Customer-Contact Employees' Role in Service Delivery

4.1 Introduction

As discussed in the previous chapters, the internal marketing literature focuses on the idea of employees as internal customers, either to the organisation or to each other (inside the organisation) as well as on the employees as key source of fostering the service culture in the organisation (Kang et al, 2002) . This chapter concentrates on the literature relating to the employees' role in service organisations and how this can be linked to the implementation of internal marketing. Whereas it can be concluded that the ultimate aim of internal marketing is to achieve customer satisfaction, the focus of this chapter will be on customer-contact employees themselves. It has been argued that any employees interacting with customers are in a position either to increase customer satisfaction, or put it at risk (Hansemark and Albinsson, 2004). Thus, it can be argued, from a managerial and organisational perspective, that employees in direct contact with customers should be prepared to respond effectively and efficiently to customer needs.

4.2 The function of customer-contact employees

Chapter Two clearly demonstrates the importance of people in the marketing of services and this is captured in the people element of the services marketing mix as they can be seen to play an essential role in service delivery, thereby influencing customer perceptions of the service experience (Zeithaml et al, 2006). Customer-contact employees are, by definition, in frequent contact with the customers of the business. Consequently, they become an integral part of the image that a customer has of the business and can be said to play a pivotal role in determining the success of the firm (Bitner, 1990; Bitner et al, 1990). The impression given by the person who is providing the service is particularly vital since customers adopt nominal cues for evaluating service quality versus product quality (Henry, 1994; Rogers et al, 1994). Within service quality, the concept of relationship marketing can be considered as a core element (Baum, 2006). Relationship marketing is the ability of companies to build up genuine loyalty in their customer base which protects the level of repeat business that is important to all tourism and leisure operations (Baum, 2006 p.83). As relationship marketing focuses, in particular on customers; it has key

implications for the role of customer-contact staff in service organisations. This can present a cause of pressure and challenge to their work. This, in turn, can cause a high rate of turnover and absenteeism among service personnel and leads to less productivity (Rogers et al, 1994). Looking after frontline employees can be seen to be a valuable way of taking care of customers and the bottom line, as employee-centered human resources practices can be linked to improved organisational performance in service firms (Buford, 2006).

In the context of service provision, the intangible nature of the product renders employees one of the most crucial parameters in the value generation process of service organisations. Irrespective of the nature of the service, employees working in the "front-line" interact with customers (Gounaris, 2008). They provide a link between the external customer and environment and the internal operations of the organisation. They represent the company and directly influence the service quality perceptions of the customer (Malhotra and Mukherjee, 2004; Gremler and Gwinner, 2008). Therefore, they need to understand the customer's needs and match their company's service offering with specific customer requirements. Moreover, they are in a position to collect market intelligence on competition, they help the company clarify what the needs of customer exactly are and assess the company's ability to satisfy them, they promote the company's overall image and that of the company's products (Gounaris, 2008). In addition, building rapport with customers during the interaction (the service encounter) has been suggested to have a positive relationship with customer perceptions of satisfaction, loyalty and positive word-of-mouth communication (Gremler and Gwinner, 2000).

Zeithaml et al (2006) argue that customer- contact service employees represent the service, of the organisation in the customer eyes but also the brand and the marketers. They emphasize the importance of people in demonstrating the ability of organisations to keep their promises and succeed in building customer relationships as a part of services marketing. Zeithaml et al refer to interactive marketing as a part of the services marketing triangle where the promises are kept or broken by the firm's employees and describe it as real-time marketing. So, it could be argued, that

people especially customer-contact employees and those supporting them are critical to the success of any service organisation. Based on the above, the importance of effectively selecting and managing customer-contact employees is apparent.

Henry (1994) highlights two techniques which can be used to ensure positive service employee/customer relationships with respect to newly employed staff. Rationally, these techniques can be divided into two phases. The first phase is initial training. Through initial interviews and interaction during an employee's early training, those who show ability for easily developing relationships and are deem to possess positive interpersonal skills can be considered for placement in positions where they deal directly with customers. In addition, behavioural modelling can be effective in training situations especially in orienting new employees. The second phase is the ongoing development of skills. Through the identification and reward of successful employees, other employees will be reminded of behaviours that are necessary for successful performance. In addition, through identification of customer types and appropriate strategies for dealing with each type, the employee can be shown that specific behaviours elicit specific responses on the part of the customer and that this positive employee/customer relationship can directly affect the rewards of the employee (Henry, 1994).

