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NORDLAND

MASTER THESIS

*Participation of customers on the co-creation of Service Climate in
the hotel industry*

A case study of Frogner House Hotel Norum

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Abstract

Based on the large volume of current literatures, the benefits of customer co-creation of value in the service delivery process have been well established. However, little research has been done to investigate the role of customers and their influence in co-creating the service climate within organizations although there has been an increase in the awareness of the importance of customer behaviours in the service delivery process. This paper showed the importance of customer behaviours on the perceptions of employees towards the service climate of the hotel firms.

The main purpose of this thesis is to understand the role of customers in co-creating the service climates inside hotel firms where co-creation of services occurs. For empirical study, I have used the semi-structured interviews for data collection from eight respondents, particularly five customers (international guests) and three employees. All the respondents are from Frogner House Hotel Norum (located in the Oslo city, Norway) since this is exploratory case study of this hotel. The most significant implication that has emerged from the study is that customers' participative and citizenship behaviours such as giving feedbacks, employees' job appreciation and praise during direct interactions, advocacy through word of mouth, and sharing of knowledge and seeking of information that could benefit the firm, influenced employees' perception of their work climate. Although our findings showed that some customers shared more and less information with employees and other customers inside the hotel. This could be because of the different cultural background of the customer respondents. One obvious conclusion is that the degree of participation of the international guests is influenced by cultural difference. And, more importantly, this obvious fact leads to the results that employees transfer these positive attitudes to their fellow employees through affective group tone through which the overall working climate within hotels is improved.

Finally, this research concludes that customers' contribution to the creation of service climates inside hotel firms is directly correlated to the extent of their interaction with employees of the service firm. I believe that theoretical and practical implications of the findings from this research will be helpful for the future research since the findings from this study have increased the understanding of the role of customers in the co-creation service climates within hotel organizations.

Keywords: *Service climate, Value co-creation, Service-dominant logic, Social interaction, Customer Experiences and drivers of experiences, Influence of customer behaviours in co-creation of service delivery, Cultural differences, Cultural Intelligence, Transactional Cultural*

List of Abbreviations

OCB Organizational Citizenship Behavior

SDL Service Dominant Logic

HR Human Resource

S-D Service-Dominant

G-D Goods-Dominant

FSE Frontline Service Employee

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1. Introduction

This chapter describes the background of the study, which is followed by the problem discussion and from the identified research gap trying to pose the research question. Explaining the research purpose of the study concludes the chapter. In this chapter, the limitations of this paper and definition of key concepts are also presented. At the end, structure of thesis is given.

1.1 Background

In today's contemporary changing business environment, the big challenge is to provide a superior service quality that can be achieved through an adequate and a strong focus on customer. By doing so, firms can gain the long lasting competitive advantage in winning the market (Chiara G., 2007). The writer R. Ladhari (2011) argue that marketers are trying to focus more on a continuous monitoring and evaluation of service quality to achieve competitive advantage. This involves various innovative offerings and service developments, which have a direct influence on customers' service experiences. Because it is very obvious that better service quality increases perceived service value and satisfaction which ultimately improves the service provider's customer retention and financial performance; and also enhances a firm's corporate image (Nguyen and Leblanc, 1998). This means that providing a quality service is about meeting the optimum company's capability and excelling customer's expectation.

According to Grönroos, (1994) service is the process which involves mostly a series of intangible activities that occurs through interactions between the customer and service employees where the physical resources (goods) and/or systems of the service provider become as solutions to the customer's problems. Likewise, service quality is the difference between customers' expectations for service performance prior to the service encounter and their perceptions of the service received (Patrick P. et. al, 1996). The theory of service quality predict that if performance does not meet their expectations then service quality is low and if performance exceeds expectation then service quality is said to be high. Grönroos, (1984) suggests two types of service quality; namely; technical quality (what the customer is actually receiving from the service) and functional quality (the manner in which the service is delivered).

The role of service climate of an organization is increasingly develop in the research area since the past thirty years. In relation to the customer satisfaction (Johnson, 1996) and service quality (Schneider et al., 1998) there is a large volume of published studies which describes the role of

organizational climate in service organizations by encompassing the employees' perceptions into the process. Even more importantly, this area of research has been of interest to many scholars in the service marketing field and is considered as an important element for the successful service delivery of quality service to the customers resulting in increased customer satisfaction.

In order to understand what 'climate' means in an organizational context, Schneider, Ehrhart, and Macey (2011) defines the climate of any setting as "the overall sense or meaning that people construe from the patterns of their individual experiences and behaviours which they observe in their social settings" (cited in Bowen & Schneider, 2013:2). This implies that the climate of that setting defines the perceptions of people about what they experience from the social setting in which they are. Furthermore, in a service setting where service is the main theme, service climate refers to the collective sense of shared perceptions of people who are involved with the service organization whose motive is to provide service excellence backed up by policies and practices that encourages and emphasizes service behaviours by recognizing and rewarding such behaviours (Schneider, White, and Paul 1998). In similar way, service climate refers as the overall emphasis of the service organization in delivering excellent service and treating its employees' rightly and creating a favourable environment for them to become motivated towards that goal. When organizations initiate practices and policies that enhance service excellence, employees feel what is expected of them from the organization and strive to work towards that goal. Thus, the different experiences that employees encounter inside the organization from the various events and activities within that organization creates a belief among the employees about what their organization wants and expects from them. This consensual belief of the employees is referred to as the service climate (Hong et al., 2013) and it is usually specific in focus, descriptive in assessment, and collective/aggregate in the level of analysis (Bowen & Schneider, 2013).

Previous researches states various relationships between perceptions of service climate and employees' job satisfaction, superior service performance, and employee attitudes and behaviours which was also supported by a study of Lenka et al. (2010). In a positive organizational service climate employees were happy with the climate of service and were more committed towards their organization's service practices and felt more connected towards the organizational values. Similarly, in recent study made by Hong et al. (2013) found that the presence of a strong service climate within an organization can influenced employee behaviour

in great extent in the sense that employees are more committed towards responding to customers' needs and preferences by engaging in organizational citizenship behaviour (OCB) more often.

As far as Organizational Citizenship Behaviour is concerned, it is defined as "behaviour that is discretionary, not directly or explicitly recognized by the formal reward system and that in the aggregate promotes the effective functioning of the organization" (Organ, 1988:4). This means that without any direct formal reward system organization can also improve their effectiveness overall. The element of OCB that increase the performance includes the elements which add social capital, helping or altruistic elements, elements resulting with time savings or problem solving, and other elements which provide socio-emotional support by boosting morale or developing a nurturing culture. Even more, highly engaged workers in OCB may improve managers' efficiency by allowing them to devote a greater amount of time to long-range planning matters. Thus, it is proved that from positive OCB both, managers and employees can get benefits (Turnipseed and Rassuli, 2005).

Many service industries emphasize on Customer Relationship Management (CRM) since the customer experience plays an increasingly significant role in determining the success of any offering. A study made by P. Asubonteng, et. al (2007) reveals that customer experience is a set of interactions between a customer and a service/product, a company, or part of its organization, which provoke a reaction where such experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, physical and spiritual). As there is increased in the number of contact points between a company and its customers, firm starts monitoring many experiences that originate from those contact points (Chiara G., 2007).

1.2 Problem discussion

A closer inspection of literature reveals that the attributes related to strength of a service climate and the role that employees play to create a strong climate for service in the organization was positively associated with the store's service climate. For instance, leadership qualities of employees play a vital role in order to create a strong service climate. Such leadership qualities are intellectual stimulation, charisma, inspirational motivation and so on (Schneider et al. 2005; Salvaggio et al. 2007; Liao and Chuang, 2007). Hong et al. (2013) found that service oriented

leadership had stronger relationships with service climate than the usual generic forms of leadership. Another area of research has also focused on the engagement of employees and their effect on the creation of a service climate. Some writers (Salanova, Agut, and Peiro, 2005) proposed that employee engagement was an important factor which acted as a foundation for the creation of a service climate. The important finding from this study suggested that the level of employee engagement in creating a service climate was a detrimental factor which affected and determined the degree of customer experiences as being favourable or unfavourable. Similarly, the strength of a climate was determined by the level of variance in the employee perception of the employees about the service climate within that organization. In broad sense, the climate was considered as being strong if there existed a low variance in the employee perception of the climate attributes and vice-versa. This study also concluded that climate strength acted as a moderator between the climate level of the organization and the customer experiences (Schneider, Salvaggio, and Subirats 2002).

In a recent study conducted by Bowen & Schneider (2013), the authors examined a service climate framework where service climates were linked to customer experiences via employees' service oriented behaviours such as in-role behaviour and customer focused OCBs as mediators that yielded customer experiences. This proposition was also proposed earlier by Schneider et al. (2005) in their study which related service climate significantly to customer experiences through customer focused OCBs. It should be understood that through customer oriented service behaviours of employees, customer experiences are mediated. Service climate in itself cannot yield customer experiences alone (Chuang and Liao, 2010). Several studies have revealed important linkages that exists between service climate and various aspects of customer experiences such as studies focusing on the customer reports of service quality (Schneider and Bowen, 1985), some focusing directly on customer satisfaction (Schneider et al. 1996), and other on customer loyalty (Salanova, Agut, and Peiro 2005). Other studies have also been conducted which shows relationships between service quality, customer satisfaction, and customer loyalty simultaneously with service climate (Liao and Chuang (2004). From the extent of all these studies, it can be concluded that service climate of any service organization significantly relates to the customer experiences in a direct or indirect way.

There have been done many research on service climates to customer experiences but it has not been investigate the participation of customers in creation of strong and positive service climate in the firm. The service-dominant logic (SDL) argues that customers not only helping to co-

produce the service but also play a significant role as being a co-creator of value during the service delivery process (Vargo and Lusch, 2004). In last three decades, we saw different changing role of customers during the service delivery process. To be specific, customers were considered as ‘partial employees’ of the organization during the service delivery process were only regarded as being clients for firms (Mills and Morris 1986). After that customers were regarded as being an important ‘human resource’ in service organizations (Bowen 1986). At the last, many recent studies shows customers as being ‘resource integrators’ (Hibbert et al. 2012). At this stage, customers obtain value by themselves by integrating their own resources and other resources of the organizations and are involved in the co-creation of value (Bowen & Schneider, 2013). However, it must be pointed out that there is little attention has been made to understand the role of customers in successfully co-creating a service climate and understanding how customers tend to react to the service climate of an organization.

Previous experience of customers effect the service climate strength that means in order to understand the role of customers in the overall co-creation of service climates, it is necessary to understand this behavior of customers in detail. Since customers and employees communicated through social interaction during the actual service delivery where the organization as a social context. Similarly, managers of firm can take advantage by focusing on the factors that could lead customers to help firm create good working climate inside organizations after understanding the role of customers in creation of service climate.

This gap has also been proposed by Bowen and Schneider (2013:12) in their recent article, that is, to understand the interplay of the co-creation of value with service climate creation and the role that customers play in each part of this process. Specifically, for scholar and researchers who wish to further research on this particular topic then this study can serves a bridge in different perspective into the creation of service climate and the role of customers. It is important to know the fact that customers being a very influential actor in the service climate creation process which has not been researched before.

This thesis paper mainly seeks to broaden the understanding of the process of service climate creation and the role of customers in co-creating a service climate inside an organization where co-creation of value takes place. It seems reasonable to assume that, within the service industry hotel services is one of the most service provider firm which are used by people from almost every background. By this fact, the author chose the hotel setting as the empirical context for

his research. The present study was conducted only within the hotel industry context in Oslo city of Norway.

We should acknowledge the fact that the author is mostly concerned with international guests, thus, author consider customers as an international guest. That means that author more likely highlighted the interaction between employees and international guest during direct interaction. It is obvious that all encounters are not pleasant experiences for both customers and employees during direct interaction because sometimes employees might not attend to customers with joy and some customers might be rude to employees. For instance, customers have to spend time in hotel at least for a while before getting them informed and are served (time spending with receptionist for general inquiry). This lead to the fact that close interpersonal interactions between employees and customers more likely possible, as well as between customers. Schneider and White, (2004) states that hotel industry as high-contact services as the service provided there is produced in the presence of the customer and more importantly, interactions between the customers take place where at the same time the other parts of the hotel offerings are also of importance (Walter et al. 2010). For instance, customers are also influenced by other factors such as the layout of the hotel (lobby area, coffee machine, and sofa etc.), the food and beverages, and lighting and interior design of rooms etc.

Regarding about thesis topic (main subject matter such as service quality, service climate, service deliver, customer involvement, word of mouth etc.), it comes under Service Marketing. As it was also argued by a number of authors (Lytle, Hom, and Mokwa 1998; Schneider et al., 2009 cited in Auh, Menguc, Fisher, & Haddad), “*Service climate has been a pivotal construct from a practical and theoretical perspective in the services marketing and management literatures (2011:427).*” Author had select International Business and Marketing as a main course (22.5 credit). That means author supposed to write thesis on the Marketing field which includes those terms. In order to lead his thesis towards main course author will also include international customers/guest rather than national customers as suggested by Supervisor. Since author had done MOPP where he acquired the theoretical knowledge of cultural difference during the study of International Business and Marketing. Author try to include these theory concepts into theoretical framework that usually occur between international guest and hotel’s employees. To be more specific, different relevant factors related to cross-cultural communication, communication in High context and Low context, Geert Hofstede’s five cultural dimension, and so on. This leads to new challenges for hotel industries, where laws

have to face cultural phenomenon's that differs from country to country. Communication gets harder where time management, body and Non-verbal language, and other factors plays a huge role and thus the cultural diversity becomes significant. Therefore, hotel companies have to take notice of these cultural differences to create good service climate. Employee attitudes towards the international guests are often linked to the satisfaction level of the employee from his/her work environment. In this study I decided to do research on hotel which is an empirical context for this study as it provides good opportunity to study the customers' participation and their role in the co-creation of the service climate.

1.3 Purpose of the Study

Based on the problem background and research gap, author come up with the main purpose of the study, that is to further understand the role of customers in the creation of a successful service climate inside a hotel industries where there exists direct interaction between customers and employees in the process of service delivery. In this research paper, this co-creation takes place in hotel firm as consider a social environment. In order to understand how customers (international) react to and help co-create service climates in hotel organizations; it can be done by observing the different customer behaviours and experiences and relate it with the behaviours and perceptions of the employees.

1.4 Research Question

The research question developed for this paper is:

How can customers facilitate to co-create service climates in case of hotel firms as being the social context where co-creation of services occur?

1.5 Limitation

This study is limited to Oslo city because the author is living in this city and it is easy for the author to collect data and information from the respondents in Oslo. The amount of experience of the employee respondents also delimits. The study as the experience of employees is only between 1-3 years of work experience. Therefore, developing attitudes and loyalty of those employees towards their work organization could also account for the positive work climate

inside hotels which acts as delimitation for study. Another limitation is that during direct interaction manager actor is not taken into account. However in this study, the interaction between employees and customers and within customers are take into consideration. The interactions between customers and manager of hotel were not considered.

1.6 Structure of the Thesis

A detailed analysis of all the relevant subject matters concerning research question and purpose are included in this research study. Figure 1.1 illustrates the structure of this report.

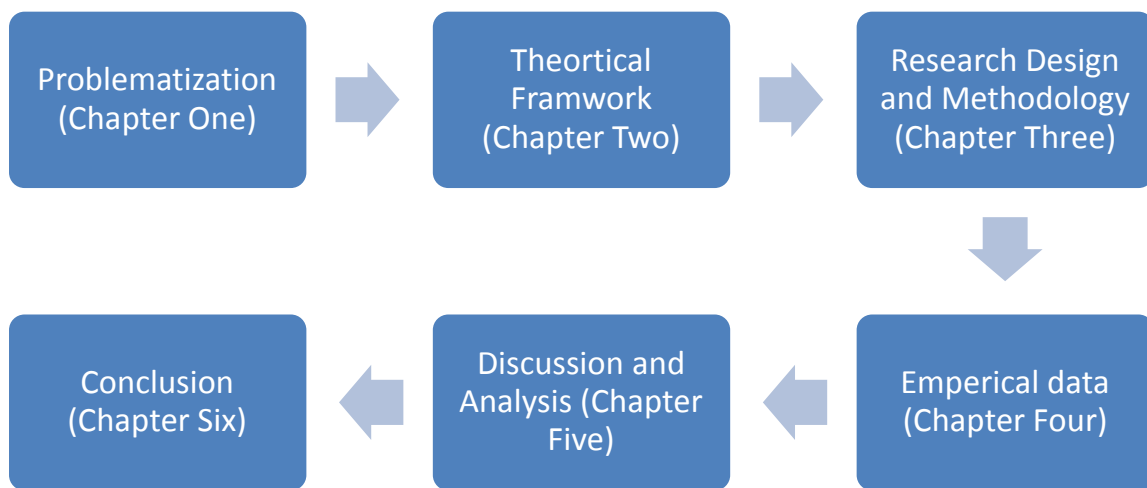


Figure 1.1 Illustrates the structure of this report

Chapter One: This chapter describes the main concepts and the context of the study including chosen topic and research purposes. By identifying the research gap within the area and

Chapter Two: Describe the chosen theories and literature that are relevant for this study. Develop a model based on those existing theories in order to establish conceptual framework and also to develop an interview guide for the empirical findings.

Chapter Three: This chapter presents the scientific stance of the study that discuss methodological considerations related to the research topic. Similarly, how the quality criteria

of research and ethical consideration are taken to ensure the credibility of this study is also presented.

Chapter Four: This chapter consists of practical methodology issues which provide the reader with the findings from the interviews. This chapter come up with the results from the empirical findings before moving into the discussion and analysis.

Chapter Five: Mainly analyze the empirical findings with the theory from the literature review in order to get the pre-conclusion (help to answer the research question more into detail thorough analysis of the interview results).

Chapter Six: This chapter will answer the research question and research purposes on the basis of discussion and analysis part. Depending on findings, contribution of the study and recommendation for the further studies will be presented.

2 Theoretical Framework and a Literature Review

This chapter provides related literatures and theories regarding service climates, service co-creation, customer experiences, and customer value co-creation behaviour, and effects of such customer behaviours, cultural distance. These theoretical concepts have been used as a basis to develop the research question in the previous chapter. Finally, the section portrays the summary of the theories in related to the research gap.

2.1. Service Quality

A service is a process consisting of a series of intangible activities (more or less) while interactions take place between the customer and service employees or systems of the service provider (Grönroos, 2000). The main purpose is to provide a solutions to customer problems through the result of interactions between customer and service provider. In a service context, such relationship can be used as a basis for marketing (Grönroos, 2000). It is very crucial to manage customers for long-term profit of the firm which can be done by offering what the customers' need and want. However, it is important to notice that the quality of a service is subjectively perceived by customers during the interactions within a firm (Grönroos, 2000).

Based on integrating previous studies and conceptual works, Grönroos (2000) summarized seven criteria of good perceived service quality as: (1) professionalism and skills; (2) employees' attitudes and behaviour; (3) accessibility and flexibility; (4) reliability and trustworthiness; (5) service recovery; (6) servscape; and (7) reputation and credibility.

It has been proved by many researches that a service quality perceived by customers directly influence the customers' satisfaction and their trust in the service. That means customers can be satisfied when a firm provides better services than their pre-purchase expectations. At the same time, customer trusts also emerge when customers perceive positive service quality from a firm, and believe that the service firm would bring preferable outcomes for them. In service industry such as hotel industries (where direct interaction occur with customer), service quality is an important indicator to assess a service provider's performance. Thus, we can say that offering a high quality service is almost a succeed in competitive service markets as it creates customers trust and satisfaction as a result firms can build a long-term relationship with customers.

2.2. Service climate

Service climate can be referred to as an experience that employees gather inside the organization which is assisted by the policies and practices that shape the behaviours of the employees which reflect the atmosphere and work climate of the organization. In other words, service climate of an organization determined the behaviours of employees through the policies and practices of that organization. Similarly, experiences of the employees also reflected the service climate such as what is going on around them inside the organization which finally assists to shapes the general tone, atmosphere and the work climate of an organization (Schneider et al. 2000). Developing such practices and policies helps to motivate employees as a result they will uplift their performance by delivering excellence service (Mechinda and Patterson, 2011). It has been found by many researchers that the organization where employees feel their organizations' practices are not keen to focus on customer oriented services then it directly affects the attitudes and behaviours of employees and customers as well. As a result, employees have a less positive experiences during service encounters (Bendapudi and Bendapudi, 2005). However, for providing excellent service, organization basically needs to focus in two areas that is, concern for its employees and concern for its customers which is essential for creating an environment of positive service climate within the organization. Focusing and concerning on employees needs leads to serving customers in a better way (Mechinda and Patterson 2011).

