seven HRM practices on service behaviour, selection accounts for the most variation in service behaviour in the total sample, followed by training (Table 2). In car rental, performance appraisal has the strongest association with service behaviour ( $r = .48$  at  $p \leq .001$ ), followed by management support ( $r = .46$  at  $p \leq .001$ ) and training ( $r = .45$  at  $p \leq .001$ ) (Table 1). A forward stepwise regression reveals that performance appraisal accounts for most of the variation of service behaviour (Table 2). The most significant relationship in retail is between training and service behaviour ( $r = .24$  at  $p \leq .01$  level) (Table 1). A forward stepwise regression shows that training accounts for almost all of the variation in service behaviour (Table 2).

**Table 2** HRM practices and total service behaviour – forward stepwise regression results

HRM practices	Dependent variable – Service behaviour							
	Total Sample		Car rental		Retail		Hospitality	
	$\beta$	R2	$\beta$	R2	$\beta$	R2	$\beta$	R2
Selection	.202 <sup>b</sup>	.075 <sup>a</sup>					.314 <sup>b</sup>	.099 <sup>b</sup>
Training	.161 <sup>c</sup>	.096 <sup>b</sup>	.208	.249	.231 <sup>c</sup>	.057 <sup>b</sup>		
Development	-.135	.109						
Pay	-.089	.115			-.131	.080		
Rewards								
Performance appraisal	.209 <sup>c</sup>	.103	.321 <sup>c</sup>	.231 <sup>a</sup>	.136	.067		
Management support								
r <sup>2</sup>		.115 <sup>a</sup>		.249 <sup>a</sup>		.080 <sup>b</sup>		.099 <sup>b</sup>

Notes: a  $\leq .001$ ; b  $\leq .01$ ; c  $\leq .05$ ; d  $\leq .10$ .

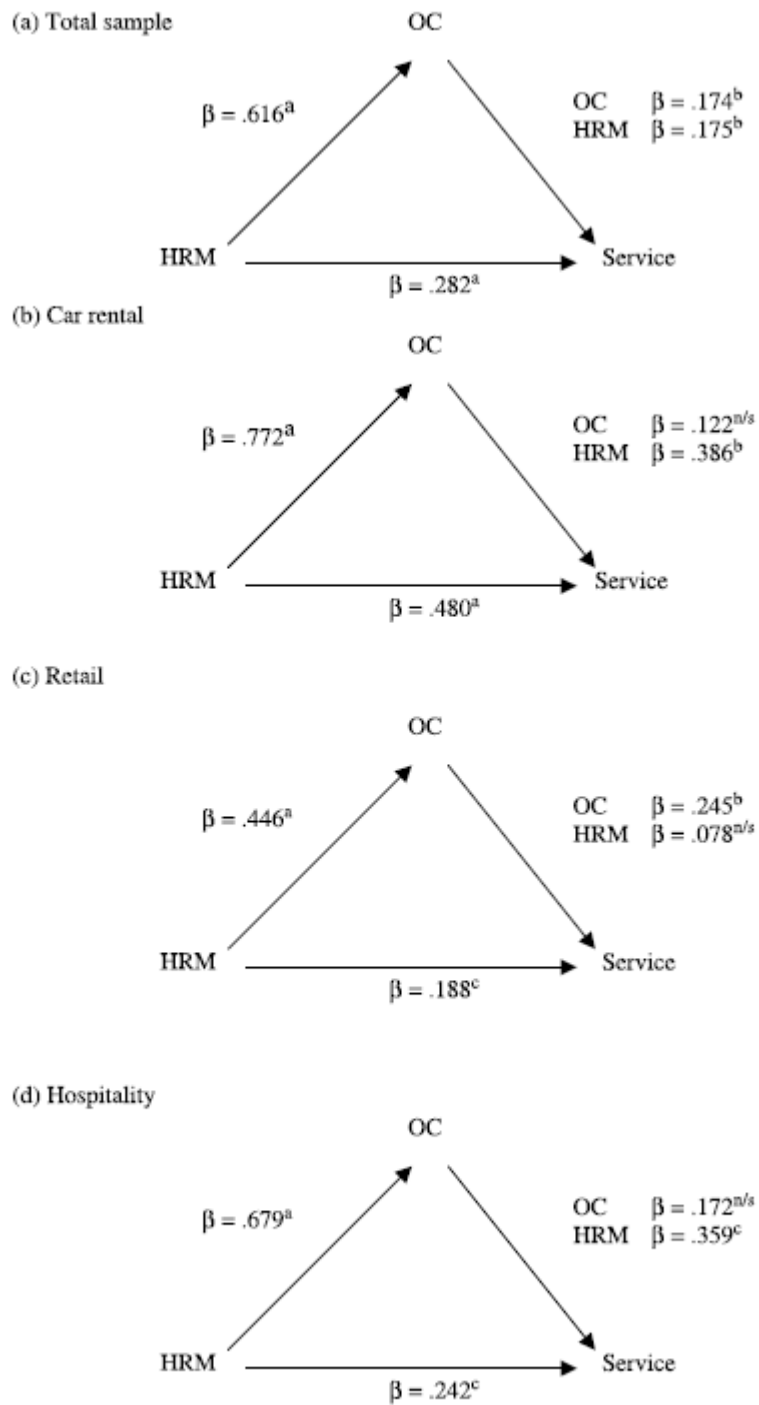
Selection has the highest correlation ( $r = .31$  ( $p \leq .01$ )) in hospitality, followed by management support ( $r = .25$  ( $p \leq .01$ )) (Table 1). The regression results, however, indicate that it is selection that predicts the variance in service behaviour.