Customer-contact employees can be called boundary-spanners (Zeithaml et al, 2006). Their positions are often high stress jobs. In addition to mental and physical skills, these positions require extraordinary levels of emotional labour, regularly demand an ability to handle interpersonal and interorganisational conflict, and call on the employee to make real time tradeoffs between quality and productivity on the job. All of this can affect the delivery of the services as specified (Zeithaml et al, 2006). Baum (2006 p.91, 92) refers to Rafaeli (1989) as indicating the main sources of boundary –spanning stress (the cost of representing the organisation) based on a retail sector study; these sources are:

- The inability of boundary spanning personnel to create a social network with fellow employees due to employees due to customers' demands that the staff be attentive solely to the needs of the customer.

- In many service encounters, the encounter between service provider and customer is brief and therefore does not permit a normal social interaction.

- The challenge of role conflict and role ambiguity relates to situations where boundary-spanning staff members are required to represent their company in situations where their sympathy may lie with the customer.

- Customer-contact stress is also the result of the fight the can occur between the employee and the customer in seeking to control the situation. One example is the situation of controlling information.

Zeithaml et al (2006) state that customer-contact employees always deal with conflicts as they represent the customer to the organisation and they need to handle the concerns of a number of customers at the same time. These conflicts include person/ role conflicts (what employees are asked to do and their own orientation) and organisation/ client conflict (these include the conflict between the rules of the organisation that employees have to follow and their loyalty toward the customer in seeking to to satisfy their needs). These conflicts become a real challenge when such rules are not customer- focused or when employees feel that the policies of their organisation are wrong. Finally, they also relate to inter-client conflicts (these conflicts occurred when incompatible expectations and requirements arise from two or more customers especially when the employee is serving customers in turn such as the case in ticketing agencies). As a consequence of these conflicts, research indicates that the manner in which staff display their feelings has a strong impact on the quality of service transactions, the attractiveness of the interpersonal climate, and the experience of emotion itself (Asforth and Humphrey, 1993). Emotional labour refers to the labour that underpins the physical or mental skills needed to deliver quality service (Hochschild, 1983; 2003). Friendliness, politeness, empathy, responsiveness directed toward customers all requires significant levels of emotional labour engagement from customer-contact employees who carry this responsibility for the organisation (Zeithaml et al, 2006). Asforth and Humphrey (1993) define emotional labour as the act of displaying the appropriate emotion (i.e., conforming to a display rule). They focused on the behaviour itself rather than the emotions that may underpin behaviours.

Rogers et al (1994) argue that both surface acting and deep acting are used by employees to display emotions to customers in a manner that is appropriate with their job description. For example, an employee may not feel empathetic to a customer at all but will display appropriate actions because it is expected of him/ her. Such action could be egoistically based, i.e. it is motivated by the employee's personal ego to satisfy their manager, to look good in front of the other employees, or just to accomplish the job specifications thereby avoiding negative consequences. However, an employee who is highly empathetic will display altruistic behaviours, i.e. genuine feelings of emotional concern during the service encounter. This type of emotion should produce the highest quality in terms of service encounters for the customers of the firm and the highest level of job satisfaction for the individual employees. According to the services management literature, there are several reasons why the concept of emotional labour has particular relevance to service encounters (Asforth and Humphrey, 1993). These reasons are closely linked to what has been already addressed relating to the nature of the service encounter. First, customer-contact service personnel are situated at the organisation-customer interface and, thus, represent the organisation to customers. Second, service transactions often involve face-to-face interactions between service agents and customers. Third, given the uncertainty created by customer participation in the service encounter, such encounters often have a dynamic and emergent quality. Fourth, the services rendered during an encounter are relatively intangible, thus making it difficult for customers to evaluate service quality. These four factors place a premium on the behaviour of the service agent during the encounter, and this behaviour often strongly affects customers' perceptions of service quality. Furthermore, customer-contact employees are asked to be both effective and efficient, they are expected to deliver satisfying services to customers and at the same time to be cost –effective and productive in what they do. These essential trades-offs between quality and quantity and between maximum effectiveness and efficiency place real time demands and pressure on service employees (Zeithaml et al, 2006).