Service climate of the organization determines how the employees behave towards the customer. Also, the employees consisting service centric personality traits develop intrinsic motivation because of which customers are served with better quality service (Auh, Menguc, Fisher, & Haddad, 2011). An organization should always look for building a positive service climate which would be beneficial to the firm customers as well as employees in delivering excellent service and customer satisfaction. Hence, the internal management philosophy of the organization is translated into effective and improved organizational performance with the help of strong service climate (Schneider et al., 2005; Schneider, White, & Paul, 1998,).

Furthermore, a service climate gets effected by general human resource practices and service oriented human resource practices. The later one has profound effect on service climate as it has concern for both employees and customers (Chuang & Liao, 2010). In the other hand, general HR practice is related as a gist of the service climate just because they enhance the overall employee performance. The employees of the organization adopts human resource practices to know certain behaviours and action that is acceptable to the organization whereas

not being able to communicate organization's strategic focus and service theme to the employees could lead to demotivate them (Hong et al., 2013).

2.3 Service Oriented Organizational Citizenship Behaviour (OCB)

In its true sense the definition of customer orientation as per Saxe and Weitz (1982) cited in Mechinda and Patterson, "willingness of individual service providers (in this case employees) to customize their service delivery according to the customer's situation (e.g. needs, preferences, problems etc. (2011:6)." It shows that the customers are variant in nature and sometimes they can be rude, impolite, disrespectful and aggressive with some unreasonable demand. This reveals that the service industry is very unpredictable where the slightest of ignorance or misjudgement by the service providers could lead to disastrous situations. Therefore, firms should promote practices that deliver excellent services to the employees and they should be valued and rewarded for whatever they have done (Chi et al., 2013).

From above statement we come to know that involvement of employees is necessary to retrieve suggestion of their ideas that will provide opportunities to respond to changing demands of customers. Thus, a strong and positive service climate can be created. (Batt, 2002; Liao and Chuang, 2004; Ro and Chen, 2011,). For instance, the importance of service-oriented OCBs adopted by frontline service employees in a hotel is of utmost importance since they have direct contact while delivering the customers which impacts in repetition of purchase behaviour of the customer as per study conducted by Ma et.al 2013. It must have been noted that there exist a strong relation between employee attitude, customer satisfaction and overall firm performance. Creation of positive service climate through appropriate service behaviours and customer oriented OCB's leads to excellent service to customers. Therefore, customers feel the value of quality of service and are likely to spend more time inside the firm (Tsai & Huang, 2002,). Thus, not only firms and the employees are essential in service creation process but also customers in fact play a significant role during the value creation of service delivery process. (Bowen, Siehl and Schneider 1989).

2.4 Value Co creation in service logic

Role of customers in service delivery process is understandable when the concept of value and value creation is clear. In service marketing value and value creation are an elusive concept which came to light when the service-dominant (S-D) was published. Value is co-created by producers and customers but the view shifted the traditional focus of value-in-exchange to value-in-use meaning of value, where value was co-created through the interaction of resources

between customers and the firm or firm's resources. Whereas value creation is co-created with the combined effort of customers employees and the firm (Vargo et al. 2008). Value creation is simply a process through which the users tend to excel in using goods and service to increase their wellbeing. Also, the perception of customers' experience from using the resources is considered in value in use concept. (Gronroos 2011). The viewpoint of customer vary to that of the firm regarding what service actually mean to them. Therefore, from the viewpoint of customer service means being able to use the resources in a value creating way (Gronroos, 2008). Likewise, from the viewpoint of firm service means to support and provide customers' with resources and interactive processes so that their customers are able to create value to themselves (Gronroos 2011). When firms provide such offering to customers then customers choose appropriate one that would provide them with maximum utility (Dickinson and Corks, 2005).

2.5 Social Construction Approach

In traditional goods dominant logic firm was considered as the sole creator of value but the service logic proposed by Vargo and Lusch (2004) says that customers are the main focus of value creation process. In addition, Service Dominant logic reveals that value was co-created with customers who were the centre of value creation process. It also states that both customers and firm are the resource integrators that is embedded in an organization (Vargo and Lusch, 2006). Vargo and Lusch says that as per service dominant logic value is co-created with customers in two ways "value-in-use" and "value-in-context" (2004:9)." In both cases social context was not given preference where the value creation takes place. However, this aspect was later considered by recent study conducted by Edvardsson et.al 2011) as to how value creation takes place and the different factors that took place during the process. Furthermore, the author developed a concept that value is socially constructed process which positioned customer in a social context inter subjective actor and a resource integrator rather than the individual actor. Also, the study pointed out that the roles position and customer interaction has a major impact while developing knowledge skills and their ability to use goods and services to co create value (Edvardsson et.al 2011). Meanwhile , it is necessary to understand that not only collective social forces has important role during service exchange and value creation but also, the individual needs, preference, habits and values of actors are playing a significant role in value creation process (Edvardsson et al.2011).

2.6 Interaction Concept

Interaction take place when the presence of two parties occur whose reciprocal actions effect each other (Gronroos 2011). The firm that interaction takes place in a service context is service encounter which means “a period of time when the buyer and seller meet and engage in behaviours and activities” (Wong & Sohal, 2003:11). Service encounter has a direct impact on overall attitudes of customers, employees and the firm and thus it is considered as a psychological phenomenon (Solomon et al., 1985). An integrated process termed as ‘dialogical process’ is a process that has been created by merging two processes of customer and the firm according to Ballantyne and Varey (2006). The reason behind these interaction between firm and customer not taking place in a parallel process rather merged together is to have opportunities to influence each other’s processes. Thereafter, being engage to each other in a coordinated manner they aspire to learn and get influence from each other (Gronroos 2011). For an example, the interaction between employees and customer is considered as an important aspect in a hotel where the perception of employees meets with customers (Schneider and Bowen, 1995). Being value creators themselves customers are responsible in value creating. However, firms act as a co-creator while participating in value creation process of customer and make use of opportunities during direct interactions. Whereas, firms act as facilitator in case of non-availability of direct interaction eventually making value creation impossible (Gronroos 2011).

Moreover, employees should learn certain etiquette to deal and manage customer interaction because all direct interaction might not be as favourable as it is supposed to be. Only if the frontline employees are aware of the needs and wants of customers then more value will be perceived by customers in service encounter or else the outcome will be negative. Notably, firm outstand as a co-creator of value with their customers who actually create value by providing resources out of which customer create value if only direct interaction between service provider and customer exist (Gronroos 2011). Customer experience depends upon service encounters as well as direct interaction between customer and the employees of the firm. Therefore, value creation is based upon experience that the customer derives while engaging in direct service encounters (Gronroos, 2011).

2.7 Drivers of customer experiences

In the present era, customers are not static to the choices they have for goods and services that means they are no longer submissive in their buying behaviour. That is the main reason why

management firms should understand regarding the preferences of customers in order to sustain in the competitive market. Similarly, firm need to be sensitive about what value that adds to customer since they observe from goods and services provided by the firm (Walter et al. 2010). Customer experience defined by Sundbo and Hagedorn-Rasmussens (2008) is “a mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun.” This definition emphasize that customer experience is all about storing experiences and later on referring it in value creation process as knowledge or competencies. Further, customer experience gets affect due to certain factors. Those factors were determined by Walter, Edvardsson and Ostrom (2010) and pointed out three important frequent drivers which were social interactions, the core service, and the physical hotel environment (Walter et al. 2010). Social interactions are indispensable part in overall experience process and act as a medium through which customer shape its preferences (Gupta and Vajic, 2000). It can take place between customer and employees, between employees and between customers. Similarly, a study by Walter .et.al.(2010) declared that the customer value as “an interactive relativistic preference experience” and that the customer experience is the outcome of interaction with other people (Walter et al. 2010:13). Therefore, social interaction is an important factor for determining favourable and unfavourable. Likewise, the rest of the two drivers are also seen as the influential drivers for customer experience. Next, the core service that is, the quality of the food and service level of the firm played an important role in customer experience (Walter et al. 2010). Finally physical environment, the third driver for customer experience is about determining the key factors such as exterior, interior, layout and the overall service-scape in order to evoke positive and negative experiences from the guest (Walter et al. 2010).

2.8 Customer value co creation behaviour

It has been already noted from SD logic that customers are the active value co-creators themselves (Vargo and Lusch, 2004). Now, behavioural aspect of customers in value co creation must also be understood. On the basis of past research, there are two types of customer value co creation behaviour has been mediated namely; customer participation behaviour and customer citizenship behaviour (Bove et al., 2008; Groth, 2005; Yi & Gong, 2008; Yi, Nataraajan & Gong, 2011). Customer participation behaviour is defined as the “expected and required behaviours which are necessary for the successful production and delivery of the service”, whereas Groth defined customer citizenship behaviour as “voluntary and discretionary

behaviours that are not required for the successful production and delivery of the service but that, in the aggregate, help the service organization overall (2005:13).”

In contrast, the engrossment of customers in the value creation process refers to customer participation (Yi et al., 2011). On the other hand, when the customer engagement is not mandatory and when their performance is based upon sole caniness it is referred to as customer citizenship behaviour. (Bettencourt, 1997; Groth, 2005). According to the study of Yi and Gong (2013) customer value co creation behaviour was seen as a multi-dimensional construct and further divided the two type of customer value co creation behaviour into four dimensions each .Dimensions of customer participation was information seeking, information sharing, responsible behaviour, and personal interaction. Whereas, customer citizenship behaviour consisted of four dimensions: feedback, advocacy, helping, and tolerance was the dimensions of customer citizenship behaviour. (Yi and Gong, 2013).

The service marketing realized customers as an indispensable part and the important human resources of the firm’s environment that means customer behaviour influences the performance of the firm. Therefore, interaction of the customers with firm and its frontline employees is important as service delivery is greatly reliant to it and it determines the efficiency of the firm (Yi et al., 2010). According to customers contact frequency, identification of high-contact and low-contact subunits in the firm can improve operational efficiency by effectively deploying its resources (Bowen, 1986; Chase, 1981). Furthermore, when firms deploy their frontline employees (FSEs) then customers are prioritized more and FSEs will have more time to engage in social interaction with the customers. As a result more rewarding and positive interaction can be manifested. This lead to understanding of mutual needs between the employees and the customer (Homburg et al., 2007). Employees attitudes can change and can respond with positive behaviour with the customer due to the customer citizenship behaviour (Cropanzano and Mitchell, 2005). Positive attitude makes employees more responsible towards their work with higher satisfaction and commitment towards the firm (Tepper et al., 2004). On the other hand, customer citizenship behaviour like providing feedbacks aids FSEs with valuable knowledge which can be shared among co-workers and all over the firm (Yi et. 2010).

2.8.1 Dimensions of customer participation behaviour

The dimensions of behaviours that customer carryout while participating in service delivery process are discussed below:

Information seeking: During a service encounter customers as a value co-creator are required to be conscious about how they are supposed to perform their task so that their clarification regarding service requirements are gratified (Kellogg, Youngdahl, & Bowen, 1997). It is essential to seek information by the customer as it reduces uncertainty allowing better understanding of their co-creation environments (Yi and Gong, 2013).

Information sharing: There must be clear information flow between employees and customers so that the service provided by the employees meet customer's particular needs (Ennew & Bink, 1999).

Responsible behaviour: Only if the customers recognize their duties and responsibilities of being partial employees of that firm value co-creation can be a success between employees and customer (Yi and Gong, 2013). Whereas, during service encounters value co-creation might be low if customers are not aware of their responsible behaviour. Therefore, customers need to be observant a cooperative to rules and policies of the firm and accept directions from the employees (Bettencourt, 1997).

Personal interaction: Interpersonal relation that arise between customers and employees such as courtesy, friendliness, and respect is considered as a person's interaction which is an important dimension of customer participation behaviour (Ennew & Bink, 1999). Within such positive pleasant and congenial environment customers are likely to indulge in value creation.

2.8.2 Dimensions of customer citizenship behaviour

The four dimensions of customer citizenship behaviour are discussed as under.

Feedback: The solicited and unsolicited information that employees receive from customers are feedback as per Groth, Mertens, & Murphy (2004). Ultimately, this information assist the employees and the firm in order to improve their process of service creation in the long run (cited in Yi & Gong, 2013).

Advocacy: Advocacy refers to the recommendation of the firm or employee to other people (Groth et al., 2004). While in the context of value co-creation it determines allegiance to the firm and interest of the firm which is also promoted along with increased customer base (Bettencourt, 1997; Groth et al., 2004).

Helping: In service co-creation process helping can be simply understood as supporting other customers who are helpless and might need help (Groth et al., 2004). Similarly, in order to overcome difficulties some customers evoke their own difficulties experiences and exhibit a bit feeling of empathy to other customers by helping them (Rosenbaum and Massiah, 2007).

Tolerance: It simply refers to the level of patience that customers have in case of delays and equipment shortage during service delivery (Lengnick Hall et al., 2000). This means that the level of tolerance of the customers is the effect of customer behaviours in co-creation service delivery.

2.8.3 Customer behaviours' effect in co-created service delivery

As the types of customer behaviours and its dimensions have been clarified which show how these behaviours affects other actors indulged in the co-creation of service delivery. Customers are always looking towards the satisfaction and fulfilment of their personal needs by participating in service delivery process and actively co-creating value with service providers (Dong et al., 2008). The effects of customer participation during the service delivery can be understood by explore customer's psychological responses and their impact on the satisfaction level of the customers. Furthermore, the study by Meuter et al., (2005) found that when self-service systems and technologies are preferred over interpersonal services, customers get delighted with their accomplishments and self-efficacy. It reveals that customers create more value through self-participation in the service delivery process. In the similar way, the study of Zeithaml and Bitner (2003) showed that, with the increase in level of participation customers are likely to be more committed as well as motivated to co-create service resulting in higher perceived service quality.

2.9 A Business Culture

A business culture influences the way employees behave within an organization and it emerges from a country's culture. Due to the cultural differences companies have to realize that it is important to understand both the different cultures of their markets and the various situations that may occur (Varner & Beamer, 2011). This supports preventing misunderstandings and establishing good relationships to customers and employees. Varner and Beamer (2011) develop different questions a manager should be able to answer before facing another country's culture. The questions contain the five different categories thinking and knowing, doing and achieving, the big picture, the self and the social organization (Varner & Beamer, 2011). This analysis, if carried out with accuracy, supports the understanding of other cultures, their business cultures and of the one of an individual's cultural identity, which can result in an advantageous business expansion.

Company must be aware of the cultural differences concerning values and norms which we otherwise might take for granted. We know that culture is coherent, learned and with shared values on which we base our lives. But these values can be differing between different countries and cultures and when they meet, misunderstanding and problems can occur. In addition to this, the origin of the problems lies in our preconceived intentions and ignorance of other cultures.

Culture and cultural distinctions are at the heart of international marketing Curry (1999 cited in Heerden & Barter, 2008). Culture is an important factor in the international environment to achieve success in international marketing strategies, thus culture should be well understood (Heerden & Barter, 2008). According to Jacobsen and Thorsvik (2009) the success of a company can be explained by studying an organization's culture. Earlier studies on different organizational cultures show that strong cultures within a company bring the employees together and create a common experience of fellowship and community. Common goals, values and community among the people play a crucial role in how successful an organization might be.

2.9.1 Learning about cultures

The first step managers need to establish in members' mind is that each one has to learn and to understand the characteristics, the customs, the values and expectations of the cultures of other members of the team. Indeed, "understanding others' cultures is important to success" (Varner & Beamer, 2005). The more the members will know about others cultures, the easier it will be for them to communicate between them. Moreover, Varner & Beamer says that "all interactions with other cultures are more likely to succeed when you know something about the culture's differences (2005:334)."

Thus, managers encourage members of the team to be curious about the difference because they will be motivated to work with people from different horizon and it will help members to create connections between them and, like this, they will create a better relationship. They can use for this, the Hofstede's research (Varner & Beamer, 2005) on cultural dimensions: individualism versus collectivism, power distance, uncertainty avoidance versus uncertainty-tolerance, and masculinity versus femininity (and long term orientation).

Understanding other cultures is not the only thing team's members have to do. They also have to know their own culture and understand it. Indeed, as Varner & Beamer describe that

“researchers have shown that having a good understanding of one’s own culture’s values, attitudes, and behaviours is the best foundation for developing the ability to understand the communication behaviour of people from other cultures (2005:334).”

To conclude we can say that these two activities work together because “the more cultures you understand, the more you’ll know your own” (Varner & Beamer, 2005:170). Thus, by studying other cultures the team’s members also work on their own.

2.9.3 Trompenaars seven dimensions of culture

Draw up a new business strategy by considering both the differences and similarities across countries and those among individual consumers and services/products are important. Most importantly! There are cross-cultural differences with respect to attitude toward same service/product in different country. Therefore, it is important that Trompenaars’s seven dimensions of culture taken into account when understanding cross-cultural communication. Fons Trompenaars is an author from Holland who is working in the field of cross-cultural communication. In Bickerstaffe’s (2002) interview with Fons Tropaars, Trompenaars explain the seven different factors that need to be explored.

- 1) **Universalism versus Particularism:** It describes how the company works in terms of flexibility or if their work follows standardizes rules.
- 2) **Individualism compared to communitarianism:** It explains what the organization is focused on, group or individual cohesiveness.
- 3) **Connected to this is the Sequential:** Synchronic factor and here one can see whether the employees work simultaneously with different things or if they do one thing at a time.
- 4) **Neutral – Affective dimension:** It show how much the employees and managers tend to show emotion and put their feeling up for display is explained with the
- 5) **Specific or Diffuse dimension:** how personally engaged an employee is in their job can differ,
- 6) **Achievement Vs Ascription:** Different cultures also look at different things when evaluating a person; one could look at a person’s status based on their merits but someone else could look at different factors such as age and background.
- 7) **Internal Vs External.** The last of his dimensions concerns the motivation of the

employees that can come from either inside a person or from the outside.

All of these factors can be used to make managers understand and manage their employees in a better way and to understand other cultures (Bickerstaffe, 2002).

2.9.4 Geert Hofstede's five cultural dimensions

The theory of Hofstede identified five cultural dimensions which can be used to acquire a wide and quite detailed view of a foreign culture: Geert Hofstede's model focuses on studying national cultures (Varner & Beamer, 2011). The model of Cultural Dimension allows the understanding of cultural differences between countries. Thus business companies can adapt to or interact with different cultures. In order to establish successful business interactions it is critical to understand both your own company's culture and the one of your customer's company.

A company's business culture is made and can be changed by its leading managers. But it is not an easy way to do so. A manager should analyze a country by using Hofstede's Cultural Dimensions before dealing with international customers. Managers can base their strategy on this model and try to establish a link between the management orientation of their international business to the cultural identity of the countries that determine the company's market (Hofstede and Waisfisz, 2011). To support this understanding Hofstede's model analyses the five cultural dimensions which are given below (de Mooij & Hofstede, 2010);

- 1) **Power distance:** It describes an index that measures the distance and distribution of power between different management levels in an organization, institution or society in connection to the actors' acceptance regarding this distribution. The power distance can be more or less distinctive in a society and can be explained by various factors such as a country's history or religion. Usually countries with a low level of power distance are affected by horizontal societies which means that such a society is "less authoritarian and hierarchical" (Varner and Beamer, 2011)
- 2) **Individualism/collectivism:** It defines the degree of an individual's integration into a group and its participation in the decision making process. A collectivist society and its companies can be characterized by group work, active participation and close communication between the different actors. In such a society "the individual has responsibilities to the group" (Varner &

Beamer, 2011:143). Contrary to that, employees work each in their own way in an individualistic society. Group work is not shaped by cohesion and an individual's capabilities and skills are the main characteristics of an organization

- 3) **Masculinity/femininity:** According to Hofstede (1980) these attributes do not exclude each other necessarily. They often emerge together. A masculine society is characterized by authority, its degree of assertiveness and competitiveness, its development of a high system of education and its professional careers. However feminine societies are rather formed by solidarity, close personal relationships, nurturing and harmony (De Mooij and Hofstede, 2010).
- 4) **Uncertainty avoidance:** It provides information about the degree to which people can tolerate ambiguous situations (Varner and Beamer, 2011). A high degree of uncertainty avoidance implicates the calculation and avoidance of risk in business settings. Innovations aren't common in such companies. Contrary to that a low level of uncertainty avoidance encourages risk taking and innovations. Such a kind of society is more flexible and open to new challenges
- 5) **Long-/short-term orientation:** A country that orientates at the long term is based on persistence, future and forecast of goals and objectives. On the contrary the short term orientation focuses stronger on the past, the present, respect regarding tradition and former social obligations (De Mooij and Hofstede, 2010).