Frontline employees' perceptions of HRM practices do have a significant relationship with service behaviour. This supports Hypothesis 1. In addition, the HRM practices that explain the variance in service behaviour vary between the total sample and the three service industries and between the three service industries as well. Out of all the HRM practices, selection, training and performance appraisal have the most significant impact on service behaviour. This supports hypothesis 2 that certain HRM practices would be more positively related to customer satisfaction with service behaviour than others.

### The role of organizational commitment

Hypothesis 3 postulated that organizational commitment would act as a mediator in the relationship between HRM practices and service behaviour. In the total sample, HRM practices have a significant effect on both organizational commitment and service behaviour ( $\beta = .616$  and  $\beta = .282$  respectively, both at  $p \leq .001$ ). Organizational commitment also has a significant impact on service behaviour, ( $\beta = .174$  at  $p \leq .01$ ) and the beta coefficient of HRM practices in relation to service behaviour drops by 62 per cent to  $\beta = .175$  at  $p \leq .01$  level, when organizational commitment is part of the equation. (Refer to Figure 3a.) Baron and Kenny (1986: 1176) state that a significant reduction indicates that the mediator is potent but is not necessarily a sufficient condition for an effect to occur. Complete mediation would

require that the relationship between HRM practices and service behaviour becomes insignificant when organizational commitment is added to the equation. Organizational commitment can, therefore, be said to function as a partial mediator in the relationship between HRM practices and service behaviour. It seems that as frontline employees' perceptions of HRM practices in their organization change so does their level of organizational commitment, which in turn impacts on the effectiveness of their service behaviour. This supports the contention that what happens in HRM practices in an organization takes 'on internal psychological significance'. (Baron and Kenny, 1986: 1176.)



**Figure 3** Mediation of organizational commitment.  
 Notes:  $a \leq .001$ ;  $b \leq .01$ ;  $c \leq .05$ ; n/s not significant

While organizational commitment acts as a complete mediator in the relationship between HRM practices and service behaviour in the retail organization and a partial mediator in the car rental organization, the effect of organizational commitment is not significant in the hospitality organization. (Refer to Figure 3b–d.) Therefore, Hypothesis 3 holds for the total sample, and for retail and car rental, but not for hospitality.

