EMPLOYEE SERVICE BEHAVIOUR IN BANKING SECTOR: THE ROLE OF EMOTIONAL INTELLIGENCE AND SERVICE CLIMATE

Thesis Submitted to

Cochin University of Science and Technology

for the Award of the Degree of

Doctor of Philosophy

under the Faculty of Social Sciences

by

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Under the Supervision of

Dr. Muhammed Aslam M. K.

SCHOOL OF MANAGEMENT STUDIES

COCHIN UNIVERSITY OF SCIENCE AND TECHNOLOGY

KOCHI – 682 022

November 2017

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Certificate

This is to certify that the research work entitled **"Employee Service Behaviour in Banking Sector: The Role of Emotional Intelligence and Service Climate" is** a record of bona fide research work done by Ms. Farzana S. Hussain, Research Scholar (Reg. No.4048), under my supervision and guidance.

This thesis is the outcome of her original work and has not formed the basis for the award of any degree, diploma, associateship, fellowship or any other similar title and is work submitted for the award of degree of Doctor of Philosophy under the faculty of Social Sciences of Cochin University of Science and Technology. Also, I certify that the plagiarism check was done for this work using the official facility in the CUSAT Library and found satisfactory. All the relevant corrections and modifications suggested by the audience during the pre-submission seminar and recommended by the Doctoral Committee have been incorporated in the thesis.

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Declaration

I, hereby declare that this thesis entitled "**Employee Service Behaviour in Banking Sector: The Role of Emotional Intelligence and Service Climate**" is a bona fide record of research work done by me and that this work has not formed the basis for the award of any Degree, Diploma, Associateship, Fellowship or any other title for recognition.

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Acknowledgement

I thank Almighty God for his blessings and grace during all the stages of this research work.

With a deep sense of profound gratitude, I place on record my sincere thanks to all the individuals and institutions who encouraged and supported me at various stages of this humble endeavour.

Firstly, I express my sincere gratitude to my supervising guide, Dr. Muhammed Aslam M.K., for his support and sincere guidance. He kept motivating me to put in my best effort. He gave me maximum freedom and always had a listening ear whenever I approached him for discussions, which helped me complete this thesis successfully.

My special thanks to Dr. Zakkariya K.A., member of Doctoral Committee for his positive attitude and encouragement. His comments and suggestions played a significant role in completing my thesis. He generously granted me his time for constructive discussions on the study.

I'am grateful to Dr. M. Bhasi, Dean of Faculty of Social Sciences for the support extended to me throughout this research work. I'am thankful to Dr. Moli P. Koshi for her encouragement and supportive attitude throughout the process. I would also like to extend my thanks to the former directors of School of Management Studies, Prof. (Dr.) Francis Cherunilam and Prof. (Dr.) P. R. Wilson for their support during this research.

I owe my sincere thanks to Dr. Manoj Edward and Dr. S. Sreejesh for their creative suggestions and patience in listening to me and helping me out in difficult times during the stages of finalizing my research methodology and data analysis.

I express my sincere thanks to faculty members of SMS- Dr. Sebastian Rupert Mampilly, Dr. Mavoodhu, Dr. Sam Thomas and Dr. James Manalel for their insightful advices and valuable suggestions.

My heartfelt gratitude to Dr. K.C. Shankaranarayanan for his support and suggestions when I approached him during my initial stages of research. I'am

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AARS	Average Adjusted R Squared
ANOVA	Analysis of Variance
APC	Average Path Coefficient
ARS	Average R Squared
AVE	Average Variance Extracted
CB-SEM	Covariance Based Structural Equation Model
CFA	Confirmatory Factor Analysis
CO	Customer Orientation
CRM	Customer Relationship Management
EC	Emotional Competence
EFA	Exploratory Factor Analysis
EI	Emotional Intelligence
EQ	Emotional Quotient
FDI	Foreign Direct Investment
FLE	Front Line Employee
GDP	Gross Domestic Production
GoF	Goodness of Fit
HPWS	High Performance Work Systems
HR	Human Resource
ILO	International Labour Organization
IT	Information Technology
JI	Job Involvement
KMO	Kaiser-Meyer-Olkwin
MS	Managerial Support
MSME	Micro Small and Medium Enterprises
OCB	Organizational Citizenship Behaviour
OEA	Other's Emotion Appraisal
PCA	Principal Component Analysis
PLS	Partial Least Square
POS	Perceived Organizational Support
RBI	Reserve Bank of India
ROE	Regulation of Emotion
SB	Service Behaviour

SEA	Self Emotion Appraisal
SPC	Service Profit Chain
SPR	Sympson's Paradox Ratio
SPSS	Statistical Package for Social Sciences
UOE	Understanding of Emotion
VIF	Variance Inflation Factor
WF	Work Facilitation

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Chapter 1

INTRODUCTION

This chapter gives an introduction to the study. Firstly, a broad description is given on the study area. The service sector and its importance is depicted in the beginning. Secondly, the background of the study is explained. It is followed by statement of the problem, research questions, objectives, expected outcome of the study, scope of research and structure of the thesis.

1.1 Introduction

Increasing competitiveness, global nature of business, evolving technology, proliferating web of government regulations and growing customization are the hallmarks of today's service sector. The service

sector has become the largest in the world economy. The global economy has gradually shifted its focus from manufacturing to service. As per the International Labour Organization's (ILO) Report on Global Employment Trend 2014, services accounted for more than half of total global employment growth of 1.4 per cent in 2013 over 2012 (Economic Survey, 2014-15). India's dynamic services sector has grown rapidly in the last decade, with almost 72.4 per cent of the growth in India's GDP in 2014-15 coming from this sector (Economic Survey, 2014-15). The growth of the services sector accelerated to 10.2 per cent in 2014-15 from 9.1 per cent in 2013-14 (Annual Report 2015-16, Ministry of Finance, Government of India, pg.13).

The explosive growth of service sector, coupled with changing and ever evolving customer demands and requirement has led to a hefty amount of literature in this area. The ones who fulfill the customer requirements with maximum possible ease by providing quality products and services will emerge as winners in the game. Customer service has become the catchphrase for organizations and an inescapable part of the modern business. Service excellence has become a critical determinant of firm's long-term profitability. Unlike in the olden days', modern day customers are more aware and informed of the newer developments and alternatives in the market. Customers are no longer available for "one size fits all" experience of service. They demand individualized customization, and mere availability of a product is not enough (Wilder, Collier and Barnes, 2014). It is commonly understood that term business relationship is related to understanding the customer needs and preferences. Especially, in case of a service product, it must be provided well the very first time and

there is no room for failure as its production and consumption occurs simultaneously.

In today's global economy, customer services are taking on an ever-increasing level of significance. Further there is a growing popularity of the service approach to management. According to the popular business philosophy of Drucker (1954), the sole purpose of businesses is to create and keep customers. Similarly, Levitt (1983) stated that "the purpose of business is to find and keep customers and to get existing buyers to continue doing business with you rather than your competitor". Ogden and Watson (1999) observes that by increasing the performance on customer service to one standard deviation above the mean, firms earned approximately one percent higher return for their shareholders than average. Many organizations, therefore, start to realize "service excellence as a strategic imperative or, at a minimum, a strategic opportunity" (Schneider, 1990, p.399).

Terms like service behaviour, market orientation, customer orientation, service oriented behaviour etc. are increasingly being used in the services marketing literature to denote a type of orientation by the organization towards customers and service to customers, where customer needs are the basis for planning and designing organizational strategy. These concepts are critical in marketing management theory and also practice in organizations. There have been many studies stating that companies which adopt a strategy oriented to customer needs are more likely to provide quality, contribute to customer satisfaction and attain organizational goals more efficiently and effectively than competitors (Rodriguez, Carrillat and Jaramillo, 2004; Harris, Mowen and Brown, 2005).