This Hofstede's research gives us insights into other cultures so that we can be more effective when interacting with people in other countries.

2.9.5 Cultural intelligence And Transactional culture

According to Varner & Beamer, "We know that people are not alike in how well they adapt to another culture. Even those who show sensitivity and delicacy when interacting with people in their own culture may fail to show the same ability to adapt in a new culture (2005:23)." Thus, the second thing managers need to think about is the cultural intelligence of members. Cultural intelligence is defined by Varner & Beamer as "the capability of an individual to learn and understand another culture and then act accordingly" (2005:23). This refers to a person's capability to adapt in a successful way to a new cultural setting. Cultural intelligence has three main components: cognition or knowledge (first part), motivation, and application or

behaviour. These components are the necessary components members need to have in order to understand another culture and prevent mistakes.

When cognition is mentioned as a component in cultural intelligence this means the knowledge about the culture and how things are done in the culture. The second element that also is really important for a person's capability to adapt to a new culture is an individual's motivation to adapt successfully. At last but equally important the behaviours which means the appropriate actions according to the new culture also affect the cultural intelligence. So to conclude, Cultural intelligent consists of the knowledge about the new culture, the desire to adapt and proper behaviour. A high cultural intelligent will help business people to reach their goals in foreign cultures (Varner. Beamer, 2011).

After that the member of the team have learned the different cultures (the others and their own) and have demonstrated cultural intelligence, the last thing managers need to think before they formalize the team is to create a transactional culture. "A transactional culture exists when interactants respond to cultural cues and modify their own behaviour, creating or co-creating a new, temporary culture" (Varner & Beamer, 2005:16). If team's members do this they will act as a whole, they will try together to achieve their goal and being efficient. They will act as a real team with a real culture where all the members are satisfied.

2.9.6 Communication in High context and Low context cultures

Kim et al. states that Edward Hall's theory on low-context vs. high context cultures is useful when trying to understand communication between people of different cultures. We agree on this and think it is very useful in our case of eastern and western cultures since eastern cultures are considered to be of high context and western cultures are considered to be of low context (Kim, Pan & Heung, 1998). The meaning of Hall's theory is that high context cultures use the context to convey a message, while low context cultures uses explicit words with precise meaning to communicate. Hall placed countries somewhere on the continuum between high and low context. He identified Japan as being of high context and US as being on the low context side (Varner. Beamer, 2011).

Kim et al's article provides a more in depth analysis of Hall's theory applied to eastern and western cultures. High context vs. low context cultures are examined through the dimensions:

social orientation, commitment, responsibility, confrontation, communication and dealing with new situations (Kim et al., 1998). Western cultures were found to have more fragile relationships between each other and therefore a weak social orientation. For example family membership is sometimes considered to be optional (Varner & Beamer, 2011). Eastern cultures with high context have strong involvement with family, friends, colleagues and their community, which reflects their strong social orientation (Kim et al., 1998). In western, low-context, cultures, one looks to the circumstances when deciding to commit to a promise. In high-context cultures on the other hand a person's word is a promise and expected to be followed through. Commitment is high to complete actions chains. As high-context cultures are very relationship-oriented, a promise or commitment is usually the beginning of a lifelong relationship (Kim et al., 1998).

Cultures with high context avoid confrontation and seek harmony. An example of this is the importance of the concept of saving face in Japan (Varner & Beamer, 2011). In western low context cultures criticism on the other hand is more direct and the confrontation focuses on solving conflicts compared to high context cultures avoiding of conflicts. In eastern high context cultures messages has to be put into the right context to be able to be understood. An example of this is in Chinese written business letters, which start with some reference to the relationship between the sender and the receiver or some background to the reason for communicating (Varner & Beamer, 2011). In low context cultures communication is made through explicit code and less emphasis is put on the background or the relationship (Kim et al., 1998).

2.10 A Chapter Summary

As matter of fact, the service climate creation in an organization is a large topic comprising of various elements, thus it is difficult to summarize the topic in a few pages. However, I have tried to lay the foundations that make up the service climate in an organization by using different theories.

Firstly, we illustrated the importance of service and service climate for organization in order to develop a positive service climate. This brings the right attitude for employees to work and motivate to give a high quality services to the customers. Similarly, as the firm focus on HR practices (service orientation) then employees are more likely to be passionate about their work and seek to deliver quality services. Another discussion was the positive relationship between

the service oriented behaviours of the employees and the customer satisfaction levels. To be more specific, as the service oriented behaviours of the employees have positive influence on the customer satisfaction levels then it increases their chances of returning back with repurchase intentions. We saw that employees' customer focused service behaviours highly influence the service climate of the firm on its customer's satisfaction levels. After this, we move into the value co-creation in service logic where customers and the resources of the firm can co-created value from a service. In similar manner, we argue that firms act as a facilitator of resources and through which customers create and experience value from the offerings provided by the firm.

During a value co-creation we observe that the collective social forces play a crucial role that means value as a socially constructed process in the social construction approach. When interacting with the various social systems customers used their previous knowledge and experience as a result they can make use of the resources provided to them by the firm. Through direct interaction during service encounters between customers and employees of the firm, it is believed that each party could influence the perception of the other since both parties are involved in a combined integrated process and value is created. Customer's experiences were seen in term of social interactions, the core services of the firm, and the environment of the firm. These three elements were found to trigger the customer's cognitive, emotional, and behavioural aspects which become an experience (memories) for them. Then we come up to describe the customer behaviour attributes during value co-creation process where two types of customer value co-creation behaviours are explained. Through these dimensions we understood how customer react to and engage in during the value creation process.

Furthermore, we cover the cultural difference theories in order to view the effect of cultural differences in service business. We attempted to highlight the importance of business culture including different theories such as, Trompenaars seven dimensions of culture, Geert Hofstede's five cultural dimensions, Cultural intelligence And Transactional culture and Communication in High context and Low context. These approach of culture can be used to better understand the differences and how to communicate between cultures. Finally, the chapter concludes with different theories in order to show customer behaviours on the employees and firm during co-creation of services and also at the same time, how employees and firms could benefit from such customer behaviours.

Below table 1 show theories that covered in this chapter which will helps the reader to distinguish the summary of the different theories we have come through to better understand the research area.

| Section | Topic | Key Concept |
|---------|------------------------------------|--|
| 2.1 | Service Quality | <ul style="list-style-type: none"> • Interactions between the customer and service employees to provide a solutions to customer problems |
| 2.2 | Service Climate | <ul style="list-style-type: none"> • The present service atmosphere within the service industries (hotel industries) • Overview of the service expectations of customers and the actual service climate perception of employees |
| 2.3 | Service oriented OCBs | <ul style="list-style-type: none"> • firms should promote practices that deliver excellent services to the employees such activities lead to better working environment • Creation of strong and positive service climate through appropriate service behaviours and customer oriented OCB's leads to excellent service to customers |
| 2.4 | Value co-creation in service logic | <ul style="list-style-type: none"> • firm competence and resources availability showing firm as a facilitator for customers to create value to themselves |
| 2.5 | Social construction approach | <ul style="list-style-type: none"> • Shows that customers are the main focus of value creation process • Value is socially constructed process which positioned customer in a social context as a |

| | | |
|-------|---|---|
| | | inter subjective actor and a resource integrator |
| 2.6 | Interaction Concept | <ul style="list-style-type: none"> The influence of interactions on both customers' and employees' attitude and behaviour |
| 2.6 | Customer Experiences | <ul style="list-style-type: none"> The use of storing experiences by customers in value creation process as knowledge or competencies. |
| 2.8 | Customer value co-creation behaviour | <ul style="list-style-type: none"> The behaviour of customers that motivates them to carry out customer participation behaviour and customer citizenship behaviour that influences the performance of the firm |
| 2.8 | Effects of customer behaviours in co-creation | <ul style="list-style-type: none"> The influence of customer behaviour on the environment of the firm, that is, as the customers become more committed and motivated to co-create service as their level of participation (satisfaction) increases |
| 2.9 | A business culture | <ul style="list-style-type: none"> A business culture influences the way employees behave within an organization so that company must be aware of the cultural differences concerning values and norms |
| 2.9.1 | Trompenaars's seven dimensions of culture | <ul style="list-style-type: none"> Important to understand cross-cultural communication |
| 2.9.2 | Geert Hofstede's five cultural dimensions | <ul style="list-style-type: none"> This model helps to understand the cultural differences between countries in order to establish successful business interactions |

| | | |
|-------|---|---|
| 2.9.3 | Cultural intelligence And Transactional culture | <ul style="list-style-type: none"> • three main components of Cultural intelligence are used to understand another culture and prevent mistakes • Through Transactional culture, they will try together to achieve their goal and being efficient |
| 2.9.4 | Communication in High context and Low context | <ul style="list-style-type: none"> • Cultural communication can be used to better understand the differences and how to communicate between cultures |

Table 1: Summary of Theories

3. Methodology

In this chapter, we explain the research philosophy, research approach, and strategies used in this study and provide arguments for using such methods and strategies. Then, the practical aspects of the study such as the data collection methods, respondent selection and interview types are discussed so that the readers become clear about the progress of the study being conducted.

3.1 Choice of topic

As a marketing student, I am very much interested to know about the relationship between customers, employees and the firm since these actors are vital in the overall service creation. The creation of a strong and positive service climate within an organization depend on these three parties. Particularly, I am curious how firms could utilize customer experiences to build a strong positive climate of service in their organization. After reviewing many articles, I found that previous research have already established that customer behaviour influenced customer related outcomes such as service quality, customer satisfaction as well as firm performance (Yi et al. 2011). These studies illustrate that service climate of a firm significantly related to customer experiences. However, I did not find any studies that investigated the role of

customers in creation of a service climate. I think this is an important gap (Bowen and Schneider, 2013:12) in this area of research as customer are also co-creators of service in the organization and the role they play in forming the service climate of the organization should be addressed. Therefore, I decided to do a research on this topic by highlighting this gap in the research within the co-creation of service and the climate of service in the organization.

3.2 Preconception

It is highly believed that the pre-conceptions of the researcher influenced the outcome of the research. It is very clear that the researcher's previous experience can affect the process of research design. As the assumptions, experiences and background knowledge of authors contribute the value to their interpretation of reality, especially when processing data provided by respondents. Therefore, I develop my preconceptions in such a manner that will contribute to understand in a better way.

Mainly my preconception are originated from my previous academic studies. I have studied couple of courses in Master level (Umeå University) related to Marketing area such as Business to Business Marketing, International Marketing and Communication course which includes the Analysis of Business Culture and Practical Business Management. Similarly, during Venture Cup competition I wrote a business plan where I work mainly in marketing section which help us to come under top five competent. Not only this much, the author is currently enrolled in the Masters in Business Administration in University of Nordland and has completed International Business and Marketing where he acquire knowledge related to service marketing. Moreover, the author's interest in the marketing field also led him to do research more on this area. Since satisfying the customers and motivating the employees to provide better service could be vital factors for success of any new venture. In similar way, discussion with thesis supervisor and our class fellows help me to broaden my perspective which finally enhanced the understanding to view the problem from different angles. In fact, the current topic of this research is develop after many discussions and dialogues in a progressive ways.

It is further recommended for many researchers that good interest of the research area should be important before involving in the process of writing thesis as noted by Fisher, (2007). Moreover, I found it is relevant to learn more about service marketing as I have done my specialization in marketing subject in my BBA. I agree with Gummesson (2000) which states

that, if researcher have a good amount of pre-understanding of the topic then the researcher does not have to spend considerable time gathering basic information. Thus, I believe that my preconception will complement my understanding through an open mind to acquire new knowledge and experience.

The creation of a positive service climate within an organization could be the backbone for having positive employee attitudes at work and satisfied customers. Generally, authors come to know that employees and management team create the service climate but he wonders about the role of customer. Therefore, he believe that understanding the role of customers in the process of service climate creation could increase the customer participation in the overall service delivery and could also be helpful in retaining the customers. Also, this area of study was interesting to me not only as a business student but also as a customer and a future marketing manager as I would have to deal with my employees and look into ways to motivate them as well as satisfy my customers. The author believes that with this study, we can understand the role that customers play in co-creating positive service climate in the hotel firm.

3.3 Research Philosophy

Research philosophy is the way of thinking about the development of the knowledge of particular research. This term relates to the development of knowledge and the nature of that knowledge (Saunders et al. 2012). Furthermore, it is very important for researchers to consider the appropriate research philosophies for his/her research as understanding the basic assumptions of research philosophies can enable the researchers to reach designs beyond their past experiences (Blumberg, Cooper, & Schindler, 2008). Through the basis of appropriate research philosophies, right choices of research approaches and research strategies can be made. According to Bryman & Bell (2011) there exists two main research philosophies namely ontology and epistemology which are discuss below

3.3.1 Ontological philosophy

As far as ontology philosophy is concerned, it is more focuses on the reality, meaning generating the theories of what is known, and also perceives the view of the reality (Raaschelders, 2011). This philosophy mainly provides the rough typology which describe the thinking process of different scientists that hold on various views about human beings and their world. Through the ontological philosophy researcher can attempts to the question whether the

society is built by the perception and action or not? That means it describes the fundamentals of reality which is very important in this research paper as well.

It is concerned with the nature of reality. Under ontological considerations there are two major positions: objectivism and constructivism. Bryman & Bell states that “Objectivism is an ontological position which asserts that social phenomenon and their meanings have an existence that is independent of social actors (2011:21).” In this research social actors are customers and employees in an organization who place different interpretations on the hotel industries firm. Constructivism is a stance which asserts that “social phenomenon and their meanings are continually being accomplished by social actors” (Bryman & Bell, 2011:22). It further mentions that categories people use to understand natural and social world are social products and they are not built-in but their meanings are constructed or generated from the social interaction (Bryman & Bell, 2011).

In my case, social constructivism position is best suited for this research as social interactions between the actors are a continual process and in a constant state of revision (Saunders et al. 2012). In broad sense, during my finding of the role that customers play in the co-creation of a service climate inside a hotel context includes the emotions, attitudes and experiences of customers and the employees. From this process they construct their perceptions, social constructs, and experiences where constructivism or ‘social constructivism’ views reality as being socially constructed. Similarly, social actors such as customers and employees in an organization may have different interpretations on situations in which they find themselves in. It is very important to notice that each individual may perceive different situations in different ways as a consequence of their own view of the world (Saunders et al. 2012). This means that the customers or employees of the organization may seek to make sense of the interaction based on the interpretation of the events and assigning meanings that they draw from these events.

3.3.2 Epistemology Philosophy

Epistemology assumption is about the basis of knowledge and in what manner knowledge can be transmitted to others (Long et al., 2000). From this point of view knowledge of the social world leads to the epistemological positivism, which give emphasis on the empirical analysis of solid relationships to the external social world. There are two main philosophical positions under epistemology and they are positivism and interpretivism (Bryman & Bell, 2011). Another

important matter to concerned is that subjectivist and objectivist, both have its own ground of knowledge and each position hold different fundamental conception of social reality. (Morgan & Smircich, 1980). Therefore, in this research paper also I had read different theories in order to find out whether the knowledge that I have suits with the information taken from the theories or not. This makes easier to read and gain knowledge about different theories within service climate, Service-dominant logic, Social interaction, Customer Experiences and drivers of experiences, Influence of customer behaviours in co-creation of service delivery, and cultural difference. This statement is match with the argument of Smith.E, Jackson.P, & Thorpe.R (2012) that is, epistemology is more about different way of getting knowledge about the physical and social world.

Positivism (objectivism) is a philosophy of natural science which collects data by observable reality that emphasized more on quantifiable observations. That lend themselves to statistical analysis although which might not necessarily always be the case (Saunders et al. 2012). On the other hand, interpretivism considers humans as social actors and interprets everyday based on the social roles of humans. It argues that for the researcher it is important to understand the differences between humans in our role as social actors. We interpret our everyday social roles in accordance with the meaning we give to these roles. Similarly, we interpret the social roles of others in accordance with our own set of meanings (Saunders et al. 2012). According to Bryman & Bell (2011), interpretivism is based upon the truth that social reality has a meaning for human beings where human action is very meaningful.

Depending upon the nature of study being conducted, I choose interpretivist approach because it is more focuses on “understanding”. As the study conducted among customers and employees of hotels where we need to discover the meanings that are subjectively imposed by them on the phenomenon of creation of service climate. Since this study deals with understanding the customer experiences and how they can help to shape the service climate of a hotel. As we know that human behaviours and their actions are uncertain and are always changeable according to time and situation where it is believe that interpretivism position helps to obtain the subjective reality of the actions performed by social actors and try to make sense or acquire the meaning of it. That means it is important to dig deep into the drivers of these customers’ experiences emotions and interpret the social world according to their views. Similarly, in order to explore the subjective meanings that motivate actions of social actors

(customers and employees) it is important for researcher to enter the social world of his/her research subjects and understand their world from their perspective (Saunders et al. 2012).

3.4 Research Approach

For researchers it is very significant to show how they are going to support their research design since scientific approach reveals the relationship between the theory and empirical parts of that research. Normally, there are three types of research approach; namely; deductive approach (the research is developed from literatures develop theory and assume hypothesis); inductive approach (the research assumes by collecting data's to generate or built theory); adductive approach (combination of inductive and deductive approaches which generate a new or modify an existing theory which is continuously testing through additional data result).

The main purpose of thesis is to find out the role of customers in the creation of a successful service climate inside a hotel industries where there exists direct interaction between customers and employees in the process of service delivery. Saunders et al. (2012) states that the inductive approach is the gathering of information to better understand the problem which is thereafter processed and explained by the development of a theoretical framework. This is also in line with Perri & Bellamy (2012) it can also be used for investigations of complex problems which are difficult to grasp on forehand. From the literature review we came to know that many researchers have analysed the impact of employee and management team in creation of service climate inside a hotel industries. However, at the same time, some writers have argued that there is no fixed model for customer's role in creation of service climate. I do believe that this thesis will not only see whether the role of customers in service climate in a hotel industries follow the same pattern as other hotels do, but it also try to provide a new pattern (model) for customer's role in creation of service climate in other service industries. So, the most suitable approach for thesis is inductive enable us to gain a comprehensive understanding of the research problem as well as enable us to identify unknown aspects of the problem.

3.5 Research Strategy

In order to obtain the answer of the research question it is important for researchers to understand the research strategies clearly because this leads the researcher in the right direction when conducting their research and collecting the data. In relation to this, generally there are three types of research strategy they are (Saunders et al., 2012): Qualitative research; is related with non- numeric data, it is a process of data collection process where the result generates non-quantifiable data, Quantitative research; this deals with quantification or numeric data and uses

data collection techniques and data analysis procedures that generate or use numerical data, and Multiple methods; researcher mixes both qualitative and quantitative at the same time.

*Source: Bryman & Bell (2007:28)

| | Quantitative | Qualitative |
|---|---|---------------------------------|
| Principal orientation to the role of theory in relation to research | Deductive; testing of theory | Inductive; generation of theory |
| Epistemological consideration | Natural science model, in particular positivism | Interpretivism |
| Ontological consideration | Objectivism | Constructivism |

Table 2: fundamental differences between quantitative and qualitative research strategies

This research paper emphasizing on the humanistic ‘why’ and ‘how’ questions in order to explore the phenomena from the prospective of employees, customers and managers. That means qualitative methods are most suitable since the main aim of this study is to understand the role of customers in co-creating a service climate inside a hotel firm. Therefore, in my research, I am not trying to test any theories but rather it is concerned with the generation of new or modification of the existing theories.