## Discussion

Employees' perceptions of HRM practices have a significant direct effect on service behaviour as well as an indirect effect through organizational commitment. This supports those who advocate that a focus on HRM practices in organizations does have an impact on the quality of service provided by the organization's employees (Bowen and Lawler, 1992; Schneider and Bowen, 1993, 1995; Zerbe *et al.*, 1993). Employees' perceptions of HRM practices also influence their organizational commitment, which in turn affects their service behaviour. This indicates that employees' perceptions of HRM practices bring about an altered attitudinal state within the employees that in turn influences their performance. This has important implications for organizations, in that they need to focus on the impact that HRM practices and the work environment have on employees' emotional attachment and identification with the organization. It also highlights why HRM practices affect service behaviour. It is not only about employees' positive perceptions of HRM practices but the fact this has an impact on their commitment to the organization that in turn motivates them to provide quality customer service to the customer.

### HRM practices and service behaviour

The three HRM practices that have the most impact on service behaviour are selection, training and performance appraisal. The selection practice that was most consistently highlighted as important by the respondents was the opportunity for all employees to apply for job vacancies and that the process of selection is non-discriminatory. This is not surprising in a country where the majority of South African's have been actively discriminated against when applying for jobs and have limited education and relevant experience to offer prospective employers. The importance placed on training by the respondents was echoed in the focus groups conducted with frontline employees. They feel that training provides them with the necessary skills to interact with the customer and an understanding of what the customer requires in terms of high quality service. 'The employee does not look like an idiot in front of the customer.' Peccei and Rosenthal (1997) found that training has a significant impact on employees' commitment to customer service. Training was also seen as a reward in itself and as such it could be impacting on service behaviour in this capacity. The specific practice of multiskilling emerges as a significant HRM practice. This could be equipping frontline employees to meet the broad spectrum of customer needs and demands. Davidow and Uttal (1989) and Schneider and Bowen (1995) also highlight the importance of multiskilling or cross-training in improving customer service. It also leads to a sense of empowerment among frontline employees to carry out their job with limited referral to their supervisor and colleagues.

Activities in the process of performance appraisal that seem to have the most influence on service behaviour are managers providing feedback that motivates employees and listening to employees' input. Both these management behaviours indicate recognition from managers. Providing feedback recognizes the efforts of employees, while listening to employees shows

respect and acknowledgment for the employee. As with training, these activities in the performance appraisal can be seen as a reward and as such exercise influence over the performance of frontline employees (Schneider and Bowen, 1995). Much of the value of the performance appraisal process can, however, be lost when managers do not communicate effectively or implement the process objectively. As Bowen *et al.* (1999) point out, the nature of the communication and interpersonal treatment is important for fostering perceived fairness of the process.

This reinforces the finding that it is the soft skills of management that have a key influence over the service behaviour of frontline employees. Sparrow and Wu (1998) also find evidence of employees' need for an emphasis on the soft approach to HRM. However, this does not negate the importance of the HRM practices themselves. What is important is how these practices are carried out and also the message that they communicate to employees. The selection process needs to be fair, training needs to build the competence of frontline employees, providing them with relevant job skills and empowering them to meet the complex demands of customers, while the performance appraisal process needs to provide a safe environment for a two-way discussion. These HRM practices also indicate to employees that management care not only about their future but about them as human beings who need to be recognized and have their needs acknowledged. These HRM practices can also create a sense of self-worth and dignity that in turn influences their performance.