Evidences from studies related to service quality show human/ interpersonal aspect of service quality as the extent to which the employees are interested in solving problems of the customers or the extent of personal attention to customers. As per these studies, willingness to help customers by the employees are closely related to satisfaction behavioural outcomes of customers (Yavas, Benkenstein Sthuldreier, 2004; Salanova, Agut & Peiro, 2005). Schneider, Parkington and Buxton (2012) observed that consumer perceptions of service delivery were significantly linked to the service orientation of employees. Service oriented behaviour is significant in that respect and is viewed as a key skill that employees must possess (Ouelette, 1994).

Success of a firm depends on having the right kind of employees (Karatepe, Yorganci and Haktanir, 2009). The focal point of any customer service interaction is the employee. Therefore organizations should seriously consider the role played by their employees in the attainment of a sustainable competitive advantage (Asif and Sargeant, 2000). If there is a strong service culture and employees receive management support for delivering improved customer service, this is likely to enhance their job satisfaction (Schneider and Bowen, 1985). Employees do not work in a vacuum; their performance is influenced by the cues that they get from the management and by the perceptions employees share among themselves. This mechanism can be used by the organizations to guide and educate their employees as to the value that it gives for excellent service and for the effective implementation of its policies and procedures. When organizations demonstrate poor management of service, employees identify that and start to shirk on their duties. The customer contact employee is the

link between the customer and the company. Customers equate these employees' service behaviour as the service of the organization. Hence, a single poor service encounter can adversely affect the image of the organization. Poor customer service is an irritating experience. Poor service can result in substantial costs to an organization in the form of switching over costs leading to loss of revenue, compensation, time spent dealing with dissatisfied customers etc. This will also lead to decline in customer loyalty and negative word of mouth. This will affect the organization's image, future purchases and profit. This is particularly true and sensitive in service organizations like banks as they deal with people's hard earned money. Therefore banks are developing a continuing long term business relationship with customers and they are shifting their focus from market share to mind share (Pudaruth, Hanuman, Anandkumar and Vinod, 2010). The first recourse for a customer towards a poor service is to ask to speak to the manager. Undoubtedly, customers make this request with the presumption that manager plays a key role in maintain a certain standard of service and that his interference can make the situations better. Paradoxically, it is true that compared to manufacturing sector, the managers in service organizations have less control over quality of service due to the nature of intangibility of service. For the same reason it is more important for managers in service organizations to create situations where the work environment is supportive of service quality (Schneider, White and Paul, 1998). This is what is referred to as 'climate for services' (Schneider, 1990; Schneider, White and Paul, 1998). 'Climate for services' or service climate communicates a message to employees about what is valued by the organization, and the

attitudes and behaviour that are desired and will be rewarded in their organization. Indeed, a number of studies have suggested that businesses that successfully create a climate for customer service tend to have customers who report higher service quality (Dean, 2004; Yoon, Beatty and Suh, 2001; Johnson, 1996). As "customer service" becomes important to organizations, the ability to identify and select service-oriented employees becomes critical for an organization's success (Rosse, Miller and Barnes, 1991). The actual roles, duties and responsibilities of service organizations like banks have changed drastically and presently such organizations are trying to make use of effective strategies to stay ahead of competitors in the market. A popularly adopted strategy towards that end is Customer Relationship Management (CRM). It is a commonly accepted fact that the key drivers behind the surge of interest in CRM are the increasing prominence of customer orientation as a fundamental business philosophy and advances in information technology (IT). It is based on the premise that any bank that wishes to grow in the size of its business or improve its profitability must consider the challenges surrounding its customer relationships (Watson, 2004). CRM strategies are formulated to retain the profitable customers during their entire life cycle to maximize the customer lifetime value.

In services marketing literature the significance of creating and maintaining a climate for encouraging employees to effectively deliver excellent service is an area of increasing interest. An organizational setup that favors and promotes a climate for service has implication in a service encounter. For the same reason service climate should be a priority area for service based organizations. Service climate is considered to have a

positive impact on service quality perceived by customers and employees (Liao and Chuang, 2004; Schneider et al., 1998).

Pine and Gilmore (1998) reports that besides superior service, customers are also on the lookout for emotional experience. Customer experience will last and will not vanish. Personal attributes and interpersonal interaction are important in determining quality of service and thus it can be understood that human element is one of the most important aspect in service encounters and settings. There is supporting evidence which suggests that employees with high emotional competence are more likely to successfully manage their own and their customers attitude in a service encounter (Radomir, 2011). Research on relationship between EI and work related aspects indicate that it is an important element in organizations (Ashkanasy and Daus, 2002). Further they remarked that the success of practical workplace applications involving emotional intelligence and the results of empirical research investigating the relationship between emotional intelligence and crucial work-related factors suggest that emotional intelligence of employees is an important aspect of organizations .

The studies referred to as given above show that there is a scope and need to develop a conceptual and theoretical knowledge contributing to employee service behaviour by integrating emotional intelligence and service climate for positive outcomes in employees.

1.2 Background of the study

Liberalization, privatization and globalization have brought many changes in the socio economic structure of the world. The Indian banking

sector also has undergone expeditious growth as the aftermath of globalisation, technology advancement and the financial and economic reforms after the 1990s. Before that there was a protective cover within which the banking sector was operating. Consequently banks at that time did not realize the significance and advantages that quality service could fetch them. For India to achieve its vision of rapid and inclusive growth, Indian banks have an obligation to serve the vast number of unbanked masses, under–banked farmers, and Micro Small and Medium Enterprises (MSMEs). The economic reforms initiated by the government of India almost more than two decades ago have brought about sea changes in several sectors of Indian economy, one of the most impacted sector being the banking sector. The reforms have generated huge Indian middle class as a powerful customer. Due to the tough competition and choices available to customers, there is a necessity to address the customer needs with utmost service mindedness that is oriented to customers, for long lasting relations.

Customer preferences are changing and are being more demanding. Banking is no longer a transactional business of just deposits of money, withdrawal of money and loans, but moving towards being a part of the customer's lifestyle. Banks have to respond to this by shifting from being a transaction centric organization to customer centric. It is widely accepted that service is a significant issue in the industry of banking (Stafford, 1996). Since services are intangible, customers perceive very little difference between banks in terms of product offerings (Ravichandran, Prabakaran and Kumar, 2010). Financial services are undifferentiated products and banks should strive for a distinction by way of improvement

in service. However, recognition of service quality is relatively a recent phenomenon in the Indian banking sector (Ananth and Arulraj, 2011). Now that the multinational environment is compelling Indian banks to reform and accustom to the competition in the sector, it can no longer be indifferent to the issue of service.It is true that service is defined differently across organizations, cultures, industry and times may include several other factors also in their definition of bank quality and service like financial security, reach of bank services, waiting time, exchange rates, infrastructure etc. and the value that each customer attributes to different service factors will also be different. Technology changes will also contribute to changes in demands of customers. However customer demand for superior service is one thing that will always remain.

Banking is a sector in which service has shown competitive advantage (Schmid, 2003). The growth in the number of banks has on the one hand increased competition and on the other hand heightened the standards that need to be met in order to gain a competitive advantage. In addition, the competition between banks is a premise of customers' ever growing expectations. Customers are now more informed and they expect their banks to meet their needs when, how and where they want. Otherwise, there is the risk that banks loose market share in favour of its competitors. Losing customers can have negative effect on a bank's market share and profit (Ennew and Binks, 1996; Keaveney, 1995). Various researches have highlighted the negative effect of switching over by customers. When a customer switches service providers, the potential for additional profits are lost (Reichheld and Sassar, 1990), the initial cost in customer acquisition are lost and there is the additional task of

acquiring the new customer (Colgate and Hedge, 2001). According to McKinsey Global Banking Annual Review (2015), one of the prime reasons for switching behaviour is that the bond between bank and customer is typically not strong. Further the report adds that banks should invest in engaging employees, who are often the primary representatives of the brand to customers. It is also suggested in the report that a possible way to redress the lack of bonding is by mastering the customer relationship by creating an emotional connection. Customers seldom have a personal bond with the people at their bank. It is critical because employees are the primary representatives of the bank to customers. They should translate their organizational promise into guiding principles for how everyone in the bank, at every level, does his or her job. Similarly, the bank's service attributes should be embedded in its operating systems. It is therefore necessary that banks concentrate their efforts towards improving the quality of their services and satisfying their customers' needs. Put it otherwise, superior service leads to competitive advantage as customers feel satisfied and thus are more probable to further buy the company's services, to recommend them to others and to ignore the competitors' offer. McDaniel and Frei (1994) observe that two general factors influence employees' tendency to provide quality customer service – employees' personal characteristics and the environment of the work. Hiring service oriented people is advantageous for service firms (Hogan, Hogan and Busch, 1984). But once hired, it is possible that even service oriented people may show variations in their level of service behaviour, as a function of the kind of messages they receive about what is important in that environment.