Some components of internal marketing strategies can handle such emotional labour for instance, the hiring and training process (Leidner, 1999). Leidner adds that emotional labour can be handled as well through ongoing programmes of system

design, routines and technology that guide workers on the job. Institution of monitoring systems also provides important tools to handle such emotional labour.

Another view of the role of customer contact employees is presented by Dabholkar and Abston (2008) who argue that customer-contact employees have an important role as external customers of their organisations. They present a framework for the dual role of customer-contact employees which is supported through organisational factors and internal marketing. Their framework is underpinned by the argument that, at the macro level, when organisations consider their employees as both internal and external customers intrinsic "cycles of success" will emerge. One instance, among a number of cycles through the framework, is financial internal marketing that may lead to higher employee patronage and consequently to better job performance, which will then be rewarded by further implementation of financial internal marketing, and the cycle will continue.

Concerning methods of handling relationships with customer-contact employees, Jackson Jr. and Sirianni (2009) argue that there is still a lot to learn by managers of service organisations about the employment challenges facing customer-contact employees. Therefore, they propose career development programmes for such employees which represents a planned process for linking service employees' career needs to their organisation's employment needs. The framework they present ties together separate parts in the service literature. The programme is centred on building employee satisfaction and empowerment in order to create the 'ideal' internal climate for employee well-being, service performance and increased revenue. Pursuing the same idea, Schweitzer and Lyons (2008) propose a three stage framework for the application of marketing techniques to the recruitment and retention of high value employees through creating better employment relations for both the organisation and the employees.

Building on the aforementioned, it has been argued by various authors that customer –contact employees play a crucial role in the success of organisations. Their critical

role needs to be given more attention through adequate managerial processes. In the context of this research, internal marketing could be the key to this.

4.3 Can employee satisfaction result in customer satisfaction?

Service organisations have begun to place an emphasis on satisfying the needs of internal customers (employees) as well as external customers (Gremler, et al, 1994). This is linked conceptually and practically to internal marketing which focuses on identifying and satisfying employees' needs as service providers (Varey, 1995).

On the basis of this argument, satisfied employees make for satisfied customers and satisfied customers can, in turns, reinforce employees' sense of satisfaction in their jobs (Zeithaml et al, 2006, p.356). There is no doubt that employee satisfaction is critical in the service industry because of the nature of the industry (Lam et al, 2001). Several studies suggest that there is a positive relationship between employee satisfaction and customer satisfaction (for example, Wiley, 1991; Loveman, 1998; Wangenheim et al, 2007). The underlying logic connecting employee satisfaction and loyalty to customer satisfaction and loyalty and, ultimately, profits is found in Heskett et al's (1994, 2008) service profit chain. This chain suggests that there are critical linkages between internal service qualities; employee satisfaction/productivity; the value of services provided to customer; and ultimately customer satisfaction, retention, and profits. Providing employees with a supposedly superior internal working environment is likely to lead to satisfied employees who, in turn, are more likely to be both loyal to the organisation and be able to provide the customer with an excellent service experience. Customers will recognize and value the outstanding service offered to them. Over time, they will exhibit loyalty behaviours, such as continued purchasing and increased referrals. These loyalty behaviours will generate both market share and increases in profitability for the service firm. However, this model does not suggest causality. That is, employee satisfaction does not cause customer satisfaction rather, it is argued, the two are interrelated and nourish each other. In addition, some researchers present evidence that the degree of job satisfaction relates to the sales person's customer orientation and, finally to customer satisfaction (Burnthorne et al, 2005). Hence, the need to

monitor the degree of job satisfaction of the sales team and ensure their satisfaction with their job needs through involvement of the marketing function in human resource related activities (Schwepker and Good, 2004). This means that sales people's job satisfaction becomes an important internal goal for marketing (Gounaris, 2008)