Although the importance of management support was stressed in all interviews and focus groups, overall it does not come out as significant as expected. However, the specific management support activities of building team spirit, improving systems and problem solving with employees did impact significantly on service behaviour. Schneider and Bowen (1995) emphasize that the onus of providing quality service is not only on the service provider but also relies on back-up and support systems and on the commitment of management to service. The managers interviewed particularly emphasize the importance of supporting frontline employees. It seems, however, that the support provided by management is not having the expected influence on service behaviour. One of the reasons for this could be that management are providing support in a way that is not seen as important by employees. For example, being there physically and emotionally for the employee when there is a difficult customer is very important to employees and many employees commented in the focus groups that managers fail to do this.

The ability for the HRM practice of development to have an influence seems to be diluted by several factors. For example, frontline employees reported in the focus groups that they were not aware of the development programmes on offer and they felt management also did little to support their career development and self-study efforts. The employees also feel that a more structured approach to development is required, as is clarity on management and employee responsibilities in the area of development.

Neither pay nor rewards have a significant impact on service behaviour. Frontline employees, particularly from the hospitality organization, felt that there was insufficient communication of the criteria for selection of staff for the rewards. This could account for rewards not having as much of an influence over service behaviour as they could. As indicated by Bowen *et al.* (1999), communication can alleviate a sense of unfairness. Another factor that could account for the lack of influence of pay and rewards is that employees may not be able to see a direct link between pay and rewards and providing excellent customer service. There is a need to pay and reward employees not just for turning up but to directly link both pay and rewards to the intangibles such as dealing with customers with empathy and providing that personal touch (Schneider and Bowen, 1995). Employees can also feel that they lack control over information such as feedback from customers that informs decisions on their bonuses and awards.

The pay or financial rewards may also be too minimal to have any motivational impact. This is not surprising, considering the monthly nominal earnings for employees in the wholesale and retail trades and accommodation and catering in South Africa fall 30 per cent below the average monthly wage (*World Fact Book*, July, 2002). This also has repercussions on the quality of frontline employee selected into the service organization. In many ways, the pay and rewards that employees receive does little to reciprocate in the employee's eyes the effort they have invested in providing good customer service. Schneider and Bowen (1995) highlight that internal equity of compensation is linked to passion for service. Pay and rewards will have an impact on service behaviour only if employees perceive that they are well compensated for their efforts. Zerbe *et al.* (1993) also propose that HRM practices influence service behaviour when employees work hard to restore equity when they perceive that they are being well treated. However, the converse is also true. Where employees feel that they are not receiving their just deserts, then they are not motivated to perform in the interest of the organization. Bettencourt and Brown (1997) and Chebat *et al.* (2002) find that perceived fairness in pay practices is a key predictor for customer service behaviours. Another key reason for the lack of impact of pay and rewards could be insufficient innovation and exploration of the full scope of alternative pay and reward practices to motivate service behaviour. Schneider and Bowen (1995) contend that service companies do not design or manage reward systems in ways that direct employee behaviour towards service excellence. Other activities such as training and management behaviour seem to act as more powerful rewards than the pay and incentive systems currently in place. This corresponds with Schneider and Bowen's (1985, 1995) and Zerbe *et al.*'s (1993) findings that leadership and supervisory style and behaviour have a significant impact on perceived quality of service and service behaviour. It also indicates that certain HRM practices can assume a role of another HRM practice in the eyes of employees if their expectations are not met.

### **The mediating role of organizational commitment**

The fact that only affective commitment has been measured may contribute to the significant mediating role that organizational commitment plays in the relationship between employee perceptions of HRM practices and service behaviour. Affective commitment seems to have a stronger relationship to work outcomes than continuance commitment (Randall, 1990). Continuance commitment is related to the cost of leaving the organization and is based on the rewards received, such as pay, recognition and the threat of losing them (Allen and Meyer, 1990). O'Reilly and Chatman (1986) and Malhotra and Mukherjee (2004) find strong links between affective commitment and prosocial behaviour, while continuance commitment is not significantly associated with prosocial behaviour or commitment to customer service (O'Reilly and Chatman, 1986; Peccei and Rosenthal, 1997). The fact that the mediating role of organizational commitment was not significant in the hospitality organization could mean that selection does not have an effect on employees' organizational commitment. Selection was the key HRM practice to impact on service behaviour in the hospitality organization. The frontline employees may be also passively rather than actively committed to their organization (Steers, 1977). Aligning organizational commitment with loyalty is more in line with normative commitment. Normative commitment encapsulates the sense the individual feels duty bound to stay with the organization (Allen and Meyer, 1990). Maybe, if this had been measured, organizational commitment might have played a stronger role in the relationship between perception of HRM practices and service behaviour. The majority of employees who participated in the sample for the hospitality organization have a limited choice in alternative employment, as their communities are based in a rural area far removed from the opportunities available in the cities. As such, they could feel duty bound to stay with