The process of service delivery in service based organizations are becoming increasingly complex and researchers are paying attention to study of Front Line Employees (FLEs) interaction with customers. The frontline is the touch point of the company; therefore, the service that frontline employees provide is crucial in the formation of positive customer experiences (Burmann and Konig, 2011). With the emerging popularity of multi-channel service delivery strategies, there is a need to understand the right profile for frontline employees suitable for quality service encounters. The service behaviour of employees is decisive in the determination of quality (Gustaffson, 2009). The behaviour of frontline service employees are critical to customer evaluations of the service encounter (Hartline, Maxham and McKee, 2000). They are important as they are 'the link' between organizations and customers (Schneider et al., 1998). While all customer interactions are an opportunity for the service firm to create a favorable impression, the ones that involve an interaction with the Front Line Employees are especially important as consumers judge these "moments of truths" (Carlzon, 1987). FLEs also play a crucial role in delivery of good quality service. In people-intensive service organizations, quality of service is determined by the skills and work attitudes of the employee interacting with customers. Offering services that consistently meet the quality requirements of target markets is a strong determinant of customer relationships, especially in a sector as banking since it is considered as a high involvement industry.

The services marketing/management literatures suggest three key reasons why frontline service jobs are important for an organization. First, FLEs play an important part in representing the organization to outsiders

and enhancing the firm's image and legitimacy through their advocacy of the firm and its products and services (Aldrich and Herker, 1977; Schneider and Bowen, 1985). Second, the boundary- spanning position of FLEs provides them many opportunities to share information internally about evolving customer needs and possible improvements in service delivery. Third, service quality perceptions and customer satisfaction are largely dependent on FLEs service delivery behaviours such as courtesy, personal attentiveness, responsiveness, and keeping promises (Parasuraman, Zeithaml, and Berry 1988).

Banking environment has undergone several fundamental changes and made the job of bank employee, especially the frontline bank employees very demanding and challenging. They are expected to deal with a variety of customers- both novice customers and well informed modern customer. Since banks deal with a very important asset in the life of a person, even a small mistake can affect the relation between the organization and the customer. In the context of banking sector, the major changes that have impacted on service given by bank are with respect to four categories: customers, competitors, technology and regulatory framework. As the customers in the modern era are becoming more empowered, educated and expecting more in terms of service, a transactional service delivery will not be able to meet the level of customer. It is certain that there is a human element or interpersonal factors that affect the service delivery process before one becomes a loyal, committed customer. Banks should seriously consider the skill set required for effective delivery of service in competitive marketplace. Competition among banks has increased as a result of entry of private

sector banks in the Indian financial market. With the advancement of technology, the customers are more informed and aware of the latest developments and innovative services in any part of the world. There are high chances for switching over to a competitor in case they are not satisfied with the services. The regulatory framework, especially liberalization and banking sector reforms in India has made the system more complex and closely knit with the trends of the global market. The next section will be useful to get a very brief idea of the Indian banking sector and importance attributed to customer service in banks.

1.2.1 Phases of Indian Banking sector

The journey of Indian Banking sector can be studied in the terms of three different phases. It is earmarked from 1786 as the first bank in India (The General Bank of India) was established in 1786. The three phases are:

1) Period prior to Nationalisation- ie. from 1786 to 1969 of Indian Banks

2) Nationalisation of Indian Banks and up to 1991 prior to Indian banking sector Reforms.

3) Period after 1991 with the initiation of Indian Financial and Banking Sector Reforms.

Period after 1991, called the post nationalization period is a landmark in the evolution of Indian Banking sector. As a result of liberalization of banks, private banks entered the Indian financial sector, paving way for competition with public sector banks.

1.2.2 National level Committees on Customer Service in Banks in India

In the context of trying to understand Indian Banking sector, it will be worthwhile to briefly understand about various committees set up by Reserve Bank of India to improve customer service in banks during different time periods. The three major Committees that will de discussed here are:

a)   Talwar Committee (1975)

b)   Goiporia Committee (1991)

c)   Damodaran Committee (2010)

a)   Talwar Committee (1975)

As an important milestone in Customer service in banks, in 1975, a committee headed by Sri. R.K. Talwar was appointed. The major recommendations of the report submitted in March 1997 are given below:

▪   Complaint cells were established at different levels starting from the branch right upto the head office. Formation of Board level committees for monitoring customer service in banks.

▪   The adoption of time norms for a variety of transactions was undertaken by the banks.

▪   There was increased emphasis on interface between bank executives and customers. Institutional arrangements have also been made for the purpose by which 15th day of every month is set aside for hearing of complaints and customers are free to

meet bank executives from the branch level upwards without prior appointment at any time between 3:00 p.m. to 5:00 p.m. on those days.

b) Goiporia Committee (1990)

The Goiporia Committee on customer service in banks was appointed by RBI in 1990. The Goiporia Committee broadly covered the following aspects:

- Causes of the persistence of below par customer service in banks.

- Areas of deficiencies in customer service in banks.

- Measures for improvement in work culture.

- Steps for inculcation of greater customer orientation among bank employees.

- Identification of structural and operational rigidities and inadequacies which adversely affect the working of banks.

- Upgradation of technology to ensure prompt and efficient customer service.

c) Damodaran Committee (2010)

Major changes in the banking sector since the previous Committees of Customer Services led to the formation of Damodaran Committee in 2010 to further look into the Customer service aspects in the light of the changed scenario. The major terms of reference of the Damodaran Committee on Customer Service (2010) were as follows:

- Review the existing system of attending to customer service in banks -approach, attitude and fair treatment to customers from retail, small and pensioners segment.

- Evaluate the existing system of grievance redressal mechanism prevalent in banks, its structure and efficacy and recommend measures for expeditious resolution of complaints. The Committee may also lay down a suitable time frame for disposal of complaints including last escalation point within that time frame.

- Examine the functioning of Banking Ombudsman Scheme – its structure, legal framework and recommend steps to make it more effective and responsive.

- Examine the possible methods of leveraging technology for better customer service with proper safeguards including legal aspects in the light of increasing use of Internet and IT for bank products and services and recommend measures to enhance consumer protection.

- Review the role of the Board of Directors of banks and the role of Regulators in customer service matter.

From the above discussion it is very clear that customer service, especially with regard to employee service behaviour and delivery is a matter of prime concern in Indian banking sector. It can be understood as an area which is being looked at very keenly with respect to banks. Especially, the latest committee- Damodaran Committee stresses on the

importance of employee attitude and approach. This has evolved as an area of strategic importance for the banks in that sense.

1.3 Statement of the Problem

Modern business organizations across the world are keenly observing newer findings in service research and trying to understand the implication that would help them to survive and excel in global market. Organizations are finding it difficult to envision and understand what aspects appeal high to customers and to find effective ways of superior service. For the same, organizations need to have knowledge on what is expected by the customer and how the service would be perceived by the customers. By the very nature of service or service excellence or service standards, as it is commonly used in literature, is a very abstruse concept and it is necessary to identify what service alludes to customers (Rust and Oliver, 1994). In order to manage a service interaction also requires comprehending employee behaviours. Only such a deliberate effort on the part of the employees will help customers differentiate a heartwarming service encounter from a dissatisfactory one.