Job satisfaction refers to the individual's attitude toward the various aspects of their job as well as the job in general (Rogers et al, 1994). Employee satisfaction (often referred to as job satisfaction) has been defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976, p. 1300 in Rust et al, 1996; Mathew et al, 2011). Job satisfaction has been studied in conjunction with performance (for example, by Hartline and Ferrell, 1996, Boshoff and Tait, 1996). Some researchers have established a strong positive relationship between job satisfaction and performance (Hartline and Ferrell, 1996), while others see no relationship between the two (Boshoff and Tait, 1996). Malhotra and Mukherjee (2004) argue that job satisfaction and organisational commitment of employees have a significant impact on service quality delivered. However, according to their result the affective component of commitment was found to be more important than job satisfaction in determining service quality by customer-contact employees.

Some studies deal with the satisfaction of the internal service encounters as antecedents to externally satisfied encounters with external customers. Researchers argue that satisfied internal customers are a critical prerequisite to the satisfaction of external customers. In order to have their needs met; employees often depend upon internal services provided by others in the organisation. Like external customers, these internal customers engage in numerous service encounters to satisfy the many needs they have in the course of carrying out their job responsibilities. These internal encounters include relationships between customer-contact staff and the backroom staff, managers and the customer-contact staff, managers and the backroom staff, and for large organisations, between the head office and each branch (Gremler et al , 1994). Gremler et al propose that it could be possible that the experiences internal

customers have in internal service encounters are very similar to the experiences of external customers in external service encounters except for one thing that the internal customer does not have any alternative in terms of other service providers. Their results indicate that many of the same events and behaviours that tend to make external customers satisfied or dissatisfied in a service encounter are equally applicable to internal customers in internal service encounters. Overall, the recovery (employees response to the service delivery system failure), adaptability (employees responses to special needs and requests), and spontaneity (unprompted and unsolicited employee behaviours) behaviours of employees that arise in external service encounters also appear to be useful in identifying sources of internal customer satisfaction or dissatisfaction. Along the same line, Tompkins (1992) reports nine causes of dissatisfaction as a result of surveying eighty thousand employees. Their reasons are training, career, benefits, inconsistent management practices, personal recognition, work environment, communications, workload-resources, and compensation. Rust et al (1996) argue that employee turnover is highest among employees who are not satisfied with their jobs. Due to the fact that qualified employees are becoming more scarce and difficult to retain, organisations need to focus on increasing employee satisfaction. Employees who are satisfied have higher intentions of staying with their organisation, which results in decreasing turnover. They emphasize that one useful approach for increasing employee satisfaction is to view workers as customers. Changing management's paradigm from employees as servants to employees as customers is so fundamental to any process towards employees (Rust et al., 1996). Similarly, Schweitzer and Lyons (2008) state that satisfied and committed employees will be less likely to engage in withdrawal behaviours ranging from absenteeism to full withdrawal. Employee turnover theory suggests that most avoidable employee turnover begins with dissatisfaction and low levels of commitment, which lead to intentions to quit, and then actual search and exit behaviour. Even among employees who do not elect to quit the organisation, dissatisfaction and low commitment can lead to various forms of withdrawal or neglect, such as increased lateness or absenteeism, lower productivity (the so-called ''effort bargain''), and lessened quality of work. In addition, Rogers et al (1994) emphasize the role of behavioural aspects of the organisation as an important

element for increased productivity and satisfaction. Their research indicates that increasing job satisfaction among service personnel has the potential of generating higher customer satisfaction with the service, repeat purchases by current customers, and positive word-of-mouth communications to potential customers. Job satisfaction of service personnel can be increased by hiring individuals who tend to be highly empathetic, by training current employees how to be empathetic, by providing employees with clear job descriptions, by empowering employees within the customer-contact employees to make decisions that will result in higher customer satisfaction with the service, and in establishing a clear unity of command for each employee.

Concerning the relationship between employee satisfaction and the financial performance of the organisation, Chi and Gursoy's (2009) findings indicate that, while customer satisfaction has considerable positive impact on financial performance, employee satisfaction has no direct significant impact. Instead, there is an indirect relationship between employee satisfaction and financial performance, which is mediated by customer satisfaction.