By using qualitative method, this study will be able to capture employees and customers’ experiences where the reader will understand how customers react to and help co-create service climate in a hotel setting firm as a social context where service is co-created by the interaction between customers and employees. In the line of Bansal & Corley, (2011) state that the reader is able to see the world through the eyes of researcher which are capturing the true experiences of the informants. In this approach the data can be collected by conducting interviews to know the views, experiences, opinions, feelings of the potential respondents so that we can explain the social phenomenon in depth. This implies that the qualitative research has the ability to bring the reader closer to the phenomenon being studied whereas quantitative study has not. Thus, I believe that qualitative research strategy best suits this research since this study commences an inductive approach and uses an interpretive and constructive stance in research philosophies.

3.5.1 A Case Study

A case studies is a suitable research strategy in inductive research since the small number of cases enables the researcher to develop a profound understanding of a complex phenomenon or of social interactions. It is even more useful when the researcher want to study factors that are dynamic and/or interacting with one another (Perri and Bellamy, 2012). In my case, social interaction, customer participation, intercultural communication etc. can be said to constitute such a dynamic factor as social interaction and intercultural, cross-cultural communication are based on the interactions between people. Saunders et al (2012:179) states that the case study *“..has considerable ability to generate answers to the question ‘why?’ as well as ‘what?’ and how?’”*. This statement further on supports my choice to adopt the case study as research strategy.

A limitation for case studies is that its results might be difficult to generalize since those types of studies only allows for a small number of cases to be studied (Perri & Bellamy, 2012). However, for this thesis, my intent is to make a theoretical contribution to the field of co-creation of service climate as I adopted an inductive research approach. For that reason I am not intend to generalize findings. It should be noted that, this research paper is seek to achieve findings which can be transmittable onto other cases.

3.6 Research Design

Generally, there are three types of studies they are exploratory, descriptive, and explanatory (Saunders et al. 2012). An exploratory study enables the researcher to explore and develop an understanding for the nature of a problem that means it is flexible and adaptable to change. Therefore, researchers must also be willing to change and adjust directions as new data and insights emerge (Saunders et al. 2012,). A descriptive research helps to gain an accurate profile of events, persons, or situations and can sometimes be an extension of, or a forerunner to an exploratory research. Finally, an explanatory research establishes causal relationships between variables (Saunders et al. 2012).

As to my case, this research is best fit to the exploratory design in nature. The purpose of using the exploratory research is to explore what is going on and get new insights about that subject

matter. The research question and purposes are about to find out the role that customers have in helping to co-create a service climate inside a hotel firm, which are suitably addressed in an exploratory way by interviews. In other words, this could be best answered by conducting an exploratory research because it requires conducting in-depth interviews with the participants in order to understand and explore the topic in question. The possibility and capacity of data to be collected in order to gain new insights into this topic can be best made possible through an explorative study. Thus, this become an additional support to our earlier argumentations for the research approach and the research philosophy. We see the process is coherent and closely connected together which best serves research strategy.

3.7 Literature Search

With the aim to deliver a high quality thesis, it is important to know first what a study within our knowledge sphere in an area that has not been explored or insufficiently explored (Bryman & Bell, 2011). Much of literature search relies on careful reading of the books, journals, and reports in order to find a few keywords that should help narrow down the boundaries of a chosen area of research. However, electronic databases of previously published literatures can also provide valuable insights. In this study, I have used the secondary sources for my literature search. The advantage of using a secondary data is that it saves cost and time, and the data provided by official sources are usually of high quality.

A significant proportion of the literature search was done through the University of Nordland's library database. Through the university database, I could get access to other databases such as Business Source Premier, Emerald Full text, Elsevier Science Direct etc. which were also used for the literature search for this study. Since, I am studying in Umeå University as well so I have used their database which is very similar to University of Nordland. Besides that, I have also used some books and journals in the relevant area of study to review the previous literature in the research area. Search engine sites such as Google, Google Scholar and journal databases such as Emerald, Sage, etc. were also used to collect the secondary data. However, much of the articles and journals used are academic journals and peer-reviews collected from the both university's library database. I have tried to use more recent sources of literatures for my study, but, however, some of the literatures used have also been referred as old as thirty years ago. But nevertheless, the importance of these literatures is still relevant and valid to the construct of the paper.

3.8 Data collection methods

The method of collecting data is through the interviews in my case since I have decided to use a qualitative research strategy. The interview is probably the most widely used method in a qualitative research (Bryman & Bell, 2011). Interviews can be classified into three different types: structured, semi-structured, and unstructured or in-depth interviews. Structured interviews use a standardized set of questionnaires also referred to as interviewer-administered questionnaires and the response are recorded on a standardized schedule. This type of interview is usually used to collect quantifiable data usually with pre-coded answers (Saunders et al., 2012). In a semi-structured interview, the researcher has a list of themes and questions on specific topics to be covered, and the interview may not be conducted in a standardized pattern meaning that the order of the questions may vary depending on the flow of the conversation and the researcher can even ask some follow up questions. Unstructured or in-depth interviews are informal interviews where there is no predetermined list of questions to follow. The interviewee is given the opportunity to speak freely about the events, behaviours and beliefs related to the topic area (Saunders et al., 2012).

For this study, I have chosen to use the semi-structured interview process because of the nature of the study being conducted. Since this research is exploratory based, semi-structured interviews will be helpful to conduct qualitative interviews where the researcher adopts an inductive approach. A list of questions was developed based on the review of literatures used mainly focusing on the customer experiences during co-creation of services and customer value co-creation behaviours in a hotel service setting (See Appendix 1, 2). Before the interview is conducted, the purpose of the interview is made clear to the interviewee and as the interview proceeds, the questions of the interview guide may also change or sometimes follow up questions can be asked to dig deep into the subject topic and explore the objectives of the research in depth. The interview questions are easy to understand and some management terms such as OCB, customer participation behaviour, and citizenship behaviour cultural differences terms (cultural intelligence, transactional cultural, communication in high context and low context) were explained to interviewees as the interview proceeded to make the respondents familiar with the terms. Face-to-face interviews were carried out on one-to-one basis meaning that the interaction took place between the researcher and a single participant at a time. Moreover, follow-up question were also asked in order to get more clarification from the respondents to the questions if needed. By doing this, respondents feel comfortable during the interview process although some questions that perceived as an inappropriate by the respondent

were asked as also highlighted by Trost (2005:64). Therefore, I believe that the use of semi-structured face-to-face interview is best suited for collecting the data for this study and will help me to understand the gap presented in this study.

3.8.1 Selection of Respondents

In order to choose right candidates for the interview process it is important to follow up the right technique, therefore, I chose the purposive sampling technique. In this sampling technique I choose the international guests and employees who have had huge experience of direct interaction with each other's. When it comes to the respondent's selection process I had chosen eight respondents where five are from customer (international guests) and three are from employees; based on purposive sampling for those who are familiar with the term of service climate, working environment, cultural difference and so on. I believe that it helps to get details of data from all departments. Most importantly, the interview guide is made based on the theories discussed in the second chapter. The semi-structure interviews covered information relating to the role of customer in co-creation of service climate in context of hotel industry.

Furthermore, this sampling technique would thus provide us with an information-rich data where the research question can be answered by analysing the data collected from interviews and innate theoretical insights could be obtained (Saunders et al. 2011). According to Bryman & Bell (2007:133), "*the identities and records of individuals and organizations should be maintained as confidential*". Therefore, we will use coded forms to recognize our participants. The five customer participants are therefore coded as Customer A, Customer B, Customer C, Customer D and Customer E. Similarly, the three employees are represented as Employee A, Employee B, and Employee C, respectively.

3.8.2. Interview Guide

To meet the objective of the research paper the interview guide were written in a more flexible way. The questionnaire were designed in such a way that remind certain topics, keeping the interviews on track without being too rigid. Likewise, to acquire the facts and information about respondents' views, feelings, statements, thoughts, and their description of the behaviours about how they view the social world from their vantage point the questions were based on the theoretical framework and divided into sub categories in order to address the

research question. The learnability of the process, the first interview increased the value of the second interview. As a result, the quality of the collected information is improved after the first interview took place. Moreover, I also tried to raise follow up questions at the time of the interviews to ensure that the respondents understood my questions and also to gather important information that is related to the research question. It is a good way to make sure that researcher ask follow up question during the interview in order to not miss out little details related to the topic in study (Bryman & Bell, 2007). The estimated time of each interview took on average from 30- 50 minutes. During interview process, I realized that the quality and improvement of the first interview affects the rest of the interviews.

In Semi-Structured interview are non-standardized interviews which have a list of themes and possible key question where the respondents had full freedom (flexibility) to answer the questions (Berg, 2004). The interviews were conducted face-to-face in the respective interviewee's offices. In fact, a location was also chosen by the interviewees according to their convenience room. This face-to-face interaction makes able to understand the inside feelings, signal symbol like body language, facial expression and personal communication between the interviewer and the interviewee. Before interviewing the respondents, I first contacted all the respondents personally and requested them if they were interested to participate in my research. Once, they were ready to participate in the research, then I fixed dates on which the interviews were to take place depending on the feasible timing of the respondents. I also sent the interview questions in advance through email so that the respondents did have time to prepare themselves for the questions.

Finally, before the interview started I explained to the respondents that the interview will be recorded but the names of the respondents will be kept anonymous in my report. All the respondents were fine with that. Also, before starting the interview I explained the participants about what my research was about in brief to give them an idea about my research. The interviews were done in a quiet room and after the interviews were over I thanked the participants for their time and requested their time in future if I required some more information and they were supportive of that. The interview template is included in appendix 1 and appendix 2. After the interview ended, the participants were more cooperative. More importantly, the respondent's answers were very helpful to address our research question. Ultimately, the answers obtained from different interview are analysed in order to find out the role of customers

in co-creating a service climate within the hotel industry. The following table shows the overview of respondents.

| Interview # | Participants | Duration | Region | Interview place |
|-------------|--------------|----------|--------------|---------------------------------------|
| 01 | Customer A | 47min | Oslo, Norway | Frogner House Apartment & Hotel |
| 02 | Customer B | 31 min | Oslo, Norway | Frogner House Hotel Norum |
| 03 | Customer C | 38 min | Oslo, Norway | Frogner House Hotel Norum |
| 04 | Customer D | 34 min | Oslo, Norway | Frogner House Hotel Norum |
| 05 | Customer E | 42 min | Oslo, Norway | Frogner House Hotel Norum |
| 06 | Employee A | 39 min | Oslo, Norway | Frogner House Hotel Norum |
| 07 | Employee B | 44 min | Oslo, Norway | Frogner House Hotel Norum |
| 08 | Employee C | 36 min | Oslo, Norway | Frogner House Hotel Norum |

Table 3: Overview of respondents

3.9 Approach to analysis

There are many techniques of analysing qualitative data however, in this thesis I have selected to use the content analysis for analysing the qualitative information gathered from the interviews. Hancock, (1998) states that the summarization of the mass data collected and presenting the findings to readers is the main purpose of this technique where analysing of data is helping to communicates the most important features of the raw information. Additionally, it can be used for categorizing verbal or behavioural data to classify, summarize and tabulate the hidden information that is presented in the collected data. This collected data can be presented in the form of messages in the mass of each interviews (Hancock, 1998).Based on the data

collected from the interviews, the information deduced have been classified into major themes which are analysed in comparison to the literature review of this paper.

3.10 Quality Criteria

According to Guba and Lincoln (1985), qualitative research and quantitative research are evaluated with different approaches. Unlike quantitative research, where quality of evaluation is measured on the reliability and validity concepts, for assessing the quality of qualitative research, a different alternative should be used. The two primary criteria proposed by Guba and Lincoln (1994) for assessing a qualitative study is trustworthiness and authenticity (cited Bryman & Bell, 2011).

3.10.1 Trustworthiness

In trustworthiness there are four criteria they are; credibility, transferability, dependability, and conformability which are explain briefly below.

3.10.1.1 Credibility

Credibility of any qualitative research is the social reality studied is and should be accepted by others. In order to establish credibility, the researcher must make sure that proper scientific methods of good practice is used and also presenting the research findings to the research participants to make sure that the researcher has correctly understood the social world (Bryman & Bell, 2011). In this study, I have followed the standard practices at my disposal keeping in mind the concepts and practices that are presented in relevant books of research methodology. Also, I have sent my findings to each of the interviewees to validate and confirm my findings.

3.10.1.2 Transferability

Transferability is parallel to the concept of external validity. The basic idea of transferability is that the findings from the research could be transferred from one context to the other, or used in the same context in other studies (Bryman & Bell, 2011). But as Bryman and Bell (2011:398) noted that, “qualitative findings tend to be oriented to the contextual uniqueness and significance of the aspect of the social world being studied”, it is difficult for all qualitative findings to be applied to a different context. In this study, due to the unique context of the study,

it becomes difficult to transfer its findings to apply to other settings. Since this study is done only with a small sample size and inside the hotel settings only, it will be difficult to say that the results can be applicable to other social settings. But, since this study does not aim to generalize, the findings from this study lead us to an understanding of the role of customers in co-creating a service climate inside hotel firms.

3.10.1.3 Dependability

Dependability means ensuring that the complete records of the entire phases of the research process are archived for future consultation and ready access (Bryman & Bell, 2011). This criterion checks whether the researcher has followed the appropriate techniques and method in a reliable way and how much care has been given to the records to establish how far proper procedures are being and have been followed (Bryman & Bell, 2011). For this study, I have followed proper procedures with the guidance from my supervisor and MOPP. Also, all the fieldwork notes, interview transcripts, data analysis decisions have been recorded for easy access in the future.

3.10.1.4 Confirmability

The last criteria for ensuring trustworthiness refers to being open and interpretive in part of the researchers to the findings which should be based on the data obtained from the respondents rather than the researcher trying to manipulate it with his/her own opinions (Bryman & Bell, 2007). In this study while analysing the data from the interviews, any personal views and the opinions of the researcher has not been counted. All the analysis is based on the data as received from the respondent's viewpoint. Also, the interviews are recorded along with other relevant notes. The interview questionnaire was given to the respondents prior to the interview so that participants could prepare themselves. Thus, while conducting this study, the researcher has acted in good faith and has fulfilled all the ethical aspects required for the research.

3.10.2 Authenticity

The second criterion for evaluating the quality of qualitative research is authenticity which refers to the context of how fairly the research has represented the viewpoints of different members of the social settings (Bryman & Bell, 2007). The purpose of this study was to investigate the role of customers in creating service climate inside hotel firm. The social

interaction between customers and employees when coming in direct interaction with each other was an important factor to understand this. Therefore, both customers and employees were interviewed keeping in mind that interviewing only customers were not enough to fulfil the purpose of the study as during a service delivery both customers and employees act as co-creators. Understanding the viewpoint of both customers and employees on what and how they experience the encounters between them lead us to understand the climate creation inside the hotel firm.

3.11 Ethical considerations

When conducting any sort of research, it is very important that the researchers ensure the best use of the different methodological practices and procedures and should also be concerned about the moral correctness related to the involved participants (Saunders et al., 2007). Therefore, four main ethical principles are taken into consideration in this research which are explain below (Bryman & Bell, 2007).

- **Harm to participants:** The researcher should avoid any actions that would affect or harm the participants in future. In this study, I have tried to eliminate any kinds of harm that could be done to the participants which may affect their personal life or their work. Similarly, the interviews were conducted as per the convenient timing of the participants and organizational data are kept confidential.
- **Lack of Informed consent:** The researcher should provide the participants with full information about the research before their participation. Any data collected or used without the consent of the participants is not ethical that means all the participants should accept to take part in the research voluntarily. For this study, oral agreements were reached with all the participants to make sure that the information provided by the participants would be handled with care and kept secret. For most business research, oral consent is sufficient and the willingness of a respondent to participate after knowing that participation is voluntary is often interpreted as consent (Blumberg et al., 2008).
- **Invasion of privacy:** The researcher should not invade the privacy of the participants and researcher should be careful not to disclose any information about the participants

which they don't feel comfortable with. Thus, maintaining confidentiality and anonymity is very important as requested by the participants.). In this study, I have maintained the privacy of the participants and guaranteed the confidentiality of their personal information. I have protected the respondent's confidentiality by restricting the access to participant identification.

- **Deception:** Deception occurs when the data received from the participants are used for other purposes than what it should be. Deception should always be minimized and avoided as to get accurate findings from the research (Bryman and Bell, 2007). Therefore, information collected from the participants was used only for the purpose of understanding the research question of this paper.

3.12 Chapter Summary

A summary of the research design methods and nature of this study have been presented in a table below:

| | |
|-------------------------------|------------------|
| Ontological consideration | Constructivism |
| Epistemological consideration | Interpretivism |
| Research approach | Inductive |
| Research strategy | Qualitative |
| Nature of study | Exploratory |
| Analysing approach | Content analysis |

Table 4: Research design summary

4. Empirical Chapter

*In this chapter, the data is collected from the interviews of five customers and three employees of **Frogner House Hotel Norum**. In order to gain an insight understanding of the topic, interviews were conducted as per the respondents' permission and convenience. Therefore, the primary source of data is through face-to-face interviews. The chapter is divided into two sections: the first section comprises of the data from the interviews of the customer and the second consists of data from the interviews of the employees. It commences by introducing the companies profile (**Frogner House Hotel Norum**) in order to give clear understanding towards readers. The empirical is portrayed based on the same order as presented in the theoretical chapter.*

4.1. Frogner House Hotel Norum

The Eco friendly Frogner house is believed to be built around 1900. Over a period of 100 years the hotel has evolved from being a small pension, to be charming, intimate and friendly hotel that it is today. In other words, there is a lot of history in the walls. The beautiful building is distinguished by its gorgeous architecture and central location in Oslo behind the chestnut trees in one of Oslo's most famous streets. They strongly believe and live according to their concept "Home when you're not" and look forward to take this into the hotel world, and prove that the hotel rooms can be a small home for people living in a strange city (Frognerhouse, 2014).

The hotel has 57 rooms and four spacious conference rooms. Just outside the door public transport can easily be accessed that takes you into the city centre, out to Bygdøy or wherever

you desire to go. Frogner is close to the quiet surroundings of Skovveien 8 and nearby area we can find a little more secluded and quiet, and within close proximity of an old cinema house called Gimle where you could enjoy a good movie as recreation. For extra recreational activities the surrounding area offers a wide variety of restaurants, delis and clothes shops. They serve a wonderful breakfast buffet every day. At present there is no restaurant available but they can refer to many good neighbours in the area with discounted rates especially for Frogner House guest. Frogner house is the one that has been specially designed for those who live away from home for longer periods and who feel that a hotel room is impersonal. It lives up with honesty and reliability which can be assured through experience (Frognerhouse, 2014).

4.2 Customer's Point of view

4.2.1 Customer A

General Information

Customer A has come from Finland and she is staying in hotel for her internship program from university. Since she has come in Norway for her study, thus, University is bearing all the cost for hotel. She speaks only English and Finish but understand slightly Norwegian language as Swedish language is second official language according to her.

4.2.1.1 Service Expectations

In question related to service expectation for customer a replied that service quality is the service that company used to offer to its final customer by putting their all resources in order to make customers happy. Next question regarding staying outside in hotel was not very often for her because she is student and it is not affordable staying in the hotel so often. The service that she received in the Forger House Norum was very excellent, in addition, she replied that *“Well, I do like the way they give me their service for instance, warm welcoming me and feel relax all the time although I am tired by work”* As time is essential for customer A she prefers quick services so that she can spend her spare time in other works. She added that in order to be a fast and quality service of Frogner House Hotel Norum is good enough since they welcome guest with fruits and chocolate including big smile. She addressed it as “welcome gift”. She felt good service since the beginning moment as receptionist shake the hand, introducing

herself and giving brief introduction about the hotel. Moreover, she like the information that she received at the first day about the basic needs such as transportation, food, entertainment, health service and so on. Therefore, she believes that customer should be aware of new services offered by hotel so that they can worth the pay while staying at the hotel.

She had no bad experience in this hotel but she explained that she had a bad experience in German. She mention that they are not service oriented since they response in negative way and especially she want to see how they react when asked something. In general, it looks pretty beautiful as the all employees are tidy (well dressed) and all the places are also clean for instance, there were no any dirty trash. Similarly, the employees were well trained on how to give excellent service to the customer. According to Customer A, employees are highly trained which adds to meets the expectation of customer like mine. To be specific, she answered *If I have some problem or ask something then they are providing instantly which means that they are more customer oriented and want to keep customer happy as an example yesterday I had an technical problem (electric power) then I give a call to them and within 24 hour they fix that problem. However, if the problem is big and take lot of time then you have to wait otherwise they fix it as soon as possible*". Therefore, I must say that my expectation is meet by their service performance.