During the past few decades or so, regulatory, structural and technological factors have significantly changed the banking environment throughout the world. In a milieu which becomes increasingly competitive, service as a critical measure of organizational performance continues to compel the attention of banking institutions and remains at the forefront of services marketing literature and practice (Lassar, Manolis and Winsor, 2000; Yavas and Yasin, 2001). The interest is largely driven by the realization that superior service results in customer satisfaction and loyalty

(Delcourt, Gremler, Riel and Birgelen, 2012). Human or personal factors related to employees service skills are very crucial in service excellence. Although there has been increasing interest in the field of customer service, most of the studies are in the context of developed countries and there is lack of studies in the developing countries (Abu-elSamen, Akroush, Al-Khawaldeh, and Al-Shibly, 2011). There is a paucity of research dealing with these issues in the context of India.

The banking system in India today has perhaps the largest outreach for delivery of financial services and is also serving as an important medium for delivery of financial services. While the coverage has been expanding day by day, the quality and content of dispensation of customer service related aspects have come under tremendous pressure mainly owing to the failure to handle the soaring demands and expectations of the customers. The vast network of branches spread over the entire country with millions of customers, a complex variety of products and services offered, the varied institutional framework –all these add to the enormity and complexity of banking operations in India giving rise to complaints for deficiencies in services. Electronic Fund Transfers, online banking transactions and card banking are on the rise and there are many challenges one might not have anticipated. The wording of the banking agreement is extremely lopsided and banks do not take responsibility for any unauthorized transaction through misuse of the internet based banking by a third party. Safety and security has become very complex in the virtual banking environment and Customer Service Departments have the additional responsibility to address such emerging challenges and threats of online transactions. The issue of selling products such as

insurance and mutual funds is also important, as the duty of bank official extends to informing and appraising the customers about the risk factor in such products also. There is no doubt that goodwill and trust of customers are the foundation stones in banking industry and employees are channels through which it is built and assured. In the light of such complex situations, various committees such as the Talwar Committee, Goiporia Committee, Damodaran Committee etc. were set up, as per the needs of time to bring in improvement in performance and procedures involved in the dispensation of hassle-free customer service. Reserve Bank, as the regulator of the banking sector, has been actively engaged from the very beginning in the review, examination and evaluation of customer service in banks.

Even though people are increasingly heading towards online banking, offline banking still continues to be an inevitable part as far as a country like India is considered. According to Report on "Productivity in Indian Banking 2016" by BCG and IBA 2016, India has about 470 million banking customers. Of these about 1 % primarily use online channels for all their banking needs. 89 % prefer to bank primarily offline. This is in comparison with 20 % and 14 % in United Kingdom and United States, who prefer primarily to go for offline or branch banking. This is very likely to be a representation of a typical developing country like India. This shows that even though the country is heading towards cashless economy and digital India, bank branches still continue to be the primary vehicle through which a major part of the people especially in the rural and semi urban India do their transactions.
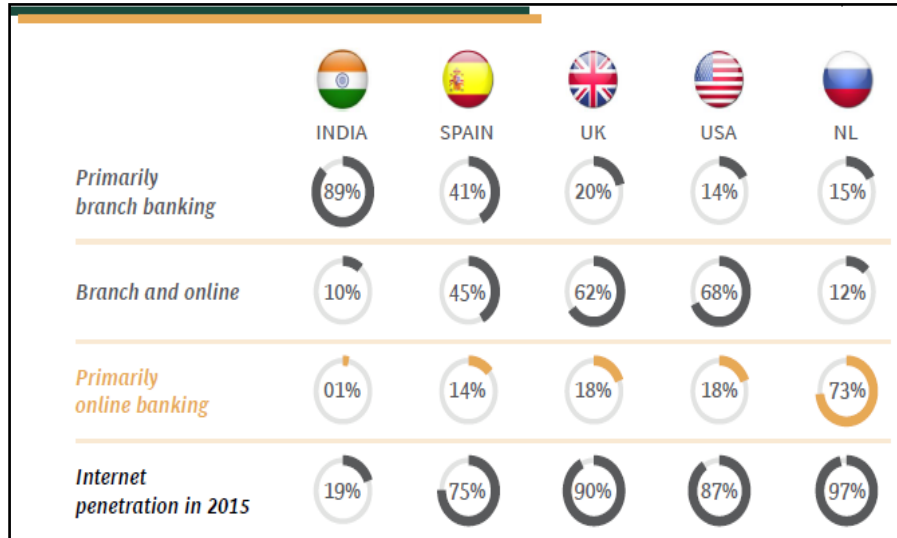
(*Source*: Report on Productivity in Indian Banking 2016 - BCG and IBA 2016)

Figure 1.1 Country wise comparison of banking behaviour

As per the Ministry of Finance Annual Report 2015-16, the number of bank branches shows an upward trend from 2011 to 2015. In order to extend financial services to the unserved population of the country, there has to be more number of branches especially in the rural and semi urban areas. A detailed view of the increase in bank branches, population group wise, from 2011 to 2015 is given in Table 1.1.

Table 1.1 Number of branches of Scheduled commercial Banks (SCBs)- Population Group wise

	Rural	Semi-Urban	Urban	Metropolitan	Total
31.03.2011	33,517	23,366	17,583	16,427	90,893
31.03.2012	36,153	26,120	18,811	17,465	98,549
31.03.2013	39,425	28,853	19,851	18,305	1,06,434
31.03.2014	44,865	31,884	21,445	19.504	1,17,698
31.03.2015	48,207	34,145	22,949	20,760	1,26,061
30.09.2015	48,958	34,883	23,423	21,133	1,28,397

Source: RBI

According to D & B Research Report (2016), the total number of bank offices in India has grown to 132,574 in FY16 compared to 125,863 in FY15. The overall bank branches grew by 5.3% in FY16, with rural areas accounting for the largest share at 38%. Thus it can be concluded that the service encounter and delivery is still a crucial aspect in Indian Banking context.

In terms of customer service, the performance of Indian banks is not satisfactory. World Retail Banking Report by Capegemini (2016) India stands at Rank 22 after Canada (Rank I), UK (Rank IV), US (Rank VI) and is the lowest ranked country among the BRICS nations in customer service in banks.

Customer preferences are changing and are being more demanding. As already discussed, banking is no longer a transactional business of just deposits and withdrawal of money. It has almost become part of daily life. Lewin (1935) proposed that it is a combination of the personal attributes and the environments in which employees exist that jointly determines employee behaviour. Employees' perceptions and valuations of the environment is found to mediate attitudinal and behavioural responses (James and Jones, 1974). There can be differences in psychological climate among employees of the same bank branch, which is likely to result from individual differences among employees, from differences in the work environment, as well as from the interaction between the person and situation (James, James and Ashe, 1990). Individual biases or personal characteristics may generate different perceptions of the same environment for different individuals. The same manager may treat different subordinates differently because of various

reasons, like differences in levels of abilities of the employees or their willingness to contribute to organizational goals (Dienesch and Liden, 1986). In a positive service climate, employees understand that superior service is expected, desired, and rewarded and therefore, they are more likely to provide good service (Liao and Chuang, 2004). However, creation of a favorable service climate is still unknown to many managers. Thus, it is necessary to separate the various dimensions of service climate, so as to explore its consequences (He, Li and Lai, 2010).

Performance in service occupations such as banking is not only about one's ability but it also involves emotions and understanding the behaviour of others (Kaura, 2011). Although there is abundant literature that in assessing service delivery, customers attach importance to personal interactions with service employees (Gwinner, Gremler and Bitner, 1998), the role of emotions in service encounter has not been examined in sufficient detail (Lin and Lin, 2011). It is also expected that if individuals identify psychologically with their work more, they are likely to put in more time and energy to work activities (Kahn, 1990). Despite all these, the services literature lacks systematic studies on role of service climate variables and emotion within the service organization and especially seems to ignore their joint impact on employee behaviour and its implication in service encounter.