Finally, is there a relationship between internal marketing and job satisfaction? Ahmed et al (2003) report that internal marketing programmes positively influence employees' level of job satisfaction. Furthermore, a study by Boshoff and Allen (2000) investigated certain elements of an internal marketing programme, such as empowerment, reporting a positive impact on employee's performance and job satisfaction. Hwang and Chi's (2005) findings show significant correlations among internal marketing, employee job satisfaction and performance of international hotels. Thus, Dabholkar and Abston (2008) proposed that firm-controlled aspects (organisational factors; autonomy, compensation, perceptions of fairness, supervisor support/ financial internal marketing; discounts, financial rewards, incentives/ non financial internal marketing; recognition, motivation , empowerment) contribute to employee aspects (job satisfaction, employee patronage, job performance),which in turn enhance customer outcomes, and directly as well as indirectly lead to organisational outcomes.

Although the research regarding the impact of internal marketing on employees' job satisfaction and performance and the significance of employee's job satisfaction on customer satisfaction would lead one to expect that the number of companies adopting customer orientation is on the increase so would it be intuitive to expect that the number of companies practicing internal marketing (Gounaris, 2008). However, this is not wholly the case since the number of companies implementing internal marketing remains relatively small (Rafiq and Ahmed, 2000). It appears there is need for further study into the antecedents of internal marketing practice and into the factors behind the non-adoption of such practices by many firms.

4.4 Customer-orientation of service employees

For most types of service organisations, individual service workers are direct participants in implementing the marketing concept (Harris and Ogbonna, 2000; Brown et al, 2002). It is recognized among marketing theorists that firms which focus their activities on the needs of their customers, behave in a customer-oriented way and perform better than those companies that do not (Donavan et al, 2004). As noted above, as a result of the intangible and interactive nature of services, customers often rely on the behaviour of service employees when judging the quality of a service. The employees' level of customer orientation is considered an important leverage for service firms' economic success (Bitner et al, 1990; Sergeant and Frenkel, 2000).

Service workers with high customer orientation tend to build long-term customer relationships, display low-pressure sales tactics, pay attention to customers' needs, and actively engage in solving customers' problems (Franke and Park, 2006). In addition, employees with stronger customer orientation are more willing to put extra time and effort into maintaining good relationships with their customers as opposed to a sole focus on increasing sales volumes (Susskind et al, 2003). Liaw, Chi and Chaung (2010) find that the customer relationship moderates that relationship between employee customer orientation and customer-rated service performance. Hoffman and Ingram (1992) found that there are differences between the customer orientation and traditional performance measurements as the customer-oriented perspective emphasizes the efforts that an employee makes for the job based on the

level of control and job involvement, while the traditional performance measurement emphasizes the contribution that an employee makes to the organisation. Kelley (1992) studied the construct of customer orientation of service employees (COSE). His premise is that customer orientation of a service firm's frontline employees is crucial for business success; he proposes and empirically tests a conceptual framework of COSE determinants, including organisational constructs such as organisational climate and socialization, as well as personal constructs such as motivational effort and direction. By contrast, Bitner et al (1994) state that although many front line employees do have a true customer orientation, do identify and understand customer needs in service encounter situations, respect customers and have a desire to deliver excellent service; they are inhibited to do so due to poorly designed systems, poor recovery strategies, or lack of knowledge. In addition, they discover that employees perceive that customers can be the source of their own dissatisfaction through inappropriate behaviour or by being unreasonably demanding.