In question asked about the case when your expectation is not meet by the hotel how you react then she replied that, she did not have such experience where she had to fell like that but in case of such situation contacting to the reception or responsible person is the best way to solve the problem. She gave example of sending email to the right person or in charge people is the worthy idea.

4.2.1.2 Social interactions

Speaking about the social interaction, Customer A mentioned that she used to interact almost every day and share the new information to other customers as well. She want to make sure that other customer are happy like her by recovering the same service that she achieved. Particularly, she share the living inside the hotel with the new international customers because she believe that if international guest are comedy from far away and they are unknown about most of the things such as international guest used to ask where is the nearest stores, transportation option and so on. Those things if I know then I

immediately share with them which ultimately helping new arrival guests. In fact, she want to feel other customer as easy as possible. She mention that *”more or less interaction occur by looking his body language, personality, eye contact and so on”*.

Asking the question of describing the difficulties in understanding the way in which the service is carried out then she replied that, there is no any such difficulties she had to face till date but as she mentioned earlier Frogner House Hotel Norum has a wonderful service so there is hardly other people who also have difficult to understand the way they serve to their customers. Again, she replied that in case of such situations contacting in charge of that particular problem through phone or email is easier way to get the solution of the problem.

For Customer A, *“helping to others is help yourself”*, therefore, she always feel happy to help other international guests as they have arrived from far away usually and have not been in this hotel before. She like to make good service environment through making contact with new guests in order to feel them easy as much as possible. She give example of giving the brochure to the new arrival guests which makes them easy to get information since even the receptionist also may not give full information all the time. Therefore, according to her giving brochure and magazine helps lots to new guests to get information of the hotel and local area. In my following question did you help them although they are not asking help from you then she answered as *” Yes, I do off course, if someone has problem and I see that then I say do you have problem, how can I help you....., I would not die if I help her, like couple of days ago one women had a problem with using the stuffs, women do not know how to use those stuffs then I tell her to use that stuffs in this way and that way”*.

4.2.1.3 Previous experience and service encounter

Regarding previous experience, Customer A voiced her opinion that the she do compare her previous experience that she had before staying in other hotels. She narrate that, Forger House Hotel Norum is very high standard place for her to stay and it feels luxurious. She reflect all her previous experience regarding good rooms, and other services. She mentioned that hotel has very good concept, that is, *“Home when you are not”*. This feels her unique although it is a hotel but she find the homely atmosphere in the hotel which makes her feel that she is at home

with family. When the employees of the hotel come to know about this kind of feedback from their international guest then they were very happy after all, they are the one who create and provide such a service which is beyond customer's expectation.

For Customer A, the responses that she used to get from employees are very pleasant and welcoming nature. She did not find any employee reacting unpleasantly to her. During the interaction she always felt that they were always interested to help her and wanted to give more information regarding their services and new events that are coming in future. The employee used to share such a things by thinking that their guests might would like to join such events and entertain as much as possible. In addition, to this she said that when her boyfriend come to visit her, receptionist treat them with very warm welcome and drink coffee together with him. It show that not only guest from the hotel they treat well but also the people of their guests like relatives, friends and family. However, in case of unpleasant situation she do not like to have such situation but if unpleasant situation exist then she just try to be clam and cope with situation as she mention we are from Scandinavian countries. But if situation is too bad and hard to control then she used to tell them to do the things in different way since it is not working according to them. Even she added that if it is no more long lasting service then she might leave the hotel and give comments through commercial websites (Facebook, twitter, and so on). But she believes that this kind of unpleasant situation does not last that long, therefore, she basically try to stay cool and relax.

4.2.1.4 Customer participation and citizenship behaviour

If she want to know something then she ask to the employee around her and if not then call to reception. But at the beginning she used to ask lot of question almost every day but now she know where can she find most of the stuffs that she looking for. Question about referring some service that benefits the firm then answer was yes, she likes to inform those things which can improve their service even better. He think that services that can benefit for firm in the future should be explore/exposed. When pointing out of non-obligatory responsibility towards the hotel then she said that she feels happy to be part of that responsibility because she realize that she is present there.

She used to give feedback almost every time if she had something to tell for them but there are not that much changes to see so she normally give feedback or service. But she pointed that as they make any changes in room or other place of hotel then she give feedback for example, they

put two extra chair in backyard which she found beautiful and convenient for the guest then she say thanks to receptionist about the changes they made. In the follow up question she said that feedbacks and suggestions were taken into consideration and hopefully implemented in the hotel as well. Since hotel management take very seriously about the feedbacks as they are well aware that it makes changes in the looks or service offer to the guests. For instance, when she said something positive comments then employees take it very personally that makes feel them good about their services.

She is very likely to recommend other people to stay in this hotel such as family, relatives and friends but at the same time she reveals that it is too expensive to stay in the Frogner House Hotel Norum. According to her in very hotel of Norway it is expensive although their services are excellent and even it is harder for the students. Thus, she did not recommend that much often to other people.

4.2.1.5 Cultural difference

As far as cultural difference is concerned, she replied that Norwegian culture is not that much different than Finland. She did not find any cultural shock as she is from Finland where the people are almost reserved nature like here in Norway but she notice Norwegian people are more cheerful than Finland people. In addition to this, she thinks that, *“Even though people from both country are reserve but if I have to compare then I would say Norwegians are little more socialize than Finish people. I have seen in the hotel that Norwegian people are talking in the lobby area although they do not know each other but in Finland it is rare to see these kind of conversation unless if you know him/her. But, of course some people do that but not that much”*. Speaking about the similarities between both countries, she stated that both Norwegian and Finish are very hard working. She added that, people from both countries are work oriented and trust worthy. In particular, she said that if they promise for something then definitely they mean it and keep their promise alive.

The positive differences is that everyone smiles all the time and they are very friendly to her. She does not think that they need to apply anything because they already have good standard, and service but there is always something to learn and adapt. It depends on how much they want to be positive.

4.2.1.6 Cultural intelligence And Transactional culture

She thinks that cultural intelligence is a basic thing that a company should have because that company should acknowledge and make use of cultural differences. But she also added that a company did not have to hire employees from different countries who have a knowledge of culture. Similarly, transactional culture is also equally important since it helps to create a situation where both cultures can do a transaction to fit in common matters; it is more or less a negotiation stage for her.

4.2.1.7 Communication in High context and Low context

In a question related to the importance of cross-communication, she points that an employee must have basic things (surface) but do not have to understand everything so that it will minimize huge misunderstandings. As a result, employees will harm anyone's feelings because this is not a good thing to say anything without knowing basic things; otherwise, it seems unprofessional.

4.2.2 Customer B

General Information

Nationality of Customer B is German and she is working in e-business (e-business promoter). She speaks German and English language. She has come to Norway as a tourist with a plan to visit some place of Norway (Bergen, Stavanger, and Tromsø).

4.2.2.1 Service expectation

Customer B perceives service as a fulfilment of needs. According to her "I expect professional and service-minded employees who fill the needs that a customer has. Also responding negatively in a constructive and respectful manner is vital (negative answers are not necessarily destructive; you get far with an "I'm sorry" when you can't fill the customer's request)". Similarly, she used to stay in hotels 3-6 times a year and she also thinks that staying in a hotel in Norway is pretty expensive. In the response to a question regarding how you describe your good experience in the hotel? She explained that: The first impression that a hotel makes of course always sets a certain standard, both in a good and bad way. It has to do with the location, the interior, light setting, design and the receptionist. As the receptionist is the first meeting point, that certain employee represents a vital part of good quality. Often the only hotel employees you meet are the receptionists and the breakfast waiters.

She suggested that "*creativity is a vital part of giving excellent service; let's say a customer presents a request that you can't fulfil; can you do something different than the specific request?*"

It might even be a better and more memorable experience for the customer” The respondent believe that the bad service experiences occur when the service employees don’t show an interest in dealing with your request either you are in a hurry and need to pay your room very quickly or you are looking for the gluten free bread at breakfast. Similarly, in question of hotel service in term of it service performance she says that she find hotel is quite clear that more expensive hotels hold a higher service level. However, she does not understand why hotels with a lower standard don’t hold a higher service level despite their profile having a budget standard. In the response of question regarding does the service performed actually meet your expectations, she stated the same thing as mentioned above; she thinks that more expensive hotels are far better in having an excellent service level.

When asked about how you react when your expectation of the service provided by the hotel do not meet your standard? She says that her desire will decrease and will not visit that hotel again if it is not necessary and she also does not like to speak positively about the hotel in discussions with friends and colleagues.

4.2.2.2 Social interactions

After asking questions related to the engage in social interactions with the employees or with other customers, Customer B explains that during staying in hotel, she does not engage in social interactions with other customers especially when she does not already know. Likewise, the interaction with employees is narrowed down to the necessary contact only such as during check-in, breakfast, and check-out and so on. She argue on this matter that, *“but it is more depend on the personality of service providers how much he or she is interested to make a conversation.* She said that sometimes there is difficulties in understanding the way in which the service is carried out and it is about the state of unhappy with the service level. In such situation she try to solve the issue by contacting the reception or solve the issue in her own way. In the question of helping other customers who have similar difficulties in getting the service, she replied that: *“If another customer has an issue does not get help from employees, I will of course try to help him or her if I have the time. Why? Because it’s nice to be cool but much cooler to be nice”.*

4.2.2.3 Previous experience and service encounter

According to Customer B, service expectations are growing instantly when it comes to comparing previous experiences about the service when interacting. Again, she add that, once it happens like that then employees or the service providers need to improve constantly.

When interacting with employees she have high expectations of hotel employees so if they do their job and are polite she is satisfied (this is the normal standard) whereas she would be very surprised if an employee would not meet her service expectations. When it comes a bad encounter with an employee or another customer during getting service, she says that *“I stayed in a budget hotel last year with a low service level and bad logistics, for instance we paid for a breakfast that hardly was worth calling a breakfast and we had to walk 5 minutes to get to the luggage room but besides this, I haven’t had very negative experiences that I can think of”*.

4.2.2.4 Customer participation and citizenship behaviour

Regarding the questions on how often do you try to get information regarding the service you receive? Why? She replied that it depends on the service; if it is about going on holiday and staying in a nice hotel, she used to read a bit more about location, infrastructure and possibilities nearby whereas if she go on a business trip and only stay one night, she normally does not pay much attention to the hotel. Sharing any new information related to the service that she received with service provider is time consuming things because that takes a lot for her to actually inform the service provider of improvements. As she thinks it is their own responsibility to constantly work to raise their service level. However, she might mention their improve potential in a conversation if it feels natural.

When I asked her how you feel that you have some sort of responsibility (non-obligatory) towards the firm you are receiving service from then she mentioned that, she used to hold responsibility to act as a good customer who holds high ethical standards. She thinks that she has a responsibility not to break anything and if it is happen accidentally then inform an employee (receptionist). Talking about feedbacks to the firm and employees she described that she did not engage in feedback forms as she did not expect her feedback will be listened to. She gave example that many hotels are parts of big hotel chains and if she comment on towels being changed even though she did not put it on the floor, the ventilation system to be out of order or the room to look old and boring. Thus, she did not think the hotel owner will actually do something about it.

Since front-level employees (receptionist) are the ones who come in direct contact with the customers, they act as a face of the hotel to the customers. If these employees are not careful in dealing with the customers then the hotel risk losing their customers which could prove disaster for the hotel. She explain this way particularly, *“If I have a good hotel experience and a friend or colleague is going there I will of course share my positive experience. However, I don’t act as a commercial for hotels if it’s not relevant for the conversations”*.

4.2.2.5 Cultural difference

Regarding questions about the main cultural differences she said that *“In Germany they are very task oriented and the manager is guiding the employees in a totally different way than in the Norway, it is not as free and the employees are given more direction”*. She mentioned that the Germans are very formal, strict and structured in their way of work which she did not find in Norwegian people.

The main similarities that she found between her culture and Norwegians are food (bread), customs, value, language and tradition off course. Particularly, Norwegians are more conservative, they do not want to be that much socialized as Customer B’s culture.

4.2.2.6 Cultural intelligence And Transactional culture

She think that it is extremely important to create a cultural team which have knowledge of cultural intelligence and Transactional culture before come to direct interaction with international guests because she believes that if a service employee gives a high standard of service but doesn’t understand the customer’s culture, the stay might very well be classified as a failure by the customer.

4.2.2.7 Communication in High context and Low context

According to Customer B, understanding cross-cultural communication is also equally important in order to see how people from different cultural backgrounds communicate, in similar and different ways among themselves. She pointed out that *“German communication is generally very formal but in Norway is very informal”*. Moreover, she explained that there might be a problem if we have different cultural perceptions and different understandings of an issue. Even though we might agree to begin with, there might be a risk when we do not understand each other’s cultural backgrounds and reasons.

4.2.3 Customer C

General Information

Customer C has come from India which is second largest country in Asia. He is software engineer in India and came to visit his friends in Norway who work in Telenor Company of Norway.

4.2.3.1 Service expectation

For customer C, the service quality is more about satisfactory term where he feels happy and enjoy by receiving service. He mentions about the question on how often do you go out to stay in hotels, he said that staying in hotel is not that much often. He would like to say very rarely but sometimes twice in a year. In his experience the hotels has satisfactory service quality. Till the date service perceived quality is above average in most of the situation, apart from one or two bad experience.

When asking a good experience in the hotel he said that good care of guest, good food and of course nice and friendly communication comes into account. The experience he had in hotel was not that much luxurious but staffs were ever ready to help him. They were giving their best to satisfy him. Speaking about the bad hotel service, he said that there was a terrible experience while they were on study visit. They had pre booked rooms but when they arrived hotel in midnight there were no enough rooms as per booking. In term of service performance of hotel, he thinks that communication is main factor of service performance and he always expect nice and warm welcome while he enters to the hotel. In case of not meeting his expectation from hotel's service then he did not show any immediate reaction but he usually makes a plan that he will never be back in that hotel again. Even more, he said that while moving out he used to leave some feedback on their suggestion box.

4.2.3.2 Social interactions

Customer C voiced his opinion that the level of interaction between a customer and an employee mainly depends upon various factors such as the personality of the employees, their interpersonal skills, the customers or the employees' moods, etc. He also added that it depends upon his mood! As well. For instance, if he is in good mood then he like to do interactions with employees. Interaction depends on personality of the employee as well, he

mentioned. He believes that by interacting with customers gives out much honest information about the hotel which are the real information in fact. Customer C will contact the service manager if he needs to understand the way in which the service is carried out. Customer C claims that he is very helpful person because his family believe that helping others is beneficial to them, so he grew up in such atmosphere. This means that he always tries his best to help others.

4.2.3.3 Previous experience and service encounter

When talking about the use of previous experience then he says timing is the factor that he often notice while firms delivers the service to him or other customers. Time is very important for him in service since he believe that fast service makes big difference to the customers. The reason behind this is that people do not want to wait for long time; they want quick service as soon as possible. He mentioned that in such a way *“I have experiences that the hotel staffs are quicker in delivering the service as compared to some years back. This completely shows that employee of Frogner House Hotel Norum are very much customer oriented”*. Similarly, he also notice that in hotels he had stay there has no dictations on maintaining temperatures at all, but here they are in rooms.

Generally, the employees interacting with good attitude and if they react unpleasantly then we have to make him/her understand about the situation instead of creating problem. We have to make them realize that you are problem solver of customer’s problem, therefore, employee supposed to be clam and piece rather than act in negative way. But in most of the case they always likes to make customer happy since customer are very mean to them.

Regarding a bad encounter with an employee or another customer inside hotel, his response that there is not a bad experience with hotel employees. But, when he was in New York there were a drunk customer who used slang word to him but he just ignored them smartly. He think that mostly he tries to avoid such situations because there are other areas where he should put his energy, not in silly stupid things.

4.2.3.4 Customer participation and citizenship behaviour

To get information regarding the service receive, Customer C look into mail since all instructions were been given on mail, which was sufficient. However, he recommend this to be in person (as mails are always overlooked). He believe that there is always something to

learn and no one is perfect so he always give feedback to them by filling up feedback form. He think it will helps them to improve their quality of service and become more customer oriented. Customer C says that “Yes, I do as firm might need it. For example I shared my experience of using internet service and laundry to my peer so that they can use in proper way”.

Giving feedbacks to the firm/employees is very significant according to Customer C. He replied that *“I won’t feel hesitation to give feed back to the hotel employee if needed. I always feel the feedback form which is provide by the hotel. I don’t have any experience whether my feedbacks are implemented or not because I have changing my hotels every time”*. But he expects that once feedback or comment is made then there may have to look forward to see the changes. But certainly they did in past of replacing items which were not working before. Customer C do not have much of an opportunity to recommend on hotels except to his personal friends, but he refer to them depending on his experiences in their service, amenities they provide, and how close they are.

4.2.3.5 Cultural difference

When I ask question about the main cultural differences that he experience while staying in hotel then he come up with lot of differences in term of daily practices stuffs. For instance in light facility Customer C have more brighter lights back at home and he think that he is more personal touch compared to professional touch here. He says that there are many things which he thinks as a cultural difference; He noted that; *“We also have no complaints from service providers back at home compared to here. I do not find it wrong, but you people also need to understand that we have other areas where our energy does really go instead of putting the personal items in proper place on daily basis and maintaining room in certain temperature and so on to a lot of big list. Not every day at least sometimes it is human nature to miss something but no complaints back at home unlike here”*.

He stated there are few main similarities between Indian culture and Norwegians such as when it comes to enjoying family matters and friends and clubs. Both people want to celebrate festival with full of passion. He believes that cultures is also about a naming conventions, thinking about their jobs to excel in their career by making better progress on timely basis. The positive things he admire is relaxing out with own group is highlighted by hotel. Customer C recommend that company should provide more helping hands and sharing the information to others.

Because he see few people do really practice it and it seems like they do it with any intention and get on with it.

4.2.3.6 Cultural intelligence And Transactional culture

Regarding creating a cultural team which have knowledge of cultural intelligence and Transactional culture before come to direct interaction with international guests has more beneficial to the hotel said by Customer C. It makes more comfortable for the guest if hotel staffs are aware about the culture of guest. In similar way, hotel might get more likes and open feedback and fixes on both ends. This way hotel can minimize the losses that usually occur because of cultural differences.

4.2.3.7 Communication in High context and Low context

When answering about the cross-cultural communication he said it is crucial part of communication between two different cultural backgrounds. It helps to break down certain barriers such as preconceptions, prejudices and stereotypes that obstruct our understanding of other people. The consequences of having cross-cultural communication is that mutual understanding arise which means trust build up between two parties. But on the other hand, he also believe that it is not really mandatory as employees just need to be human enough to understand at least while providing the service. In Norway he did not have any problem when doing direct interaction with employees but he says that he have to face some problem when he interact with hotel employees in Italy (Rio Hotel Milan) and Spain (Ciudad de la Imagen Hotell) because of language problem (the cleaner was unable to speak English).

4.2.4 Customer D

General Information

Customer D belongs to London city of United Kingdom. He came to Norway as a tourist to see the beautiful greenery mountains of Norway. He is working as a sales man in the shop. He speaks only English language and is learning Spanish language in free time.

4.2.4.1 Service Expectation

Customer D perceives service quality as a comparison of expectations with performance. Besides, he generally perceive the service quality the moment he enters a hotel. He thinks that the welcoming vibe of the place is important for him to feel homely. A good reception that he

would receive from a receptionist and acknowledgement of his presence from the management is what he looks for at any hotel. He stated that he stays in hotels quite often. As he needs to travel a lot for work purposes .He has stayed in quite a few and good hotels around the country. As he had mentioned earlier too, he usually looks for some good hospitality from the staff to start with, nice food to fill his starvation and a cosy bedroom to get over the tiredness he had all day long. These are the basics that he would generally describe as a bare minimum service in the hotel. He says that it was the most convenient hotel in that particular area providing high class amenities and services to its guests specially the staffs. They were welcoming, smiling, gentle and helpful. He really enjoyed the welcoming atmosphere with excellent check in operation with a tasty welcoming drink at the desk, had a very friendly chat with the front desk operator who showed him all the details very carefully and that time he felt he received a good service. For Customer D hygiene is the foremost priority then he usually look for great location, interior, lightening, executive lounge, swimming pool and different other amenities.