Even though banks are spending lot for the training of their employees, there are complaints that the service offered by bank employees are deteriorating. There are no adequate studies conducted in Kerala with respect to employee service behaviour in banking industry. In the light of the above discussions, this study is directed to explore employee service

behaviour in banking sector and to find out how emotional intelligence and service climate perception of employees impact employee service behaviour and whether job involvement makes any impact on this relation.

1.4 Research questions

Based on the background of the study and statement of the problem the following research questions are raised:

1) Do Emotional Intelligence and service climate matter in employee service behaviour in banking sector?

2) How can emotional intelligence and service climate be drivers of employee service behaviour?

3) Is the relationship between service climate dimensions and service behaviour better explained through job involvement?

4) Is there any difference in service behaviour of employees with respect to age, gender, educational qualification, experience or income of employees or by virtue of bank type as public or private sector bank?

1.5 Purpose of the study

The purpose of the research is to propose a conceptual model explaining relation among Employee Service Behaviour, Emotional Intelligence, Service Climate and Job Involvement and to empirically test the conceptual model.

1.6 Objectives of the study

This study is an attempt to analyze Employee Service Behaviour in relation to Emotional Intelligence and Service Climate among frontline bank employees of various public and private sector banks in Kerala. The objectives of the study are:

1) To explain the relationship between Emotional Intelligence and Service Climate in terms of Managerial Support, Customer Orientation and Work Facilitation .

2) To establish the linkage between Service climate (managerial support, customer orientation and work facilitation) and Job Involvement.

3) To empirically test a model linking Emotional Intelligence, Service Climate, Job Involvement and Service Behaviour of employees.

4) To study the mediating role of job involvement in the relationship between service climate dimensions and service behaviour of employees.

5) To study any difference in employee service behaviour by virtue of bank type as public or private.

6) To study whether employee service behaviour vary based on age, gender, educational qualification, experience or income.

1.7 Expected outcomes of the study

The aim of the study was to make a detailed look at employee service behaviour in terms of emotional intelligence, their service climate perception and job involvement. Firstly, if the study attains its objective,

it would provide valuable insights regarding employee service behaviour in frontline in banking sector context. Secondly, it is expected that the study would help to understand in depth the various dimensions of service climate and what banks can do to improve customers' overall banking experience relating to frontline service employees. The study is expected to provide recommendations to banks with respect to improving employee service behaviour in the banking industry. Hence, this study will partially fill in the void regarding service behaviour and add to the compendium of knowledge in the area. As emotional intelligence is a developable quality of individual, appropriate training programmes can be developed for enhancing employee's EI, thereby impacting facets of service climate and in turn improve employee service behaviour. In today's fiercely competitive banking environment, where Indian bankers consider delivery of excellent service to customers a key to success and survival, the findings from the study can provide them with valuable insights in terms of key elements of positive behavioural outcomes for employees resulting in service excellence.

1.8 Scope of the Research

Scope of the study is defined by the following elements:

i) **Population:**

Frontline bank employees in public or private sector banks in Kerala with a minimum service period of two years in the same bank branch constitute the population of the study. The inclusion criterion of a minimum of two years service in the same bank branch was kept to be able to make clear assessment of the prevailing service climate in their work place.

ii)   Place of study

The study area is Kerala. The area is divided into three regions as South, Central and North. One representative district from each region as Trivandrum, Ernakulam and Kozhikode were chosen for data collection.

iii)   Data Sources

Both Primary and secondary data were used for the study. Primary data was collected using cross sectional survey method using a structured questionnaire. Secondary data were collected from various books, journals and annual reports of RBI, Government reports etc. Various websites like Reserve Bank of India and IBA, digital databases of Emerald, Proquest, JSTor, Sage, Wiley, Science Direct etc. were referred for literature review and arriving at the conceptual framework.

iv)   Period of study

Data collection was done during August 2014 to January 2015.

1.9   Structure of the thesis

The structure of the thesis is shown below. The first chapter gives introduction to the study. It includes the service sector as the broad area of this research, background with respect to banking sector, statement of the problem, research questions, objectives, scope of research and the expected outcomes of the study. The second chapter describes the Theoretical Framework of Variables and chapter three is Literature Review on the variables of the study. The fourth chapter is Development of Hypotheses.

Chapter five and six are for Research Methodology of the study and Data Analysis respectively. Tests of Hypotheses and Analysis of the Conceptual Model is the seventh chapter. Chapter eight details Discussion of Findings of the study and the last chapter is on Research Summary, Implications and Conclusion.

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Chapter **2**

THEORETICAL FRAMEWORK OF VARIABLES

This chapter discusses the theoretical framework of variables in the study. The variables service behavior, emotional intelligence, service climate and job involvement are the major variables of the study. The conceptualization of these variables as per different researchers, major models related to these constructs and the theoretical framework within which the present study can be integrated with, are given in this chapter.

2.1 Services

The decline in traditional manufacturing industries and the rise of the service industries has led organizations to increasingly focus on flexible & multiskilled workers who will enable companies to compete in volatile markets (Kallas, 2010). This shift is giving emphasis to employee attitudes and this is crucial for service mindedness in employees. Thus the thrust in modern day service organizations are on orientation to customer, proactivity towards customer and a readiness to understand the needs of customer.

Defining services has been a difficult preoccupation for many of the customer service delivery writers and researchers (Fogli, 2006).

Lovelock (2001, pg 3) in his popular book *Services Marketing,* offers two definitions based on *Behavioral & Economic aspect:*

> *Behavioral*: "A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production".

> *Economic*: "Services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in or on behalf of the recipient of service".

Over the years various researchers have characterized services in different ways. Groonroos (2001, pg.46) defines services as "a process consisting of series of more or less intangible activities that normally, but

not necessarily always, take place in interaction between the customer and service employee and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems".

Haksever, Render, Russell & Murdick (2000) present the following characteristics of service.

1) Intangibility- services are not physical objects but performances

2) Inseparability-services are consumed when they are produced

3) Perishability-services are non inventoriable commodities

4) Variability- happens during interaction and varies from one another

Bowen & Schneider (1988) distinguishes between services and products and observes three major grounds of distinction and characterizes services as one with intangibility, simultaneous delivery and customer participation. Intangibility is that it can only be experienced; simultaneous delivery means that it doesn't exist before it is delivered and customer participation means that customers are involved in the process.

Groonroos (2001) highlights three basic characteristics of service as

1) Services are processes considering activities

2) Services are atleast to some extent produced and consumed simultaneously

3) Customer participates in the service production process to some extent

Zeithaml & Bitner (2003) elaborates that most factors related to service is uncontrollable and counts intangibility, heterogeneity, simultaneous consumption, perishability etc. as the major features of service.

Thus from the above discussion, it can be understood that there are two primary dimensions that make up customer service. The first one being *procedural-* that consists of the extent to which systems and procedures are standardized. Secondly, *personal-* that includes how the service personnel using their attitudes, behaviors & communication skill interact with customers (Martin, 1994; as cited in Fogli, 2006).