Brown et al (2002) define customer orientation as an employee's tendency or predisposition to meet customer needs in an on-the-job context. They propose that customer orientation in a service setting is composed of two dimensions. The needs dimension represents employees' beliefs about their ability to satisfy customer needs and is based on Saxe and Weitz's (1982) conceptualization of customer orientation. The enjoyment dimension represents the degree to which interacting with and serving customers is intrinsically pleasing for an employee. However, they list no arguments supporting the two-dimensional structure of COSE, but only refer somewhat unclearly to the work of Saxe and Weitz (1982) and discussions with practitioners in the banking and hospitality industries. The focus of their study is on the intra-personal determinants of COSE and especially the impact of different personality traits on COSE, and on the role of COSE for intra-organisational performance ratings. Brown et al proposed that a worker's degree of customer orientation, or disposition to meet customers' needs, is an important construct that is determined by more basic personality traits (extraversion or introversion , representing the degree to which a person is outgoing or shy; (in) stability, which captures the evenness or steadiness of a person's general emotional makeup;

agreeability, or general warmth of feelings toward others; conscientiousness, representing the degree of orderliness, organisation, and precision; and openness to experience (or creativity), which represents the person's degree of imagination or originality and by the press of the specific situational context. Furthermore, they suggested that customer orientation is predictive of service worker performance ratings. Donavan et al (2004) build on the findings of Brown et al (2002) and adopt their definition of COSE. They reveal from results, obtained across three studies in two different services industries, that customer orientation positively influences job satisfaction, commitment, and the performance of organisational citizenship behaviour altruism. The outcomes are largely internal to the organisation, but they are important for the motivational well-being of the service worker (i.e., satisfaction and commitment), and successful day-to-day operations of the services organisation (i.e. organisational citizenship behaviour-altruism). The results suggest that customer orientation has a stronger influence on the job response of workers who have higher levels of contact time (i.e. high-contact employees consistently experienced significantly stronger effects of customer orientation on satisfaction and commitment). In contrast to Brown et al. (2002), according to this study COSE consists of five dimensions (1) pamper customers, (2) accurately read customers' needs, (3) develop a personal relationship with customers, and (4) deliver quality service to solve customers' problems. This has to be used in both hiring and training process of customer-contact employees.

Hennig-Thurau (2004) builds his study on the three-dimensional conceptualization of customer orientation of service employees proposed by Hennig-Thurau and Thurau (2003), distinguishing between the employee's motivation to serve customers, his or her customer-oriented skills, and his or her self-perceived decision-making authority. The findings of the study illustrate that service employees' level of customer orientation is a key driver for customers satisfaction with the service firm and the level of emotional commitment of these customers to the firm and most importantly their degree of retention. Therefore, employing customer-oriented service personnel, although not guaranteeing economic success, does represent a crucial step towards it. The findings provide some important starting points for an effective management of service employees' customer orientation. Building on the distinction of four

dimensions of service employees' customer orientation (COSE), namely technical skills, social skills, motivation, and decision-making authority, great attention should be paid to measure that deal with the recruitment of new employees for boundary-spanning positions and the training of new and existent service employees. They also establish that the impact of service employees' customer orientation on customer satisfaction is clearly stronger than on commitment and on retention.

Donavan et al's (2004) results also support the argument that the degree of employees' customer orientation affects the job fit (here job fit is the degree of match between job demands and the worker's skills and abilities) which in turn will mediate the employee satisfaction. For them, the employee who disposes towards meeting customers' needs fit better within service organisations.

Concerning the factors that affect the customer orientation of employees, Lin (2008) analyzes integrally the effect of factors, such as management behaviour, organisational climate, and self-efficacy, on shaping the customer-oriented behaviour of employees. The study results shows that managers who emphasize self-efficacy are more inclined to customer-oriented behaviour under intrinsic motivation than extrinsic motivation, and both the self-efficacy and organisational climate have positive and significant effects on the customer-oriented behaviour of employees (Lin 2008, p.267). Liaw et al (2010) study the influence of transformational leadership service on employees' customer orientation through supervisor support and co-worker support as well as study if customer orientation leads to positive customer perceived employee service performance. The study's results indicate that transformational leadership directly increases employee customer orientation and indirectly enhances employee customer orientation through employee-perceived supervisor support. However, employees' perceived co-worker support did not mediate the transformational leadership-customer orientation linkage.

On the basis of this discussion the empirical evidence that underpins it, it can justifiably be argued that customer orientation relates to both internal and external aspects of the organisation. Internally, the customer-orientation culture of employees can, therefore, be addressed though internal marketing.