the organization in order to stay employed. Their limited skills base means that they will not easily find employment elsewhere and there are many more potential job incumbents waiting in line to replace them should they leave. This could also translate into continuance commitment that is not significantly associated with prosocial behaviour or commitment to customer service (O'Reilly and Chatman, 1986; Peccei and Rosenthal, 1997). Measuring different types of organizational commitment, other than just affective commitment or a constituency-specific commitment such as commitment to customer service, may be more appropriate than a global measure of commitment (Hunt and Morgan, 1994; Reichers, 1985).

## Conclusions

The finding that HRM practices have a direct influence on the service behaviour of frontline employees supports those who advocate that a focus on HRM in organizations does have an impact on the quality of service provided by employees for the organization (Schneider and Bowen, 1985, 1993, 1995; Zerbe *et al.*, 1993). The fact that this finding is within the South African context is important as it emphasizes that the relationship between HRM practices and service behaviour is also evident in third world countries with developing economies. The fact that certain HRM practices were found to have more influence than other practices on service behaviour builds on previous research and cautions one against applying a universal recipe to all service industries irrespective of the context (Chebat *et al.*, 2002; Jago and Deery, 2002; Schneider and Bowen 1985, 1993; Zerbe *et al.*, 1993). Specific factors, both external and internal to each service organization, make certain HRM practices more significant than others. An external factor that emerges as important in this research is the socio-political situation of a country, both from an historical and current perspective. Certain HRM practices assume a greater degree of importance where employees have experienced the impact of social and political conditions such as limited access to educational opportunities and jobs, discrimination and oppression, as is the case in South Africa. National and ethnic culture, another external factor, has a role in determining the appropriateness of the leadership style and management behaviour within a service organization. The importance South African frontline employees attach to building relationships, personal interaction and mutual respect and the soft skills of management, reflects the same emphasis on 'Ubuntu' in the African culture. Taken from a Xhosa proverb 'Ubuntu ungamntu ngabanye abantu' – people are people through other people, 'ubuntu' emphasizes compassion, respect and human dignity. Managers who lead or behave in a way that contradicts the expectations of frontline employees limit the positive influence they can have on how employees interact with customers.

Pay, rewards and development have no significant impact on service behaviour. The reason for this seems to rest to a large extent with how management went about communicating and implementing these practices. This raises issues of internal factors within a service organization that determine the influence specific HRM practices have on service behaviour. In the absence of appropriate pay and rewards, supervisor behaviour acts as a powerful source of reward. This reinforces the notion that certain HRM practices can assume the role of another HRM practice, should the expectations of employees not be met. Inadequate training, and the limited competence of managers, was also highlighted as an obstacle to the positive impact of training and development and performance appraisal on employee behaviour. Frontline employees cited insufficient knowledge and skills as a key reason for managers not carrying out performance appraisals and training effectively. Jackson (1999) also finds a major weakness in implementation of performance appraisal systems in South African organizations. Kane *et al.* (1999), Gomez-Mejia (1990) and Horwitz (1999) contend that a lack of knowledge and skills in managers is one of the barriers to the effective

implementation of HRM in an organization. This challenges service organizations to actively train and equip managers to take on their human resource management role.