2.2   Service Encounter

A service encounter is defined as "a period of time during which a customer directly interacts with a service" (Shostack, 1985, p. 243). Service Encounter Triad proposed by Bateson (1985) is an important framework to be discussed in this regard. The players in the triad are frontline employee, customer and the organization itself. It tries to explain the relationship between these three entities. The organization imposes rules and procedures on the contact personnel for serving the customer that define organization-employee relationship. The organization designs a service system to support service provisions and meet customer demands which defines the service organization-customer relationship. In the employee customer relation, both are trying to take advantage of the situation. The employee tries to control the behavior of the customer to make their work smooth and manageable .The customer tries to take the most benefit of the encounter. Understanding the service encounter triad helps to create organizational procedures that give enough autonomy to influence service processes and responsibility to react flexibly to changes in customer behavior.
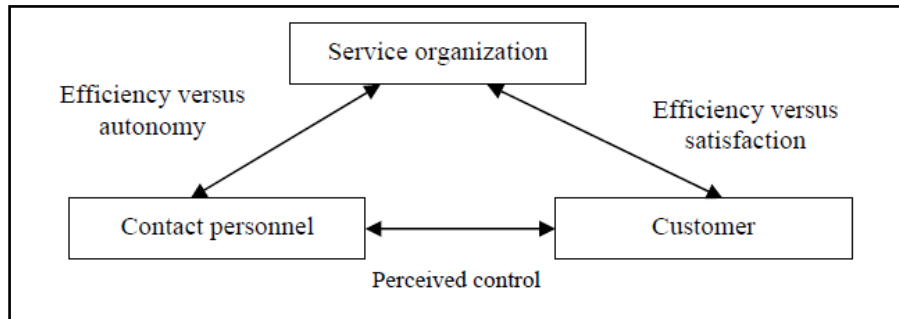
Figure 2.1 The Service Encounter Triad

The Services Marketing Triangle is very similar to the Service Encounter Triad. The relationships between the players are titled as internal marketing, external marketing & interactive marketing. Internal marketing implies appropriate training, motivational measures (Berry, 1981) and service standards to be upheld by the employees. The promises made during external marketing are kept/broken in the relation between company and customers. The relation between employees and customers is termed as interactive marketing, which can be seen in Figure 2.2
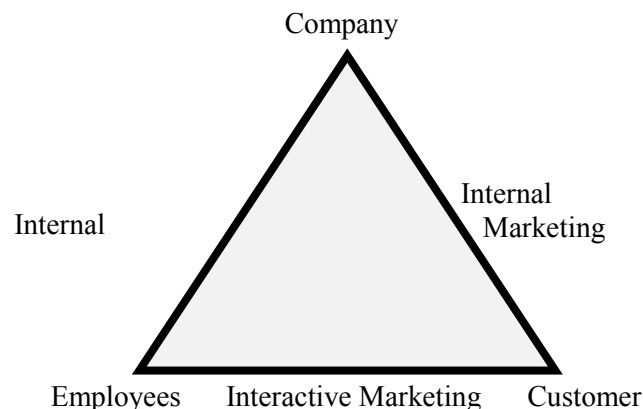
Figure 2.2 Services Marketing Triangle
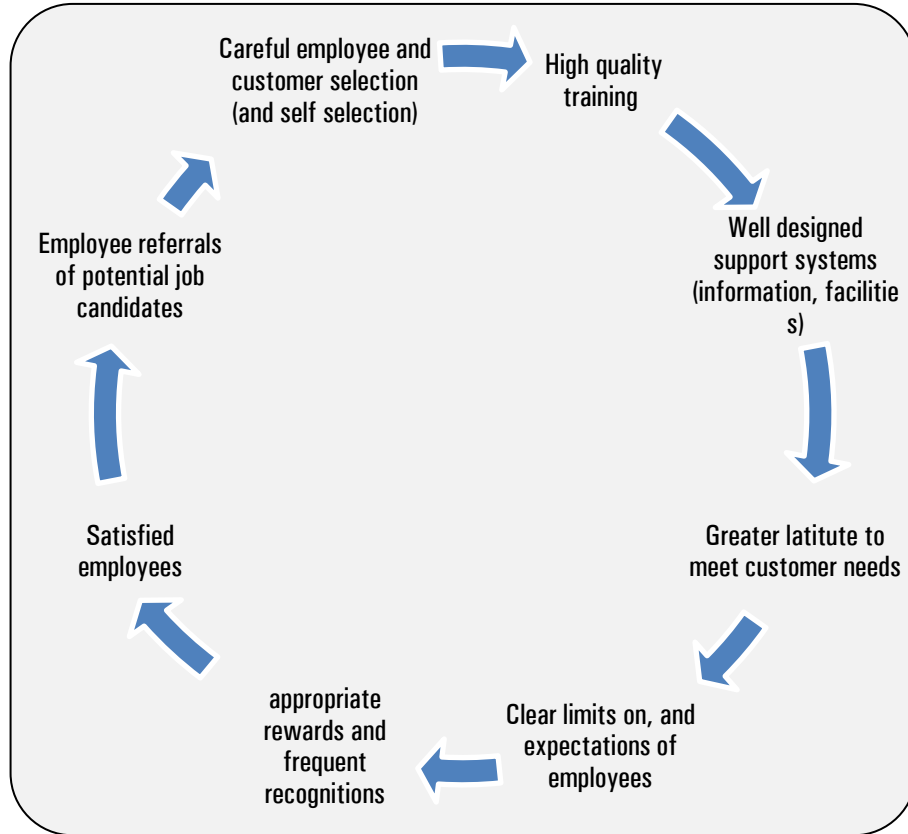
Source: Heskett, Sasser & Schlesinger (1997)

Figure 2.3 Cycle of Capability

The role of customer contact employee is critical in the eyes of the customer as regards a service encounter. Heskett, Sasser & Schlesinger (1997) described the service relationship triangle of service organization, frontline service employee and the customer. They demonstrated using the cycle of capability, the central role played by the frontline employee by describing the critical employee performance requirements in the cycle. For an effective service encounter, the hiring, training, leading and motivating the frontline employee is crucial.

Klaus (1984) observes that the service encounter is within a set of factors related to organizational, cultural and social characteristics of service. It incorporates the contextual aspects of service that enlarge the understanding of service provision results. The service organization establishes the environment for service encounter and for the interaction between customer and employee representing the organization. As per Kallas (2010), the organization's environment plays an important role in customer perception of services. Towards that end, the author further adds that the perception of work environment by employees has got implications in service encounter.

2.3   Stages in Service Evaluation by customer

Lovelock (2001) explains that when customers decide to buy a service, they often experience a complex purchase process involving three stages- the pre purchase stage, the service encounter stage, and the post purchase stage. These three stages have important implications for understanding the customer service needs, expectations, satisfaction & future intentions. The pre purchase stage involves need awareness, information search and evaluation of alternative channels of the needed service. The next stage is the service encounter stage after identification of the service provider. Then the actual delivery of service takes place and finally the post purchase stage where the evaluation of service performance and future intentions take place.

	Awareness of need
Pre purchase Stage	**Information search** ▪ Define search ▪ Explore solutions ▪ Identify alternative service suppliers
	Evaluation of Alternative Service suppliers ▪ Review documenattion (brochures, advertising, websites, and so on) ▪ Consult with other people ▪ Visit possible service suppliers, speak to personnel
Service Encounter Stage	**Request service from chosen supplier**
	Service Delivery
Post purchase Stage	**Evaluation of service Performance**
	Future Intentions

Source: Lovelock (2001)

Figure 2.4 Customer Evaluation of Service

2.4 Conceptualization of service behavior and related constructs

2.4.1 Level of conceptualization

The service management/marketing literature has conceptualized service related constructs at different level, viz. individual and organizational level. Previous researches that conceptualized measurement of service at organizational and individual level are given in the table below for reference

Table 2.1 Service at individual and organizational level

Individual (*extent to which employees are oriented to service; based on the personal characteristics*)	Organizational (*extent to which the organizational arrangement and parameters are oriented to service*)
Cran (1994)	Bowen, Siehl & Schneider (1989)
Dale & Wooler (1991)	Johnson (1996)
Hogan, Hogan & Busch (1984)	Lytle, Hom & Mokwa (1998)
Rust (1996)	Schneider, Wheeler & Cox (1992)
Hurley (1998)	Webster (1993)
Keillor, Parker & Pettijohn (1999)	Lytle et al. (1998)
Baydoun et al. (2001)	Lynn (2000)
Martin & Fraser (2002)	Little and Dean (2006)
Walker (2007)	Lytle & Timmerman (2006)
Liao & Chuang (2004)	

Organizational level

At the organizational level relates to an organization wide embracement of the concept of service in all its activities. It manifests itself in employee attitudes and behaviors which directly affect the quality of the service delivery process between a service organization and its customers. Lytle, Hom & Mokwa (1998, p. 459) defines organizational

service orientation is as "an organization wide embracing of a basic set of relatively enduring organizational policies, practices and procedures intended to support and reward service-giving behaviours that create and deliver service excellence". It is reflected by genuine attention to customer needs, as well as sharing, helping, assisting, and giving support to customers. Thus it is recognized as a kind of predisposition for giving superior service. In their research they further elaborate that an organizational service orientation consists of four fundamental elements, which are: (1) service leadership practices, (2) service encounter practices, (3) service system practices, and (4) human resource management practices.