4.5 The role of service employees' managers

Successful service managers recognise the importance of the critical factors that drive profitability within this new service paradigm: investment in people, technology that supports frontline workers, developing recruiting and training practices, and compensation linked to performance for employees at every level (Heskett et al., 1994). Effectively measuring and improving employee satisfaction is a critical function of modern management. Because businesses are becoming more competitive, and because employees with the skills and abilities needed to obtain competitive advantage are becoming scarcer, managers can no longer afford to see employees as replaceable inputs (Miles and Creed, 1995). Managers must view employees as valuable contributors with their opinions and perceptions and as a source of knowledge. This requires the development of relationships that go outside the bounds of traditional hierarchy, as well as the acknowledgement that employee retention is dependent on a continuing exchange of agreements and contributions between employees and firms (Rousseau and Parks, 1992). In this sense, employees are similar to customers; their satisfaction and retention are instrumental.

Purcell and Hutchinson (2007) explore the extent to which employee commitment towards their employer and their job are influenced by the quality of leadership behaviour and by satisfaction with human resource practices. The store manager has distinctive influences on the achievement of organisational objectives (Lusch and Serpkeni, 1990).Their empirical results show that the orientation of the store managers has both direct and moderating influence on key job processes and outcomes. The managerial effectiveness also demonstrated to influence the store performance. Hartline and Ferrell (1996) examine three formal managerial control mechanisms (empowerment, behaviour-based employee evaluation, and management commitment to service quality) in relation to the attitudinal and behavioural responses of customer-contact employees that can influence customers' perceptions of service quality. The findings indicate that managers who are committed to service quality are more likely to empower their employees and use behaviour-based evaluation (which gives employees more control over their behaviours) to lessen employees' role conflict which appears as negative result of the empowerment.

Results also illustrate that to increase customers' perceptions of service quality, managers should increase employees' self-efficacy and job satisfaction, and reduce employees' role conflict and ambiguity. Church (1995) examines the behaviour of managers in an airline services organisation and found that the results demonstrate the importance of building supportive relationship with employees. Along the same lines, Sergeant and Frenkel (2000) found that the support of supervisors directly affect the job satisfaction of employees. Kim's study (2002) study emphasizes effective supervisory communications as a factor affecting employee job satisfaction. Effective communications between supervisors and employees should be emphasized to facilitate the process of strategic planning among executive leaders, managers, and customer-contact employees. Effective communications between supervisor and employee are a significant factor in informing employees of the objectives and job expectations under existing or, particularly, new organisational structure.

Den Hartog and Verburg (2002) stress the importance for managers to create conditions that focus employees' efforts on delivering service quality through what they call the ''service climate'' Service climate is considered as a foundation to attain high service quality. Their study shows the importance of managerial behaviour on two of the service related outcomes. Firstly, there is the beneficial effect of directly stimulating behaviours, providing employees with information and support. The more managers provide these, the higher employees rate both the quality of service and their responsibility to provide good service. Secondly, fairness, employees' perception that managers evaluate their performance in a fair manner impacts their willingness to provide good service (but not their rating of overall service quality).

The question is now whether there are certain types of managers or leadership styles that work best?. Is there a relationship between managers' leadership style and the customer-contact employees' performance and satisfaction?
Purcell and Hutchinson (2007 p.5) argue that while some human resource policies may impact on employees directly, most rely on line manager action or support, and the quality of the relationship between employees and their immediate line managers

is liable, too, to influence perceptions not only of HR practices but of work climate, either positively or negatively.