Actually, Customer D had too much needless interaction with the staff, who were very friendly and efficient, but he said that he would have preferred the things he needed to be available, and not have to ask time and again. One: the internet connection wasn't working when he arrived after a long day of travel. He phoned the front desk and a maintenance man was sent to the room, where he fixed the connection immediately. Two: a room service menu. Not all the staff speak English well enough to hear what they try to say in a phone, and guests want to see what is available, what it costs before they call room-service. A printed menu in English was sent to his room after phoning the front desk. He says that it should have been there at the first place. The room was not spotless. Given the amount of people moving in and out of hotel rooms cleaning is essential. There were oily spots on the glass cover of the TV-screen and the windows and this gives a grubby feel. Lastly, the pillow was not comfortable which caused discomfort whilst sleeping therefore at times he was disappointed with the service and felt that his expectation didn't meet. He said that he is not over demanding or complaining kind of person but when he finds the service they provide is not to the optimum level as they promised at the first place and feel that the value of his money is not worth the stay then he does complain about being unsatisfied.

4.2.4.2 Social interactions

When customer D visits a new place he likes to explore more about that place and people, being a socialized person he does it often. On difficulties in understanding the way in which the

service is carried out he initially contacts reception as they are the one who supposed to handle the problem if get any kind of confusion regarding services. He says that he just feels delighted when he gets to help other people having similar difficulties .He thinks the reason behind is maybe because he has been grown up in environment having such norms and values.

4.2.4.3 Previous experience and service encounter

When I asked him about the previous services when interacting and relating to the present service he was receiving he said that discussing about his previous experience about the service it is quite often for him especially the timing factor of the given service. When he tries to make employees aware of the previous experience he used to find awkward reactions from the employees. He states that the employees are more attentive to the customers because they know that the customers are experienced in the service and are expecting more out of the employees .Generally, he gets positive attitude from the employees .He says he hasn't had such cases but if he face one then he says, *"I would suggest the manager to equip their employee with better training"*. Customer D has had a bad encounter with another customer while getting service. According, to him many of the Mainland Chinese are very inconsiderate. They do not care what time of the day and they are very loud. While his stay at the hotel for 5 days he woke up so many times because they were extremely loud and disrupt his sleep. He responded to them the other day insisting them to keep their conversation toned down especially at the lobby upon which they reacted unpleasantly in their own language. He noted, *"Unfortunately, due to the language barrier they couldn't understand English and I couldn't understand them either."*

4.2.4.4 Customer participation and citizenship behaviour

Customer D often tries to get information regarding the service to make himself satisfied. He does not hesitate to share any new information and ideas regarding the service if in case it provides mutual benefit to employees and customers. He also give feedbacks frequently because he thinks that it is important for firms to take customers review into serious consideration for the improvement of the firm. The question of whether he recommends about the hotel to other people he replied that it depends upon the level of satisfaction he received that determines whether to recommend or not.

4.2.4.5 Cultural difference

In term of behavior he stated that *"As a whole the Brits are more closed up and reserved than perhaps people from southern Europe and America, but once you establish a connection with*

them the friendships can last a long time". When it is about similarities then Customer D said that, in the UK leaders and employees socializing was considered good for morals and relationship which he find more or less same in Norway as well. Likewise, both culture focus on the individual performance.

4.2.4.6 Cultural intelligence And Transactional culture

Despite all the technological wonders that are occurring, he says that everyone needs to work with one another on a person-to-person basis. To be effective, he states overcoming stereotypes and language barriers is necessary. He mentioned that when individuals have misunderstandings or commit errors when interacting with persons from different cultures, they are often unaware of any problem. It has been assumed that cultural differences are barriers and impede communication and interaction. So to overcome these barriers he thinks one needs to understand the differences between one's own culture and another's. Therefore he thinks creating cultural team is necessary.

4.2.4.7 Communication in High context and Low context

He believes that there is the need to understand the realities of communicating in a culture other than one's own. He says that communication across cultural boundaries is difficult. Differences in customs, behaviour and values result in problems that can be managed only through effective cross-cultural communication and interaction.

According to him, "*Persons of dissimilar backgrounds usually require more time than those of the same culture to become familiar with each other, to speak openly, to share in common ideas and to understand one another.*"

4.2.5 Customer E

General Information

Customer E come from India. She speaks Hindi as it is the official language of India. She works in Finance company as a department head of Loan & Credit. She was tourist in Norway as she will be visiting other European countries as well.

4.2.5.1 Service expectation

According to Customer E service quality depends on overall positive experience with a firm. She goes out to stay out at hotel depending on her amount of time in a city. She mentions that

“It is extremely vital that you receive good service in a hotel, because you have selected that specific hotel and you want the best and relaxing experience as possible for your budget. She says the more you pay the more you expect”.

When pointing out good experience Customer E noted that it is the encounter you get from the personnel, if they are friendly and accommodating. She added, *“ Then in case there has been an issue in the booking it is good if they meet you on the adequate terms.”* Impolite personnel, or dirty rooms that have not been cleaned in a long time gave her a bad experience. According to her a good hotel service should consist of great location, washing facilities (i.e. shower or bathroom in room), Wi-Fi, breakfast and easy access to local transport. Speaking about her experience where her expectations about a hotel were not met she told that location and price is hard to make demands on, because if it is too pricy she choose to stay somewhere else. However, services such as internet access, clean toilets and sheets included in the price is something that she does believe a customer can ask for. In case the expectation of the service provided by the hotel do not meet her standard would tend to talk to the reception if they can accommodate the stay a bit better, and of course in a nice way.

4.2.5.2 Social interactions

Regarding social interaction, Customer E voiced her opinion that it is important to talk to the staff to know basic information, and this should not be on the customer's request but the staff should try to be as informative as possible about the services and premises. Other customers in hotels tend to be quite open (due to being holiday or conferences) so being friendly is always a good thing. She feels that difficulties in understanding would be if the information is not easy to access. Staff would be contacted if it is necessary, she added. When asked if she was willing to help other customers who were experiencing difficulties with the service she said if she can relate to the issues that the other customers are facing with then it is easier to make a difference as a group.

4.2.5.3 Previous experience and service encounter

Discussing about his previous experience about the service, he told me that it tends to depend on the tone of the conversation, if she is friendly in her communication then most people are willing to help. She gets friendly responses from employees .But when you have had a bad encounter with an employee or another customer while you get a service then she believes that the issue has been with that person themselves, and they are not representing a brand or a

business by such rude behaviour. It should not be tolerated at all, and hopefully they have some manager over them who can scrutinize such bad behaviour.

4.2.5.4 Customer participation and citizenship behaviour

Regarding seeking information about the service of a new hotel, she replied she just go through the homepages, and if something is unclear or if she needs to book quickly she prefer to call. When asked about the responsible action that customer felt towards the firm, she replied that her responsibility as human being is to be nice and treat people with respect. That is the main responsibility she feels. Giving feedback is also an important aspect in hotel. Customer E very seldom gives feedbacks. Customer E was also open to recommendations as she recommends others as often as she can if she had a good experience.

4.2.5.5 Cultural difference

She found one interesting cultural differences about position or authority as she says that, when she was asking about discount in hotel then receptionist direct give opportunity to meet with manager for that purpose in one phone call. She found this strange because in India it is not common and to meet with such higher management team as they need to wait for couple of days or even she mention there is less chance to meet them.

4.2.5.6 Cultural intelligence And Transactional culture

Customer E also believes that it is always good to have such a cultural team so that international guest will not have to face problem because of cultural background. This cultural knowledge can help hotel to deliver high quality of service without creating any kind of misunderstanding while interacting with customers.

4.2.5.7 Communication in High context and Low context

For her cross-cultural communication is good part of internal communication within a firm especially in service business since they have to develop interpersonal skill in order to sale their service into the market. She argued that; *“for me relationship is very important either it is with friends or relatives, I am giving more focus on what they are saying to me (words)”*.

4.3 Employee's point of view

4.3.1 Employee A

4.3.1.1 General Background

To the question asked upon employee A about the role that he performs in the firm he replied that he makes customer relation and take care of them by being available at any time of the day to sort out customer's problem anyhow. He said that previously he had no experience in hotel but have had experience in restaurants for six years.

4.3.1.2 Service climate

When asked about the expectation from management, employee A mentioned that he wants to have all equipment needed to do job such as printed stuffs, car because he has to go on events with contact persons regarding different social activities which really contributes in business. He adds that, there is nothing missing but expectation are there that they should meet. Employee A also said that most of his colleagues at work also share the same opinion as him. Describing the working climate inside his hotel he said that it is built upon their service to customers. He believed that they are service minded and therefore provide top quality service to its customers. After asked about feeling good or bad about his work with a pleasant smile he answered *"we are expanding which means we are doing something right"* He feels at his best when he sees joy and happiness in other people.

4.3.1.3 Service quality

Talking about customer service employee A said that face to face service is an excellent service. *"He thinks that many people tend to forget to be personal but he personally does like to care the customers and says that he is interested to put their needs beyond his own by approaching individually"*. He said that his hotel can provide much more services. He however thinks that his hotel is well equipped to provide an excellent service to his customers. But still he emphasized that he would really like if there would be any technology available even if it is costly so that he can easily approach to customers and provide them with more services. Next, when he was asked about whether customers were happy about the quality of service offered to them he was strong to state that the customers were really happy with their service as they could effortlessly book through major sites. Therefore he says he cannot see anything missing. He explains that in his hotel there is no special program to support high quality services to customer but every time the manager reminds the colleagues about it.

4.3.1.4 Interaction and firm competence

Employee A doesn't interact much with guest even if he does then its limited to few people. During his work he acts professionally with intellectual person whereas for some he goes a bit casual too in order to know their interest and needs. During his job he has encountered with customers who are very unpleasant and demanding. He related one such incident where an American customer who was always and demanding to fix the problems as soon as possible. Despite of that, he stated *“Even though when these extraordinary person come we don't want bad reputation and maybe we will have to lose some money on these customers but it's always the big picture behind there that is important.”*

When I asked him about what kind of training he received before he started his work he answered by saying that he never had any kind of on-job training. He said that he just got one week of introduction class and nothing more so basically he learned by doing. He says he wouldn't have manage this job if he hadn't have previous experiences and education. Thus, he feels that customers are variant in nature so the more the training is equipped to the employees more they can serve the customer in better way. Speaking about the infrastructural competencies of his restaurant he says there is nothing missing and in case if there is then he informs to manger and jut get it in. Also he thinks that lacking in organizational resources do tend to effect on the employees working in the hotel .For an instance if he would not have the car he says he would be doomed and it would be impossible for him to do the job.

4.3.1.5 Empowerment and flexibility

When asked about how much freedom do the front level employees have to participate in the service related decisions, Employee A replied that their managers are very broad minded. But as an employee he has to picture what are the benefits why should he do it and why should he go to shipping related to fare so on. If he has freedom to customize to see what he can do better and he does it otherwise it to management and if it has to be fixed anyhow, of course depending on time and money. Furthermore, he feels that such engagement with customers contribute to the working atmosphere in the hotel.

When asked about how his restaurant handles the feedbacks from the customers, he replied that they have review on mail and also have got system as well as different ways to listen to feedback. He sees internet as one big problem which he considers in a negative aspect .He

opined that if they get complain a lot then they try to give the customers some complimentary for satisfaction .

4.3.1.6 Customer focused OCBs

When asked about how often he engages in OCBs focused towards customers, he said that he sometimes engages in OCBs. He described to me that sometimes American customers visit their hotel and when they ask for standard room they find the room and bed comparatively smaller. Because in USA the standard room would be 50 percent larger compared to the standard double room there .Therefore, they expect for similar kind of room which is not possible .He says then he tries to explain them politely about the different standards of different countries. The reason why he carries out such activities is because according to him, *“this is a service line profession so if someone is pissed we try to consider as they might come back again for our service, once again it is important to see the bigger picture”* He thinks acting on such morals definitely has an effect in the working environment as the faster the problem is solved the better it is *“this is what makes us really stronger.”*

4.3.1.7 Cultural Difference

When I asked about the kind of differences in the organizational culture he mentioned that there are big differences. As an example he said that the Americans and the Chinese have bigger expectations than other customers from another countries. He says one example that *“Regarding USA, 40% of single rooms are bigger than double room of Norway, that means they have same picture here in this hotel also and cultural clash occurs”*.

According to him, there are almost 80% people are international guests so at least to have a basic knowledge of the different culture is important in order to have a smooth interaction with their international guests.

4.3.1.8 Cultural intelligence And Transactional culture

Further, when question regarding to importance of creating a cultural team which have knowledge of cultural intelligence and Transactional culture before coming to direct interaction with international guests he put forward his view saying he would not say they need to make cultural team but have knowledge, he exclaimed that the managers will say what kind of people they will get. Thereby he states, *“We learn by doing”*. According to him, the receptionist needs

to be someone who has had interaction with different people. Therefore it is learning by interacting.

4.3.1.9 Communication in High context and Low context

To the question related to cultural Communication in High context and Low context he explained that it usually has to do with cultural difference. He said that in high level context when some customer as ambassador demands respect then he kindly tries to tell him how to behave towards certain cultures. Lastly, he adds that everyone is different for him to provide good service and it is possible because he has lived with those cultures of Asia Europe and Africa.

4.3.2 Employee B

4.3.2.1 General Background

Employee B works in a hotel as a receptionist and she had started working about one and half year ago. Employee B says that before she join in Frogner House Hotel Norum she used to work in a small hotel where she worked as front desk employees. She also came from service mentality background and had academic knowledge of hotel since she studied bachelor in Hotel Management

4.3.2.2 Service Climate

As an employee, she expects good environment to work in from her management and expects that they encourage service to the guest .She added that it could be better if they involved her more and focus on new employees. She also mentioned that the working climate in the hotel is highly customer focused as they want to do their best for the guest. When asked about what makes her happy at work, she replied by saying, *“I love my job and working environment and like to do the service that’s why I work here to serve the customers.”*

4.3.2.3 Service Quality

Commenting on the prerequisites of customer service that is essential for a good customer service she replied that her hotel is very small so they are focused on providing homely atmosphere. As she mentioned, *“Maybe we are more casual than other hotels therefore lots of the guest appreciate our service”*. She thinks that her hotel do provide good customer service but emphasized that her hotel lacks some infrastructures in order to provide maximum customer service experience she would like to see more modern rooms renovate a little bit would prefer

gyms, swimming pool. She thinks that being happy with the service that she offers depends upon the customers and she thinks that they are satisfied with the services she provides to them. According to Employee B, the management inside the hotel don't reward but they support and encourage them. She said that the management informs them to be customer oriented and give good services. She explains, "*it would be better if manager could focus more on us*".

4.3.2.4 Interaction and firm competence

Speaking about interaction between employees and customers she said that it depends on the guests and she acts accordingly either in professional or casual way. As employee B states, "*Most of the guests want us to provide them with home like atmosphere therefore I prefer to be casual*" She also added that sometimes they had to deal with unpleasant and very demanding customers as well. She has a lot of experience and shared one such incident with me where she encountered one lady from America who was very demanding and not happy. She wanted her to visit her room every five minutes complaining about lot of stuffs. Employee B thinks that the lady might have pictured the hotel to be a differently than it was which could happen mostly with international guest. In such situation she acts professionally and try not to get angry with the guest. When asked about what kind of job training she has, she replied that she could answer every question that the customers have. She noted, "*The training provided to us is good enough.*" Commenting on the lack of resources in her hotel she thinks that the hotel lacks telephones which becomes difficult for the customers to reach to them and they stay unsatisfied that makes her sad because possibly there is nothing that she can do. Hence at that time she feels that she is not able to provide good service to the customers because of the lack of resources in the hotel. She also mentioned that because the hotel lacks adequate resources such as telephone it becomes difficult to reach to the customers. There remains communication gap between the customers and employee and they stay unhappy as a result of lack of resources which creates obstacles in working environment.

4.3.2.5 Empowerment and flexibility

Speaking about the level of work engagement of employees, she mentioned that the management do engage them in some cases but not all. She explains that strict management in the hotel has been replaced with the former one so she has no such freedom as she used to have before. Upon asking the question whether such engagement with customer contribute to the working atmosphere in the hotel she replied that she doesn't know if it effects the working environment but she believes that serving customer to their best makes them happy. She added,

"Happy guests make happy employees" Employee B further mentioned that the hotel's management is very open to suggestions and feedbacks from the customers as they have systems and technical crew who fix the problem which they look upon as a chance to improve their services. Employee B stated that the hotel manager follows through and makes necessary changes according to the feedbacks. She therefore, listens to customer problems and if it is possible she does solve it.

4.3.2.6 Customer focused OCBs

When asked about how often she engages in behaviours which is not required outside her work, she replied by saying that she does that a lot. She said, *"I refer them and help them with extra services like recommending movie to the guest and if they want to visit restaurant then I book table for them and provide them map to go to that place."* Employee B said that she wants to do a good job and feels great to serve the customers. When asked what motivated such behaviours she said that the working culture of the hotel plays a significant role in motivating her to perform such behaviours. With hopeful thought she states, *"My colleagues might follow what I do and so everyone's behaviour might improve."*

4.3.2.7 Cultural Difference

When asked about differences in the organizational culture that she sees in the international guests she mentioned that some guests wanted her to be professional and some wanted her to be casual. As an example she said that Americans want them to be friendly whereas guests from UK and Germany want them to be professional. She says, *"they act how they are taught to see the service person which is resulting from their environment culture where they have lived, may be influenced by parents, teachers or might be their culture"*.

Employee B also informed that Asian people are not time oriented, particularly, Indian international guests are not that much punctual as it is here in Norway. She gave an example that *"When they do check out they normally do after 12 am although it is clearly said in check-in time or written in paper."*

4.3.2.8 Cultural intelligence And Transactional culture

Employee B is in favour of creating a cultural team which has knowledge of cultural intelligence and Transactional culture since she thinks that they are good enough to handle the situation and understanding that they might be different. However, she mentioned that the employee should

have social intelligence to know how to behave with different customers. She believes people are different and so she gives service how they want it.

4.3.2.9 Communication in High context and Low context

In question related to cultural Communication in High context and Low context she points that she has experienced that some guest discriminates her as a lady and treats her like she doesn't worth than the man .But happily she says," *As long as they are behaving nicely with me I don't have a problem.*" As a last opinion with regard to cultural differences she told that few days ago she had some guests from South Sudan and were business people who liked homely atmosphere in that hotel where they got extra service from her and were very happy. She strongly believes that there must be sense of differences regarding different people from different culture.

4.3.3 Employee C

4.3.3.1 General questions

Employee C works in hotel as a breakfast chef. He says that he makes happy guest by providing good service and everything available at the right moment. He has been working there for 8 month. Before that he used to work in Germany for nearly six years where he worked in a textile mill for about three years and three years as an assistant manager in German restaurant.

4.3.3.2 Service climate

When asked about his expectations from the management, Employee C humbly said that he does not consider money as an important thing what really matters to him is all the guys to work there think like him and work in that way, " *In fact they are giving very good service.*", he noted. Regarding the working environment of his hotel he said that the new boss is very kind and he wants the hotel to get stabilize with good reputation and good service. He told that the customer are very satisfied about hotel room because everything is under control. When he gets positive comments he feel proud of himself and other hotel management teams .He makes happy guest and has very well reputation.

4.3.3.3 Service quality

In his opinion, the most essential things for a good customer service in a hotel are Service quality like the quality of breakfast they provide to customers.

“Here we have many delicious things for the guest and they like to taste and enjoy quality of the food is of very well that’s why they want to stay here and eat here only because they are very satisfied and they comment very well.”

He emphasized that the components that helps to bring to this kind of service neither breakfast nor the reception but almost all things at the same time is equally essential. Also, he mentioned that old people work there who respect guests so he thinks that the guest might be satisfied with the service. He gives additional help especially to old people because they need help and so he does it many times.

Talking about whether his hotel is good enough to provide a good customer service he replied that because he provides very delicious food for breakfast, lunch, dinner so the customer feels happy with his service .He explained that the customers become automatically happy when they see buffet system even coffee tea everything are available at the table with neat and clean decoration and they find their service good. He stressed that the hotel supports, encourages, and rewards high quality services aimed towards customers and he believes that it is most important thing to give respect to customers and provide help if somebody need it especially to old guys .