The fact that certain HRM practices contribute in other ways to motivating staff, such as training being seen as a reward, and feedback and listening as recognition, supports the idea that HRM practices act as an integrated package mutually reinforcing each other. Clearly, how HRM practices are implemented by management within service organizations is the key in influencing the impact they have on service behaviour.

Employees' perceptions of HRM practices impacts on their level of organizational commitment and this in turn affects the way they interact with the customer. This supports the belief that employees' perceptions of the way they are treated impacts on them psychologically, which in turn influences the way they serve the customer. Organizational commitment, therefore, plays a key role in the relationship between frontline employee perceptions of HRM practices and service behaviour. By building a sense of competence and self-confidence within frontline employees and by recognizing and rewarding the contributions of frontline employees, HRM practices are increasing the level of employees' commitment to the organization and as such to delivering excellent customer service.

While the sampling method could have resulted in some bias in the perceptions tapped and the sample size could limit the extent to which the results of this research can be generalized to all service industries, the findings provide important indicators for future research and for the management of service organizations.

Future research could involve a wider selection of service sectors and cross-cultural research that could identify the influence of socio-political and national and ethnic culture on frontline employee expectations of HRM practices and management behaviour. Studies are also important to identify further the obstacles that are impeding the influence of pay and rewards on service behaviour in order to guide managers on steps to address this area. Lastly, other forms of organizational commitment and other possible intervening variables, such as self-efficacy, in the relationship between perceptions of HRM practices and service behaviour could be researched further.

Overall, this research makes an important contribution to our understanding of the relationship between HRM practices and service behaviour and in particular as to the impact of both external factors, such the socio-political situation, and internal factors, such as management behaviour, on the nature of this relationship. The fact that the research took place in South Africa highlights the importance of taking into consideration the context within which the service organization operates but at the same time supports the development of a global understanding of the role of HRM in service organizations.

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# Appendix

## Definitions of variables measured

(Examples of items used to measure each category are included in italics.)

- Selection – a set of practices, including interviewing and testing, that ensures potential employees with the right attitude and skills are selected fairly and without discrimination. (New staff are selected fairly and without discrimination.)
- Training – a set of practices, including instructor-led workshops and on-the-job training, that provides regular and up-to-date training in required job knowledge and skills for both the employee's current job and for other jobs in the department. (We are trained to do other jobs in our department so we can help each other.)
- Human resource development – a set of practices, including resource centres, leadership training programmes, career planning and extra study, that develops the whole person by growing knowledge and skills for future jobs and careers. (Our organization helps us to plan and grow our career.)
- Pay – a wage or salary that provides financial payment for job performance and is comparative to salaries within the industry. (We are paid the same salaries as employees of other retail organizations.)
- Rewards – a set of practices, both financial and non-financial, that provide recognition for a job well done. (The rewards we get for doing our job well make us want to work harder and serve the customer better.)
- Performance appraisal – a series of discussions between a manager and an employee, where performance expectations are agreed on and feedback is provided on the employee's work performance over a period of time. (The performance appraisal allows us to know what we are expected to do in our job.)
- Management support – the provision by managers of resources and support to assist employees to perform their job effectively. (My manager gives us enough information so we can do our job well.)
- Communicating with the customer – verbal and non-verbal communication and presentation of frontline staff to the customer. (Staff listen carefully to a customer and ask questions to check that they understand the customer's needs.)
- Attending to the customer – how the frontline employees provide assistance to the customer. (Staff make sure that the customer is helped, even if it is not in their department.)
- Knowledge of products/services – the knowledge the frontline employees have of the organization, the systems, the procedures, the services and the products. (Staff can give the customers good advice on how to use the service and products.)

## Notes

1 The Breakwater Monitor project was initiated by the Graduate School of Business, University of Cape Town, to measure the implementation of HRM practices, particularly of affirmative action and equal opportunity programmes in large to medium-size South African organizations.



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