The literature highlights a number of studies referring to the role of leadership styles in creating the conditions for effective internal marketing (Burns, 1978; Bass, 1985). Such styles can be seen to be transformational, transactional and passive/avoidant in character (Jung and Avolio, 1999; Bennett, 2009). According to Burns (1978) and Bass (1985) transactional leadership is motivating followers primarily through contingent-reward-based exchanges. Typically, the main focus of transactional leaders is on setting goals, clarifying the link between performance and rewards, and providing constructive feedback to keep followers on task .By contrast, transformational leadership involves developing a closer relationship between leaders and followers; one based more on trust and commitment than on contractual agreements. Transformational leaders help followers to see the importance of transcending their own self-interest for the sake of the mission and vision of their group and/or organisation (Jung and Avolio, 1999). Passive/avoidant leadership is not responsible to others in achieving goals and takes hands-off approach to management. Bennett's (2009) findings show that transformational leadership had the strongest effect on employees' willingness to exert extra effort, perception of manager effectiveness, and satisfaction with their managers of all three leadership types. Along the same lines, Onyemah, Rouzies and Panagopoulos (2010) identify links between the quality of leader-member exchange and the type of control that the manager uses. In addition, they investigated the effect of such control on front-line staff behaviour towards their managers and their customers as well as their level of job satisfaction. The two main types of control they investigate are the behaviour control within which the main responsibility for results is on the company's management. Managers require customer-contact to conform to a given process (e.g., selling technique) in the belief that results will follow. Customer-contact (salespeople) is rewarded largely by a fixed salary. They will be more likely to devote more effort to better understand the expectations of their supervisors in order to success. In contrast, the outcome control, the achievement of results is largely the responsibility of the customer-contact person who is free to select her/his methods for achieving results. Thus, the customer-contact person is like an entrepreneur,

bearing considerable risks, operating with much autonomy, being held accountable for outcomes (i.e., sales results) and receiving variable compensation tied to the results achieved. Employees focus will be more on customers need to achieve sales objectives. The study's results show that behavioural control is more likely to create closer link between customer-contact employees and their managers and a satisfactory feeling towards their manager. However, employees are less satisfied with their job as they feel that they have less control over their sales objectives.

Finally, Wieseke et al's (2009) argument emphasizes the importance of the relationship between customer-contact employees and their managers to the success of internal marketing if the goal of it is to keep talent. On the basis that the aim of internal marketing is to build organisational identification, the focus should be on the customer-contact managers as intermediary between top management and customer-contact employees. Their results demonstrate that the leader's organisational identification directly influence followers' organisational identification. Second, this organisational identification transfer process occurred not only at the manager–employee level but also at a higher level, between directors and managers. Third, the cascading of organisational identification transfer from leaders to followers has important performance implications (when customer-contact employees identified strongly with their organisations, they were more likely to reach a higher level of sales quota achievement and to perform more effectively. Similarly, branch managers with high organisational identification generated higher business volume.

4.6 Conclusions

On the basis of this discussion, it could be argued that effective and committed customer –contact staff are crucial for the organisation success. It can be argued that investment in customer- contact employees will be well money spent (Jackson Jr. and Sirianni, 2009)

Internal marketing is argued to have consequences for internal and external aspects of the organisation. Gounaris (2008) argued that research focuses on employee satisfaction as consequence of internal marketing. Two of the potential consequences

of internal marketing practices which need to be studied further are into developing customer-consciousness and the enhancement of the work environment which could be a result of internal marketing as well as a result of the managers' role with their staff. The role of front-line managers in people management and enacting human resources practices to include them in any causal chain is a route which seeks to explain the link between human resource management and organisational performance (Purcell and Hutchinson, 2007). Therefore, this raises a range of questions about the relationship between internal marketing and internal aspects of the organisation related to employees as well as the role of management in affecting these aspects.

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As mentioned earlier in Chapter One, the focus of this study shapes the intersection of the research main themes namely; organisational culture, internal marketing practices as well as internal marketing consequences on employees and the organisation (see Figure1.1). Through each of the chapters of the literature, the relationship between the three themes has been addressed by reference to previous studies. However, the ambiguity of the meaning and implementation of internal marketing and the focus on the idea of internal market orientation as a construct and its measurement in relation with organisational factors, provides limited evidence of how internal marketing works in reality. Internal marketing can be approached from a more comprehensive and broader viewpoint as it can reflects the "totality" of internal and external functions and relationships necessary to get things done (Panigyrakis and Theodoridis, 2009). Therefore, with appreciation to the socially – constructed nature of the concept as reported by Ahmed and Rafiq (2003), the field research will try to explore the antecedents and consequences of the internal marketing concept through a case study of a successful travel organisation to fill the gap in the literature and to show the practice of the reality.