4.3.3.4 Interaction and firm competence

Speaking on the interaction level with the customers, Employee C said that he tries to do his best every day. He likes to talk to customers like how they are feeling about the breakfast how they are feeling about hotels and all stuffs. He says that everyone has very good comment about them. Employee C tells that the interaction with the customer is friendly and he does not talk so professionally but then the customers tell him that he looks very professional with kind nature, talking nicely with them and giving them very good service. He states, *“Many people are very impressed about me and they give me some tips actually you know you never get tips for the breakfast while working but they give me many tips for my service.”*

He also said that there was no denying that some customers are rude and impolite and such kinds of customers exist everywhere. He added incident to his statement saying so many customers gets drunk and in the next morning they want breakfast and talk very high demanding this and that asking “where is this I didn’t find it” thereby over duty increases he says,” *But then we must respect and handle such situation by talking very kindly with them joking and smiling if necessary.”* When I asked him about what kind of job training he had before joining the restaurant he said that there was no such special training. He stressed that it is about your

own behaviour how you can control that problem. Addressing an example he said that *“if someone is drunk then you must know how to deal you must be cool minded and you must behave kindly so that he doesn’t disturb other guest into the breakfast hall”*. He feels many times that he was not able to provide good service to the customers. He further explains why. He says *“ many people like to eat breakfast and they want to take away some breakfast but actually they are not allowed to do so because we don’t provide such service but if we talk with them they become angry but we shouldn’t be angry with them and instead talk in kind way .”* Employee C doesn’t think that lack of resources provide obstacles in the working atmosphere because he believes that if somebody has routine and follow it every day then everything is under control and there will be no more trouble and no more obstacle.

4.3.3.5 Empowerment and flexibility

As an in charge of breakfast chef he takes his own decision because many a times the manager don’t work there so he doesn’t want to call him as far as possible he tries to solve the problem of customer himself. He stated that, *“if you talk to customers with good behaviour and good service then customers are interested with you”*. He says it helps him in working environment and usually when he is free he goes and talk to customer for long. He said that the feedbacks and suggestions are taken positively and said that the hotel manager makes necessary changes according to the demand of the customer.

4.3.3.6 Customer focused OCBs

When I asked him how often does he engages in organizational citizenship behaviours, he replied by saying that he was working there as his hobby; serving people with beautiful buffet system, like good food and services so that things help to the quality and help to the behaviour and mentions that he provides nice service specially for many groups in conference room so they prefer to stay there and have good quality food and service and then all remember him. As an extra service when people ask for boiled eggs which is not available in the buffet then he tell the customer to wait and prepare it within five minutes for them. He thinks that such behaviour improve the working climate of the hotel.

4.3.3.7 Cultural Difference

Employee C says that he has diverse workforce within his hotel as well as many guest visit from different countries like Africa, China, India Pakistan .Therefore he feels culture is the most important thing to understand of different countries. He thinks that the cultural differences

between organization's culture and international guests is not taken into account in the management team in his hotel. He stated that many people want the food to order to their room if they need something. He relates an example of African who wanted to have African veggies and not finding it, he became unhappy so he says that he feel a need to understand and provide them what they want to eat.

About time oriented, he states that, *"During breakfast time Indian come very late or even some time come before starting time of breakfast (7:00am)"*.

4.3.3.8 Cultural intelligence And Transactional culture

When asked about his thought on whether a cultural team should be created which have knowledge of cultural intelligence and Transactional culture before coming to direct interaction with international guests he ponder upon his thought and said that the most important thing is working together in that hotel with workers from different countries so that they can learn from each other. He expressed that the guest ask more of Asian foods like lambs chicken. So he thinks it is the best way which they can learn for themselves. He says, *"Many guest from china they would ask for spicy things like chilly spicy fish and veggies which is not available but then we can make if they order."* He said that there are also many guest who like to eat Norwegian food like fish cheese especially Norwegian cheese. So many guest like to taste smoked fish like salmon and other smoked fish and he said feels delighted to serve it.

4.3.3.9 Communication in High context and Low context

During communication he find that language barriers in communication with international guest since he cannot speak other languages. Even some times problem in understating English language because of different accent. He argued that speech pattern is important to understand intercultural communication. He also states that Asians cultural communication is more formal whereas informal communication is preferable in the Frogner House Hotel Norum.

4.4 Chapter Summary

An extensive (solid) empirical material is gathered in order to address the research question. Presentation of results are divided into two parts. The interviews from customers are divided into seven categories namely; service expectation, social interactions, use of previous experience and service encounter, customer participation, citizenship behaviour, cultural difference, Cultural intelligence and Transactional culture and Communication in High context

and Low context. Similarly, the information received from employees are categorized into nine categories namely; general questions, service climate, service quality, interaction and firm competence, work engagement, customer focused OCBs, cultural difference, Cultural intelligence and Transactional culture and Communication in High context and Low context.

It should be no surprise, given the results reported in this section that customers role is vital for creation of service climate. Including international guest as a customer make easier to understand the cultural clash. However, direct interaction can help to understand other culture and how to co-operate with them. The main focus lies on face-to-face interaction and the possibility of taking advantage of other customer's previous experience and make it accessible for every employees so that other can learn and implement in co-creation of service climate.

5. Discussion and Analysis

This chapter will focus on the analysis of the empirical findings presented in chapter four and it will be based on the theoretical framework that was presented in chapter three. To answer the research question, discussion has been made on how customers will help in creating the overall service climate of the hotel firm.

In our theoretical framework, we have discussed how customers are at the centre of value co-creation of service delivery process. Although customer plays an important role in getting good service but how participation of customer is helping to create a positive service climate inside the firm has not been researched enough. Therefore, we are trying to bridge the connection between what we have found from the empirical data and the different literatures we have read. The purpose of establishing connection is to find out how customer can actually influence the service climate in the hotel business. As we stated earlier in the methodological chapter, the empirical data have been collected from six customers who stay at different hotels and three employees who have been working in Frogner House Hotel Norum in the Oslo city. It is deliberate to choose different employees from this hotels. It has helped us to understand and gain deeper insights into how different employees of hotel react to various situations of service climate and service encounters. This emphasizes the importance of collecting empirical data from three different employees from Frogner House Hotel Norum. In order to analyze the findings from the empirical data, I have set the themes, used in the empirical chapter, into four major categories. The analysis and discussion are done on the basis of these four main categories in order to answer our research question.

5.1 Service Environment

The results from the empirical findings is very similar to the statement of Chin and Tsai, (2013) who suggest that it is important to understand that the quality of service the customers experience does stem from comparison of the customers' expectations of the service and the actual service bestowed by the service providers during their stay at the hotels. From empirical findings we knew that customers do have prior expectations about the service they are going to receive from their service providers. These expectations about the hotel service mainly come from prior experiences about similar services in other hotels.

More important finding from empirical is that all the interviewees admitted that they have predetermined expectations of the services. This means the expectations are basically

influenced by their previous experiences which is store in customers' memories of previous standards of room, decoration, food, interaction with employees, assessment of the service and overall environment (lobby area) in the hotels and its vicinity. The empirical findings also showed that customers regard good and clean room as one important factor for the good service along with sociable and pleasant employees. Our findings also pointed that the overall environment of the hotel gives the customers a sense of good stay. They believe that service-minded employees with attention towards customers' needs do make the customers happy and satisfied from the service. Another important finding is that the core service, social interaction and environment were indeed important drivers for their positive experience for the customers which is similar with the statement of Walter et al (2010).

It is highly demanded that service should be in time and thus, this becomes one of the most important factors which was hinted by almost all the six customers' respondents. In many times customers cannot check in (after 12 pm) inside hotel; because of delay in cleaning room by housekeeping department or guest did not check out of that particular room. However, in today's contemporary world everybody are busy and all want fast service along quality. Therefore, hotel needs to consider the service which is time oriented (fast service). For all customers respondents (Customer A, B, C, D, E) timely service is most crucial part of service delivery. For instance, Customer A states particularly about time oriented service as follow.

Customer A *“For me service should be deliver in time so that I do not have to wait for long time and I can save that time for other stuffs. Thus, quality service is a more or less time management technique in my case”*

Furthermore, we knew that from empirical data findings that customers expected employees to be well trained at handling the customers in a proper way. Another expectation of the customers is about room should be clean and tidy and they also want food to be hygienic. They expected that hotel employees must have good knowledge about these things which is considered important factor for the good service. Customer B and C in particular mentioned that the personality of the employees is a crucial aspect from which customers determine the outcome of the service experience. As this argument is supported by Auh et al., (2011) who mentions the view that employees who lack service-focused personality finds it difficult to provide quality service and customer satisfaction. Therefore, it is important for the management section to provide training and education to foster and install such personalities into their workforce.

From the talk with the employees' viewpoints, the empirical findings suggested that one did have training in view of the fact that said he did not have any sort of training in his job. However, both employees realized the importance on the job training. They have in mind that giving necessary trainings to employees could get ready them with better knowledge skills by which they can be better at producing an effect to give note in service Their customers in a better way. As employee A said about, *behaviour of customers might be changing from time to time and from situation to situation, so the more you get training the more you are equipped to provide better service to the customers.*"

These employees looked upon training as one of the resources of their organization through which the hotel can get itself ready to help a better service to its customers. It is very similar to the argument of Salanova et al., (2005) which mentions that the able to use of training to the employees make them more be in agreement to go with in their works which could outcome in a better working condition for service. In view of the fact that Employee B is not that much satisfied with management team. However, she stated that despite her feeling against with the management team of hotel, she goes on having a good relation with her customers and would pleasure them and put ball in play them at her best because of her nature and also right and wrong values. She expects to receive attention to well by the managers of hotel and appreciate for her job.

However, Employee B was found to be content with her management efforts towards customer focused service delivery and treatment of the employees. The quality of being a manager and leadership of the firm was discovered to be a major factor in the amounts, degrees, points different of opinions between the two workers. Employee B, noted that, she is working in a cultural where people are not open to positive or negative feelings to other persons in general. *Encouragement should be either financial or simply positive encouragement in words. But here the cultural (art and learning) side of the work is turning into the business point of view.* This view was similar to that made an offer by Schein (1992) that the cultural embedded in organizations are largely a result of the leadership behaviour displayed by the leaders in that firm (Schneider et al., 2005). Whereas in view of the fact that in the example of Employee B, the leadership was focused on providing customer-focused service as the first priority as shown in the extract. She pointed out that, management team mush make a point of good joining together between customers and employees.

The based on empirical results suggested that both the employees (Employee B and C) opinion were to get appreciated and encouragement from the management for their efforts to satisfy the customer's needs. We hope that such behaviours increased the employees' motivation for giving a better service. We saw something different in the case of Employee B. Although there was not any concrete rewards, encouragement and performance appraisal from the manager and management team in her hotel but she was still sharp to provide her best services to the customers because of her right and wrong values and beliefs. Both, Employee B and Employee C think that customers are very precious ornament therefore, they should always be treated as god and deserve the value for their money. This could be supported with the argument that employees are also motivated to provide better services to customers because of their moral values in spite of some occasional customer negative events, and not only because they receive benefits from the management for such activities (Chi et al., 2013).

5.2 Social Interaction

Social effect on one another as a process in harmony with to the S-D logic reasoning, it is through effect on one another that the chance to get mixed together and exchange the different operant resources is made come into existence (Vargo & Lusch, 2004). This view was also found in our empirical findings where Customer A and B believed that more information can be shared through interaction with the employees. In this way, the overall service experience can be positive. When trying to interact with the employees, customer B looked at the body language and eye contact with the employees. From this it can be noticed that how willing they are to help because she thinks the interaction can be positive only if the employees are actually willing to interact and not because of employee's duty. For Customer C, the interaction begins as soon as the customer enters the hotel and depends on the personality of the person serving the customers. In order to build up the trust between two parties social interaction facilitates as a mediator to build close customer-firm relationship that means social interaction is not only about the service, but it is also something that builds close relationship between them. She strongly believes that employees also can play a crucial role in mutual relationship between customers and service providers. Especially, the frontline employees are the ones who are mainly in direct contact with the customers during service delivery.

The importance of social interactions during service delivery is clearer by the results from the empirical findings. It shows that how it affects the perception from a customer's viewpoint.

Similarly, the personality of the employees is key element to initiate or drop interactions among customers and employees as suggested by Auh et al. (2011). Customers reported that their level of interaction was largely dependent on the personality type and nature of the employee as shown in the extract below.

Customer A, *“The interaction mainly depends on the employees. It depends on the personality of the employees; more they open more, more I like to interact and off course, their interpersonal skills too”*

Customer B, *“If employees seems like they are open for talk and want to talk with me, then it is simple, not hard to social effect on one another easy to have social interaction. When they don't have enough time or when I can figure out that they are in some stress then I prefer to not interact with them”*

Customer C, *“As we know that the hotel industry is a service-oriented business where people share their feelings with employees who engage in providing good service. Most importantly! Interaction depends on what kind of person is serving you such as reserve, open, talkative etc....”*

As Vargo and Lusch (2004) claim that customers are the creators of value themselves in the sense that they using their knowledge and skills on the resources that are offered to them by the service provider (hotel) to fulfil their needs and have a positive experience. The findings from empirical results shows that customers were seen to be using their previous knowledge and experience about the service to determine value from their present service as employees are also a part of the hotels' resources. In addition, it shows that the employees reacted with surprise with some of the employees paying extra attention to the customers' needs while others just trying to ignore the customers' knowledge by saying that it was the culture of the organization and so on. But, however it is very clear that the unpleasant encounters usually occur when employees are not aware of the customers' knowledge about the service and when the attitude of the employee was not amicable. In order to know whether these kind of the encounter is favourable or not; it can be track through social interaction in the process of co-creation of service inside hotel firms. This results can be seen similar with the Edvardsson et al., (2011) which states; the direction to customers and employees as well as other actors to create value out of the service.

Similarly, the empirical findings suggest that through interaction, customers articulate their motives to obtain their desired outcomes by providing explanation of similar practices carried out in other organizations. The customer respondents were really strong to pin their opinion that rude and unpleasant encounters with employees would definitely make them stop visiting that place again. They even said they would recommend their friends, family, relatives and colleagues not to visit that hotel which could result in a bad reputation for the hotel.

The empirical findings suggest that interaction provides an opportunity for the customers and employees to gain more knowledge and learn new things from each other. This is also stated by Gronroos & Voima, (2013); it is important for employees inside hotel firms to understand the customer's value creation so that the supplier can not only act as a facilitator of value but also become a co-creator of value. As stated by Employee C, *"There is always good opportunity for all of us, if we interact with customers because we all can learn something new which can be used in improving service quality and also emotionally we attach with them. I personally more interact with old people during serving coffee and tea on table as they are not prefer to go time and again to bring food stuffs"*

This can be very beneficial for the employees to understand the customer's value creation process as they can have a broader insight about the service and accordingly improve on their service to give customers more pleasant experiences.

5.3 Employee Empowerment

In order to make positive experiences about the service delivered for customer it is important that the service climate of firm should focus on the effort of its employees and their competencies to deliver quality services to its customers (Schneider et al., 1998). The empirical findings suggest that employees wanted more flexibility on their work decisions. Particularly, Employee B was not happy with the amount of freedom she is given to carry out her responsibilities. She wanted the management to be more flexible and give her more freedom to participate in the service delivery rather than adhering to strict rules of the firm. In fact, hotel managers need to understand that employees are a mediator between the hotel and the customers. By treating their employees fairly, they can promote the services of the hotel as happy employees are more willing to provide better services (Tang & Tang, 2012). The findings

suggest that when management supports employees' willingness to provide better service to customers with rewards such as monetary or performance appraisal, then employees are motivated and become more passionate about their work as described by Employee B and Employee C. These two employees always more enthusiasm to serve their international guests and it is noticeable by other team member as well which positively influences to working environment of the Frogner House Hotel Norum.

It was found in empirical data collection that all the employees felt that their hotel were lacking in resources which could provide full value to the customers. For instance, Employee A mentioned that in his hotel, there were very limited car for transportation; Employee B said that hotel needed to add one Gym and Swimming Pool and Employee C (breakfast chef) says that: hotel require to open a new fine dining restaurant so that customer can eat inside hotel instead of going to other restaurant. All the employees agreed that due to the lack of physical resources, it became difficult to attend to all the needs of the customers which ultimately affected the customers' satisfaction levels. To be more specific, Employee B and Employee C noted as follow, respectively.

“...Due to the lack of resources we have to suffer from problem such as in our hotel there is no Gym hall and Swimming pool; as a consequence guest are not that much happy because they have to go other places which is very expensive or even require to full fill documentation to get membership. This more or less directly effect on service climate of this hotel”

“It is not possible to be perfect from every angle so of course our hotel also not away from lack of resources but I think hotel need to open one fine dining restaurant since because of not having this we are losing many customers; it is very common that customer want to eat delicious food along with good stay in hotel”

The findings also highlighted the fact that lack of proper resources hampered the overall psychology of the employees and made their morale low, and that decreased work efficiency and affected the overall working climate of that firm. This is also shown in the extract from Employee B where she quotes,

“A lot of guest asking about gym training centre and swimming pool and when I said No we do not have then they are disappointed, this makes me feel like I am not giving good service as it

supposed to be and of course, it is not over and night I can do, it takes time but management team must take into account”

The empirical results also suggested that when employees are given more freedom to act on their own when interacting with the customers, they felt that they had more responsibility towards their customers to provide them with better service as the management trusts the abilities of the employees. For instance, Employee C mention that he used to take decision by himself since manager did not come to visit him all the time and breakfast chef also do not like to call manager before giving any service to the guests. He narrate that *“many times international guest think that they can take away food after eating in breakfast hall which is normally not allowed but I let them to do so because they are coming from different country where it is common in their culture; in such case I do self-decision rather than asking manager what to do?”*

In a hotel and hotel environments, service oriented OCBs of employees makes the service delivery process more effective providing better service quality. Through this, a much friendly interaction with the customers can be initiated and a greater customer satisfaction can be achieved (Tang & Tang, 2012).

5.4 Customer participation and citizenship behaviour

We found from the empirical findings that all the customers are interested in seeking and sharing the information regarding service. They believe that this kind of trend in customers helps in many ways such as interaction gives more knowledge about the service and saves a lot of time, energy, and money and so on. Indeed, customers should be aware of the new services that the hotel offers and get the best value of money that they pay in hotel as agreed by Customer A. Similarly, Customer B noted that the best way to remain up-to-date with the information is to seek information through interaction. However, Customer C mention that interaction with employees is good but it is mostly depends on the degreeless of closeness that customer feels with the employees.

Customers engaged in participation and citizenship behaviours is also interesting to notice during data collection as it gave a sense of satisfaction and fulfilment to the customers not to mention the increased level of motivation and friendly attitudes displayed by the employees. This finding is match with Dong et al., (2008) in correlation to the view that through

participation in the service delivery, customers sought satisfaction and fulfilment of their personal needs by actively co-creating values with the service providers. Particularly, Customer B and C found that customers and employees both feel satisfied and motivated when the service is appreciated within each other. Customers are more committed and motivated to co-create service with providers as their level of participation in the service delivery increases, thus resulting in higher perceived value from the service obtained (Zeithaml and Bitner, 2003). As Employee C says that *“he feel very happy and want to do his best output to deliver excellent service to the customers when customers appreciating his performance (kindly presenting, serve tea and coffee on the table within 2 3 minutes, encourage to eat more since it is buffet).* This means that participation of customer is vital in service delivery because the overall working atmosphere for employees is improved when customers are involved in appreciating the employees for their good service.

The importance of feedback and recommendation is also equally important factors in order to get customer satisfaction and employees getting motivated. Almost all the customers agreed that giving positive feedbacks about the hotel can spread through word of mouth and it lets other customers enjoy good rated hotels whereas negative feedbacks give firm and employees a second chance to improve their services. Customer A and Customer C strongly arguing that through feedbacks, the role of employee and management can be made more succinct. It is claimed that organization who design and manage their service climates with customer-focused approach will definitely create higher level of employee satisfaction and their commitment to the firm. As a result, it will also motivate the behaviours of employees to better serve and facilitate the creation of positive customer satisfaction and their perception of service quality (cited Paulin, Ferguson, & Bergeron, 2006).

It should be clearly noted that when employees interact with customers they receive extra knowledge from interaction with the customers since customers are in a good position to have more knowledge about the service as they recollect past experiences from previous services. Similarly, when customers engage in citizenship behaviours such as providing feedbacks and sharing of valuable knowledge with the employees of the hotel then the employees become aware of such information which could benefit their firm and they can spread the message to their co-workers and management throughout the firm (Yi et al., 2010).