Individual level

Service orientation has been studied as an individual personality variable (Hogan, Hogan, and Busch, 1984; McBride, Mendoza, and Carraher, 1993; Sanchez and Fraser, 1993). The most noted definition (Hogan, Hogan, and Busch, 1984) suggests that service oriented individuals have a disposition to be helpful, thoughtful, considerate, and cooperative. As such, service orientation emerges from a set of attitudes within individual employees and is expressed in their behaviors. The Table 2.2 gives conceptualization based on individual level.

The definitions in the table indicate that service behavior is also about some aspects of service quality, especially those aspects relating to interactional or delivery quality and organisational citizenship behaviours (Bettencour, Gwinner & Meuter, 2001). The terms used for operationalizing various factors of service behaviors as pre-disposition to help customers, service ability, in role performance & extra role performance vary.

Researchers adopting a dispositional approach to service orientation argue that specific individuals are predisposed to be service-oriented which in turn influences service behaviors. This study is consistent with researches that adopt an individual level conceptualization. An important aspect of personality of an employee is his/her orientation to service (Hurley, 1998) and Gwinner, Bitner, Brown, & Kumar (2005) reports that those employees who sincerely believe that understanding customers and satisfying customer needs are central components of their jobs will be more effective in service encounter (as cited in Yang, Cheng & Lin, 2015).

Table 2.2 Service Orientation- defined at the individual level

Cran (1994)	Customer service behaviors are a "set of basic individual predispositions and an inclination to provide service, to be courteous and helpful in dealing with customers and associates."
Hogan, Hogan, and Busch (1984, p.167)	*Service orientation as* "the disposition to be helpful, thoughtful, considerate, and cooperative"
Dienhart et al., (1992, p. 332)	"Service-oriented employees tend to be attentive, pleasant, courteous, and responsive to customers' needs"
Johnson (1996, p.838)	Service orientation in delivery as the: "extent to which branch employees go out of their way to solve customer problems, cooperate to solve customer problems, are committed to providing excellent service, and feel personal responsibility for their work."
Bettencourt et al. (2001, p. 31)	Pre disposition to provide superior service through responsiveness, courtesy, and genuine desire to satisfy c ustomern eeds"
Bettencourt & Brown, 1997, pg.41	Pro-social behaviors as helpful behaviors directed at organization or other individuals"
Frimpong and Wilson (2012)	Service behavior relates to the job attitudes and behaviors of service employees which are perceived by both internal and external customers as positively impacting on the delivery of service quality

2.5   Perspectives of employee service behaviour

Service marketing scholars have studied employee service behaviours as part of Personality trait (Hogan, Hogan & Busch, 1984; Cran,1994) and interms of what employees actually do in service delivery (Bettencourt et al., 2001; Wilson and Frimpong, 2003; Dienhart, Grigoire, Downees & Knight, 1992). Service behaviour studies of employees can therefore be classified on the basis of Personality Trait perspective and Service orientation in delivery perspective.

According to Personality trait Perspective, characteristics of people determine their general pattern of behavior (Engel, David and Roger, 1969). As per service orientation in delivery perspective, service behaviour is conceptualized as what employees do in delivery of services. Johnson (1996, p.836) defines it as "the extent to which branch employees go out of their way to solve customer problems, are committed to providing excellent service and feel personal responsibility for their work". Similar lines of thought has been given by Bettencourt and Brown (2001)

Companies are encouraged to foster positive relation with customers. This applies for banking sector also. Customers are also on the lookout for relational benefits in associating with a particular organization. Gwinner, Gremler & Bitner (1998) argue that there are three major reasons for it. Firstly, customers may experience feelings of reduced anxiety and confidence and decreases the felt risks associated with the service. Secondly, customers may value relationships due to the social benefits that it offer. Customers may enjoy interacting with a particular employee on a regular basis and feelings of familiarity, and personal recognition may develop in

the course of a service relationship. Customers start believing that the service provider is interested in them as persons.

2.6 Organizational Climate

Central to most, if not all, models of organizational behavior are perceptions of the work environment, referred to generally as 'organizational climate' (Rousseau, 1988). It is primarily understood as an intervening variable between the context of an organization and the behavior of its members. In the endeavor to understand how employees experience their organizations, the concept has inspired many researchers. A major development in climate research has been Lewin's field theory that describes behavior as a function of environment and person (Lewin, 1935). The term organizational climate was introduced in 1939 following a study of children's school clubs by Kurt Lewin and his colleagues. In their seminal article, Lewin, Lippitt & White (1939) wrote on "social climate" and its affect on human behavior groups. Lewin and his associates characterized leadership within the clubs as corresponding to one of three styles (autocratic, democratic, or laissez faire). These styles determined the social climate within the clubs, which led in turn to particular behavior repertoires displayed by the boys. Doughlas McGregor had been a student of Lewin and he used the term managerial climate in his book, *The Human side of Enterprise,* which is a popular book on the effects of leadership at work. Another person contributing to the foundations for study of organizational climate was Chris Argyris, who in 1958 published a paper in *Administrative Science Quarterly,* on conceptualizing the multiple levels of organizational climate in firms.

This was mostly based on his argument in his influencial book *Personality and Organization* (Argyris, 1957) that management obtains in employee behavior what it reinforces in its own actions. Unfortunately, although the term "organizational" was used in describing such early climate survey research, the level of analysis for the resultant survey in studies was invariably the individual. These two issues, the foci of climate measures and the level of analysis for such studies, dominated thinking on climate research until about 1985 (Schneider & Barbera, 2014).

Some resolution of the focus of climate surveys began from a paper by Schneider (1975), in which he argued that measures should focus on climate *for* something (eg. A climate *for* innovation or a climate *for* service or a climate *for* safety). He explains that it is a matter of bandwidth. Match the bandwidth of the predictor to that of the outcome to be predicted. Subsequent research has supported this vantage point since then (Schneider & Barbera, 2014). The following section describes some popular definitions of organizational climate.

Definition

Renato Tagiuri (1968) defines *organizational climate* as a relatively enduring quality of the internal environment that is experienced by the members, which influences their behavior and can describe in terms of values of a particular set of characteristics of the organization.

Forhand and Glilmer (1964) state that *organizational climate* is the set of characteristics that describe an organization and that (a) distinguish one organization from other organizations (b) are relatively enduring over time and (c) influence the behavior of the people.

Organizational Climate is defined by Glick (1985) as "a set of attributes specific to a particular organization that may be induced from the way that organization deals with its members and its environment".

Litwin (2001) defined *organizational climate* as "a group of measurable characteristics that members could perceive directly or indirectly in the work environment".

Organizational Climate has been defined as "the shared perceptions of employees concerning the practices, procedures, and kinds of behaviours that get rewarded and supported in a particular setting" (Schneider, 1990, p. 384).

Conceptualization of organizational climate

Climate refers to employee's gestalt perceptions of what the organization is like in terms of practices, policies, procedures, routines and rewards (Jones & James, 1979; Reichers & Schneider, 1990). Researchers frequently distinguish between organizational climate and psychological climate. Organizational climate represent the gestalt perceptions widely shared among employees regarding the organization's practices, policies, procedures, routines, and rewards (Ostroff, Kinicki & Tamkins, 2003; Jones & James, 1979). On the other hand psychological climate refers to how an individual experiences the organizational climate. It is an established fact that not all individuals experience the same organization in which they work in the same manner (Kuenzi & Schminke, 2009). Thus there is a need to consider the level and focus of

organizational climate .Thus there are two important things that one might note in climate researches conducted so far. They are:

1) Level of analysis (organizational Vs. individual) and
2) Specificity of the construct.