The employees then shared this information with their colleagues and managers depending on how much they are committed towards their organization. When the management of the hotel takes note of the issues then they have an opportunity to act on it. As illustrated by Employee A, the management team is very conscious about the feedback and comments and general manager was determined to act on most urgent complaints and feedbacks that his employees thought was important. However, the action to implement or ignore is depend on the leadership of the management as well. It reveals the influence of leaders' contribution in sharing the motivation and affective responses from its employees inside firms (George, 2000 cited in Salanova et al., 2005). Furthermore, it has been stated by Hong et al. (2013) that service oriented leadership had stronger relationships with service climate than the usual generic forms of leadership. This statement is also supported by our empirical data as leaders are more service oriented more likely to employees become service minded and give excellent service quality. Involvement of customers in appreciation of employees work is also equally important to motivate employee and improve working environment. The empirical finding from Employee C is reveal that customers assists to lift his encouragement and makes more committed towards his work. He stated that; *"I am not only motivated when customer gives me tips or bottle of wine but also when customer says he/she fully satisfy with my service because customers word means a lot to me, and I admire their appreciation,*

5.5. Cultural difference

During service deliver cultural difference is highly influenced since some international guests want to remain silence or speak only necessary things such as during check in and check out customers speak with receptionist until they face a huge problem. As Customer A also noted that, *"Even though people from both country are reserve but if I have to compare then I would say Norwegians are little more socialize than Finish people. I have seen in the hotel that Norwegian people are talking with each other in the lobby area although they do not know before but in Finland it is rare to see these kind of conversation unless if you know him/her. But, off course some people do that but not that much"*. In such case having cultural team is good idea or at least receptionist can act accordingly in some extent. Employee A states that there are 80% international guests visit in general that means it is much better to create a cultural intelligence team in order to deliver quality service to the international guests. He also voice out that cross-culture communication assists to minimize the misunderstanding during direct interaction. That means the business must be run so smoothly that no miscommunication will occur between the two parties.

The influence of cultural backgrounds of customers' impact on the co-creation of service climates inside hotel. It is important to notice that customers who come from reserve place or country may negatively effect in direct interaction since for delivering a high quality service it is always recommended to have a healthy interaction with broad mind. If international guest did not prefer to communicate properly then he or she probably cannot achieve high quality service. This could affect the working climate of employees inside hotel firms. Customer C and customer E said that their cultural is more collectivism where they share lot of things with other people but she find Norwegian more individualistic who care more themselves. It is clear that in more extent Norwegian people prefer to act as individuals rather than as a collective group. Similarly, Customer C also state the she is from the cultural where is long term relationship preferable. In such situation, cultural team or learning cultural play the vital role in service co-creation climate. Thus, managers encourage members of the team to be curious about the difference because they will be motivated to work with people from different horizon and it will help members to create connections between them and, like this, they will create a better relationship. They can use for this, the Hofstede's research (Varner & Beamer, 2005). Almost all respondent suggested to create a cultural team; "high-performance teams that acknowledge and make use of cultural differences" (Varner & Beamer, 2005:466).

In relation to the power distance dimension (the degree of equality, or inequality, between people in the country's society) mention by Hofstede (2010), Customer E found that Norwegian people who are superiors or subordinates are all the same, subordinates should be consulted, and individuality is to be respected whereas for Indian people superiors and subordinates are different kinds of peoples and authority is to be respected. Since she says that it is difficult to meet with senior manager or higher level of management team even after long queue appointment (sometime no chance to meet). This reveals that India have high power distance while Norway have less power distance. Regarding masculinity versus femininity dimension, Both Customer C and Customer E replied that, women are mean to be housewife who cook food and look after children at home whereas men work out side in order to run the family smoothly. But in Norway most of the women are working at the office. They give example of working employees of the Frogner House Hotel Norum where "75% are women worker". This means that in India distinct gender roles, independence ideal, stress on competition and performance exist whereas in Norway fluid gender roles, interdependence ideal, stress on co-operation, and quality of life etc.

From empirical finding of Customer B we found that the Germans are very strict and structured in their way of work and also in their personal life, this is connected to Trompenaar's *universalism* which says exactly that; that they follow rules and do not diverge from what has been decided but Norwegian have a more flexible side than the Germans. Trompenaar's dimensions concerning individualism and *communitarianism* can be connected to the fact that Germany focuses more on group efforts while the Norway is more individually focused. This is similar to Hofstede's view of individualism vs. collectivism where Germany would be the collectivistic one.

5.6 Cultural intelligence And Transactional culture

All the customers want to have a cultural team in order to receive excellent service without any delay or disturbance. This argument is supported by Varner & Beamer, (2005) who states that even though person show sensitivity and delicacy when interacting with people in their own culture may fail to show the same ability to adapt in a new culture. That means if front desk employee try to do his or her best but even they might not able to deal with international guest. This shows that it is good to have a cultural team at least it can improve service performance. Customer B added that although there may exist cultural differences but most important thing is to show the nature of human being that means employee try to be clam, helpful and so on.

One obvious conclusion is that people make assumptions about how things should be done based on their cultural backgrounds. These assumptions influence behaviour in individual, group, and organisational situations (workplace). Thus, it is important to learn a business culture. It is relevant because it shows the importance to have intercultural competency and the value of multicultural teams.

5.7 Communication in High context and Low context culture

It can be claimed that culture is examined through interactions between people of different cultures (de Mooij & Hofstede, 2010). This indicate that employee need to focus on interaction, communication and focus on adaptation of other cultures. As Varner & Beamer (2011) states Western cultures were found to have more fragile relationships between each other and therefore a weak social orientation whereas Eastern cultures with high context have strong social orientation (Kim et al., 1998). This argument were supported by our empirical finding as

Customer C and Customer E were belongs to Eastern cultures (India) with high context have strong involvement with family, friends, colleagues and their community, which reflects their strong social orientation while, for western culture (Norwegian) family membership is sometimes considered to be optional. In addition to this, Customer E argued that; *“for me relationship is very important either it is with friends or relatives, I am giving more focus on what they are saying to me (words)”*. This is match with the theory of Kim et al., (1998) that in high-context cultures, they are very relationship-oriented, a promise or commitment is usually the beginning of a lifelong relationship

For instance, Employee A suggest that cross-cultural communication plays a vital role in the process of delivering service to the international guests, the Employee B, also agree that cross-cultural communication enhance the customer service. While, Employee C, suggest that through cross-cultural communication leads towards a healthy inter-personal communication that helps to build trust among each other and contributes its role on the effectiveness of service deliver process. Almost, all the customers believe that cross-cultural communication makes easier to communicate with the employees of the company and at the same time to learn from each other and able to deliver a better service. We noticed that cross-cultural communication serve as important bridge to transfer quality service between employees and international guests; specifically informal communication plays an important role in the effectiveness of service deliver. Employee C and Customer A states very similar to the Douglas & Craig, (2011) where cultural shapes behaviour, judgments and actions of people, which directly affect during direct interaction between two parties.

It is highlighted by Varner & Beamer, (2005) that understanding other cultures is not the only thing team’s members have to do. They also have to know their own culture and understanding it such as good understanding of one’s own culture’s values, attitudes, and behaviours. On the other hand, Employee A says that the low context culture tends to use the e-mail and written communication (business letter) with low context culture more than high context cultural. He also find the same reason as mentions by Rosenbloom and Larsen, (2003) that is, low context cultures encode more of the meaning of their communication in the actual words of a message than do people from high context cultures.

5.8 Chapter Summary

In service co-creation, customers have an important role as they have vast information about the services which can be unknown to employees or where employees may not be aware of it. Through social interaction, this information is shared with the frontline employees inside hotels where the service is co-created by the two actors. The positive affective tone that a customer transfers to the employees makes them more motivated and passionate about their work. The attitudes of the employees are partly influenced by the attitudes and behavioural display of the customers through the emotional contagion process (Pugh, 2001). In case of some negative customer events, employees should not be sabotaging the services as it only hampers the hotels in terms of profit and goodwill. Moreover, when customer performs citizenship and participation behaviours then customers to get satisfaction from it.

All cultures have specific characteristics that set them apart from other cultures in different ways. Finding have practical implication for hiring and promoting employees with the knowledge of cultural differences in order to adapt with the possibility of cultural shock (international cultural). It is highly recommended that employees get cross-cultural skills and learn to work with people from different cultures and also get a better appreciation of the significance of communication in a cross-cultural context

6. Conclusion

The final chapter of this study highlights the key contribution and findings of this research in related to answering the research question and fulfilling the purpose of the study. In addition, it suggests future research based on the limitations of the study.

6.1 Final Conclusion

Through theoretical review and the empirical findings, this study has investigated the role of customers in co-creating the working climate inside hotel firms. It is customers who create value in service delivery and firms act as facilitators through which they have opportunities to co-create value with the customers in the service delivery process. When there is direct encounters between the service employees and customers inside the hotel then the service delivery process is possible. The face-to-face direct interaction between these two actors lead to a merging and coordination of processes between the two actors allowing each to influence the process of the other. During the direct interaction process, the customers are likely to share valuable information with the employees that could benefit the firm. Customers found that they are receiving satisfaction and sense of fulfilment when customers themselves engage in participative and citizenship behaviours during the actual service delivery.

On the other hand, such behaviour of the customers have a profound effect on the employee's attitude as customers acted as a substitute labour for the frontline service employees. In similar manner, we found that because of customer's behaviours, employee felt that they were treated well and displayed more positive attitude for their work. Thus the customers engage in behaviours such as employee's work appreciation, sharing and seeking of information, giving feedbacks, etc. to the firm is very important in order to motivate employees. As a result reciprocate occur and this change in attitude was found to be particularly because employees felt that they were obligated to reciprocate with such positive behaviours to the customers (Cropanzano and Mitchell, 2005). But is important to transfer this kind of positive attitude to other employees and co-workers as information was shared between the employees and their management. By doing so, positive vibration spread in working environment when the rest of the employees look and follows how one employee interacts and how customer reacts to them. It is also well in line with the arguments from writer Tepper et al., (2004) when employees were seen to share these experiences with their co-workers and fellow employees then the overall working climate could be influenced positively. At the end, because of this positive attitude of the employees at work fosters satisfaction and commitment of the employees to that firm. We

found that when the management acted on the feedbacks and complaints that were reported by the customers, for instance, in case of Employee A and Employee C which lead us to believe that customer plays an active role in the operations of the hotel activity. It means that different leadership styles and personality of the leaders in the hotels is important to taken into account while customize and adapt services according to customer demands.

The overall conclusion here is that, in most cases, the feedbacks, knowledge sharing and customer's participative and citizenship behaviours do help employees and firms to function ethically and in an efficient way. Salanova et al., (2005) also point out that these behaviours reinforce good organizational practices inside the firms and foster a healthy service climate among its employees. Strandvik et al. (2012) add by way of explanation that customers showed higher willingness to reveal business goals and strategies if expecting this would benefit their business in the future. On the whole, it seems reasonable to assume that when customers are well aware of the services that should be provided at hotels, then they are in a good position to evaluate the service they are receiving. Therefore, when they engage in direct interaction with the frontline employees (receptionist), they share information that they think would be beneficial to the hotel in the form of feedbacks and comments.

One interesting finding of Yi et al.,(2010) is that interpersonal knowledge sharing, personal contact, shared experiences and closeness between employee and customer was required in order to have an effective transfer of explicit knowledge inside the firm. In the research done by Yi et al., (2010), states that the effectiveness of any service delivery highly depends on the level of interactions between the customers and the firm's employees. And, more importantly, this obvious fact leads to the conclusion that customers participative and citizenship behaviours were found to trigger a sense of obligation from the employees to reciprocate with positive and more attentive behaviours which was then transferred to other colleagues through group affective tone making the work environment more positive. Although our findings showed that customers sometimes even shared information with other customer, it is not the case for all customers as in the case of Customer C, who wasn't keen to have interactions with other customers. But this could also be argued that it depends on the cultural background as well as the personality of the actors as customer B was reluctant to play any part where as customer A was more willing to interact. For a firm to understand the foreign country's culture, it is crucial to understand its fundamentals. For example, strong influence of the collectivism/individualism dimension over the cultures. When dealing with collectivistic cultures it is extremely important

to put a lot of effort on relationship building.

Furthermore, when dealing with the international customer it is highly recommend to service companies to have the culture in mind so they avoid culture crash as described by Melewar & Vemmervik, (2004) and our empirical findings. Therefore, the understanding of ways to communicate properly using culture and the conscience about the dynamism and particularities of cultural environment are fundamental to establish adequate approaches when social interaction take place. Once it gets a good picture of the situation, it has a better position to understand the whole culture and its influences on the working environment. But.

6.2 Contribution of the study

This research paper contributes significant role on theoretical and practical aspects which are given below.

6.2.1 Theoretical Contributions

This study has investigated the role of customers in the co-creation of positive service climates inside hotel firms through a detailed explorative approach of qualitative interviews from customers and employees. The study has made valuable contributions in the field of service marketing by contributing to the lack of research in understanding the role of customers in service climate creation. Empirical results from the study have provided added knowledge on how customers can influence working environments inside a high contact service setting like hotels. Customers participative and citizenship behaviours were found to trigger a sense of obligation from the employees to reciprocate with positive and more attentive behaviours which was then transferred to other colleagues through group affective tone making the work environment more positive, thus adding to the literature of service marketing. Moreover, future scholars and researchers could use the findings of this study as a base to construct an even detailed study within this topic.

6.2.2 Practical implications

This study have many practical implications especially in service organizations where high contact services occur between customers and employees such as hotels, restaurant, hospital, consultancy etc. It is very important for managers to understand that customers are a major player in the overall value creation process. By directing the services of the hotel to customer

focus, the firm can work to satisfy customer needs and preferences more efficiently and effectively. By understanding the role of customers in creating a positive working environment inside their firms, managers can actually deploy the employees effectively by identifying the personality traits of high-contact and low-contact employees in the firm when interacting with the customers. It is more likely that when customers encounter with high service-oriented personality employee, they feel more happy and satisfied from the service and makes the interaction much more effective. This initiates more knowledge sharing and customer participation and citizenship behaviours from customers. The results and findings from this study not only provides valuable information to managers of hotel firms about the role of customers in creation of positive service climate but it also helps managers to understand how important it is for the employees to be service oriented towards its customers.

6.4 Further Research

In this research, I chose to conduct a single case study, meaning that research problem was only investigated on a single case. However, by conducting a multiple case study additional findings could arise which would hence contribute to the research area of service climate creation. Similarly, in order to increase the knowledge of the research topic even further, scholars and researchers can conduct further research on this particular topic on a different service industry. Further investigation can be done to investigate the influence of service climates on the actual customer's perceived value of the service. It would also be interesting to investigate how the exchange of knowledge and information between customers and employees could benefit the customer's value creation process. Further, it could also be exciting to look into how the negative events in direct interaction affect the working climate of employees inside hotel firms. Further, more quantitative studies could be carried out to investigate the influence of customer behaviours in hotel firms to encompass a detailed and more comprehensive study by taking manager of the hotel into consideration to make the findings more generalizable and applicable.

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Semi-structured Interview guide

Appendix 1: Interview Guide for Customers (International guests)

Customer's Questionnaire

General Information

Name:

Profession:

Country:

Language:

Purpose of visit:

Service expectation

1. How do you perceive the service quality in general?
2. How often do you go out to stay in hotels? How do you describe the service you generally receive in the hotel?
3. How you describe your good experience in the Frogner House Hotel Norum particularly, when did you felt that you received a good service?
4. What are the bad service experience that you have felt, could you explain why it was the bad service experience?
5. How do you think hotel service looks like in term of it service performance? What do you look into hotel when you enter a hotel?
6. Does the service performed actually meet your expectations? Do you felt that your expectations were not met and why?
7. How you react when your expectation of the service provided by the Frogner House Hotel Norum do not meet your standard?

Social interactions

8. How often do you engage in social interactions with the employees or with other customers?
9. How you describe the difficulties in understanding the way in which the service is carried out? Whom do you contact when you have to cope with such difficulties with the service delivery?
10. Do you help other customers who have similar difficulties in getting the service? Why?

Previous experience and service encounter

11. How do you use your previous experiences about the service when interacting and relating to the present service you are receiving? How do the employees react to such situations?
12. What are the general responses from the employees do you get when interacting with them? What do you do generally, if they react unpleasantly?
13. Where you have had a bad encounter with an employee or another customer while you were getting service that you could not tolerate? If you have then how you response?

Customer participation and citizenship behaviour

14. How often do you try to get information regarding the service you receive? Why?
15. Do you share any new information related to the service you receive with your service provider that you think would benefit them? If so why and why not?
16. Do you feel that you have some sort of responsibility (non-obligatory) towards the firm you are receiving service from? Can you tell me something that you have done that made you feel that it was your responsibility (out of choice) to give back to the firm?
17. How often do you give feedbacks to the firm/employees? Do you think the hotel acknowledges the feedbacks you give? Can you tell me of an incident where your feedbacks and suggestions were implemented in the hotel?
18. How often do you recommend about hotel to others? Why/why not?

Cultural difference

19. What are the main cultural differences (Individualism/collectivism, Power distance, Uncertainty avoidance vs. uncertainty-tolerance and masculinity versus femininity) that you experience while staying in hotel?
20. What are the main similarities between your culture and Norwegians?

Cultural intelligence And Transactional culture

21. Do you think that it is important to create a cultural team which have knowledge of cultural intelligence and Transactional culture before come to direct interaction with international guests?

Communication in High context and Low context

22. Do you think it is important to understand cross-cultural communication and intercultural communication?
23. Did you find it to be a problem when you started doing direct interaction with employees?

Appendix 2: Interview Guide for Employees

Employee's Questionnaire

General questions

1. What is your role (position) in the firm?
2. How long have you been working in this organization? And other working experience before in the hotel industry?

Service climate

3. What do you expect from your management? What do most of your colleagues' think of the ways that management treats its staff in your hotel?
4. How would you like to describe the working environment of your organization? Do you think the service climate is customer focused? Why do you think so?
5. What makes you feel good or bad about your work?

Service quality

6. What you want to say about customer service? What are the main components do you think that make up an excellent service in your hotel?
7. Do you think your hotel is good enough to provide a good customer service? What would you like to see more in your hotel?
8. Do you think the customers are happy with the quality of service that you offer? Why or why not?
9. Do you think your hotel supports, encourages, and rewards high quality services aimed towards customers? Why do you think so? How does this affect your behaviour towards your customers?

Interaction and firm competence

10. How closely do you interact with the customers? In what extend, it is professional or casual? How does your manager want you to act and interact with the customers?
11. Do you have any personal experience when your customers are sometimes very unpleasant or demanding? What do you handle such situations?
12. Do you think that the amount of on-the-job training you have received is good enough?
13. Have you ever felt that you were not able to provide good service to the customers because of the lack of resources in your organization?
14. Do you think such lack of resources provide obstacles in your working atmosphere? How?

Empowerment and flexibility

15. Do your managers allow employees to participate freely in service related decisions? Do you have freedom to customize and adapt services according to customer demands or not? What do you think of that?
16. Do you think that such engagement with customers contribute to the working atmosphere in your hotel? How?
17. How often does your hotel management listen to the feedbacks and suggestions provided by the customers?

18. Does the hotel general manager actually follow through and make necessary changes according to the feedbacks? Feel free to say example where the hotel actually made changes accordingly?

Customer focused OCBs

19. How often do you engage in organizational citizenship behaviour? Have you ever experience that was not formally required of you in the organization that provided extra service or value to your customers but you give them? Can you narrate to me of such one incident?
20. What motivates you to carry out such citizenship behaviours?
21. Do you think such behaviours improve the working climate of your organization? How?

Cultural Difference

22. What kind of differences in the organizational culture do you see in the international guests? Why do you think these differences exist and what are they resulting from?
23. Does the cultural differences between organization's culture and international guests taken into account in the management team? If yes, how did this occur? If no, why not?

Cultural intelligence And Transactional culture

24. Do you think that it is important to create a cultural team which have knowledge of cultural intelligence and Transactional culture before come to direct interaction with international guests?

Communication in High context and Low context

25. What you think about cultural Communication in High context and Low context?
26. Do you have any other opinions or comments with regard to cultural differences that you would like to mention?