1)   Level of analysis

An important distinction has been made between individual and organizational climate by previous researchers (Hellriegel & Slocum, 1974; James & Jones, 1974). Research work on climate has been mainly in terms of organizational or individual level of analysis. Studies as per individual level of analysis are Little & Dean (2006); He, Li and Lai (2010); Davidson, Manning, Timo & Ryder (2001) and Manning, Davidson & Manning (2005). Few studies as per organizational basis are : Salvaggio, Schneider, Nishii, Mayer, Ramesh & Lyon, 2007; Borucki & Burke, 1999; Dietz, Pugh, & Wiley, 2004; Johnson, 1996; Schneider, White & Paul , 1998.

Employees' own perceptions of the work environment constitute individual climate at the individual level of analysis, whereas organizational climate has been proposed as an organizational or unit-level construct. When employees within a unit or organization agree on their perceptions of the work context, unit-level or organizational climate is said to exist. Employees in the same work environment may have different perceptions of the same climate (Jones & James, 2004). It is logical to think that employees who are treated well by employer, or employees who have a positive perception of employer's policies, practices and procedures will have positive behavior, which is purely an individual level analysis.

On the other hand, researchers like Schneider & Bowen (1985) have claimed support for a mechanism of results taken at the organizational sub units. They aggregated employee perceptions of HRM practices at the branch level and linked it with customer perceptions of service quality aggregated at the same level. They and similar authors explicitly conducted studies with this logic and developed theoretical rationale for group level effects.

As Zerbe, Dobni & Harel (1998) observes, the correlates between aggregate employee perception and aggregate customer perception may be an 'artifactual result' of an unmeasured group level variable like differences in financial performance or economic advantage of a branch due to difference in socio economic profile of the bank customers. More than objective conditions or incidents, it is the information as perceived and felt by the individuals that affects individual behaviour (Mills, 2003; Weick, 1995). According to researchers (Hee Yoon, Beatty & Suh, 2001; Bagozzi, 1992), service climate may be considered as an individual, rather than an organizational attribute, measured in terms of perceptions that are psychologically meaningful to the individual, rather than in terms of concrete organizational features. Therefore climate rests on perceptions of individual employees, which influence individuals' behavior. The fundamental mechanism that service climate may operate is how the employees explain the service environment they perceive. This idea is followed in recent researches also (He, Li & Lai, 2011) So the factors that possibly influence how the individuals explain environment should deserve attention by practitioners and theorists. Thus for the present study, the researcher follows an employee level theoretical framework and employee level analysis

2) **Specificity/Facets of climate**

The concept of climate started to emerge in the organizational literature in 1939 with the seminal article by Lewin, Lippitt and White on the "social climate" and its affect on human behavior groups. Formal studies of employee's perception of the work environment have been operationalized by the construct of *climate*. There have been many definitions including the one presented by Reichers and Schneider (1990) that describes "climate" as the organizational member's perceptions of the formal and informal practices, policies, and procedures of the organization. These perceptions made by the employee about the climate is therefore representative of the work environment circumstances and can range from broader to specific type of climates (Deshpande and Webster, 1989; Schneider and Bowen, 1995. As reported by Payne and Pugh (1976) employee personalities, needs, abilities, job satisfaction, and goals directly have an effect on the employee's perceptions of their work environment. They describe that there is a two-way interaction between the work climate and the employee. Schneider & White (2004) suggest that conceptualizing climate as a general factor is too broad and inclusive to be easily understood and interpreted. Eventhough an organization has an overall climate, there are "climates" related to specific domains of organizational functioning like Service climate, Ethical climate, safety climate etc. A brief description of such specific climates is given below:

Climate for Service

Climate for service refers to employee perceptions of the practices, procedures, and behaviors that get rewarded, supported, and expected with

regard to customer service and customer service quality (Schneider & White, 2004). For example, to the extent that employees perceive that they are rewarded for delivering quality service, their organization's service climate will be stronger.

Climate for safety

Zohar (1980, pg.96) defines safety climate as "shared employee perceptions about relative importance of safe conduct in their organizational behavior".

Ethical climate

It has been defined as "the shared perception of what is correct behavior, and how ethical situations should be handled in an organization" (Victor & Cullen, 1987, pg.51).

The issues of level of analysis and specificity of organizational climate has been discussed in detail in this section. Any climate research begins with a decision regarding level of analysis & specificity. Accordingly the present study follows individual level of analysis and is specific to climate for services.

2.7   Organizational culture

Any discussion on organizational climate requires a mention of organizational culture as well. The two concepts are closely linked to each other. Focus on culture perspective in organizational life was with Pettigrew (1979) as per Schneider & Barbera (2014). This is on three grounds. Firstly this paper introduced organizational researchers unfamiliar

with anthropological concepts and methods with human factors in organizations. It was an era in which business schools were experiencing considerable growth and following the Carnegie Council report (Pierson, 1959) and Ford foundation (Gordon & Howell, 1959), towards teaching more about human behavior & there was quick growth of such research and emphasis in business school curricula. Thirdly, management consulting firms began to increasingly discover the importance of studying the whole organization as human experiences were prime in such settings. The literature converges on the fact that organizational culture is historically determined and socially constructed. It is often based on how it has developed over time through people and events and Schein (2004) observes that history, people and culture of an organization are inseparable.

Culture became of interest to those who study human work organizations with publication of the seminal paper by Pettrigrew (1979). Prominent earlier examples of such studies in which culture constructs were applied to work settings include Gardener's (1945) textbook- *Human relations in industry*, Clark (1972) research on importance of Organizational Sagas & Turner (1971) book on organization as micro cultures- *Exploring the industrial sub culture.*

Some popular definitions of organizational culture are:

"Some combination of artifacts, values and beliefs, and underlying assumptions that organizational member share about appropriate behavior" (Detert, Schroeder & Mauriel (2000, pg. 851).

"Beliefs, rituals practices, art forms, and ceremonies, as well as informal cultural practices such as language, gossip, stories, and rituals of daily life" (Swidler, 1986, pg.273).

Schein (2004, pg.17) defines it as "a pattern of shared basic assumptions that was learned by a group as it solved its problems, to be taught to new member as the correct way to perceive, think, and feel in relation to those problems".

2.8 Organizational Culture & Organizational Climate

There is a general consensus in the fact that there are theoretical differences between culture and climate. Many of these differences are revealed in the debate about the distinction between organizational climate and culture. Indeed, the two terms are sometimes used interchangeably. Both are similar concepts since both describe employees' experiences of their organizations. Organizational climate, according to Schneider (2000), represents the descriptions of the things that happen to employees in an organization. He suggests that climate is mores behaviorally oriented.

Organizational culture exists at a higher level of abstraction than climate. On the other hand, climate pertains more to surface-level manifestations or how things are done around here. While the organizational culture researcher studies the manifestation of the phenomena through its forms (e.g. artifacts, legends, and symbols), which reveal shared values, the organizational climate researcher studies the process by which these shared values are attended to (Moran & Volkwein, 1992).

Climate has some level of specificity. Climates for safety or service, for example, represent the patterns of behavior that support safety or service. Service climate is distinct from service culture in that culture reflects underlying values and assumptions or what is important in the organization, whereas climate must be in relation to "something", as climate for 'service' in service climate and is more concerned with operating implications (Schneider, 1990). Organizational culture explains the reasons for these patterns to exist. Culture comes to light when employees are asked why these patterns exist. Those patterns can only be explained in terms of shared values, common assumptions, and patterns of beliefs held by organizational members, and it is these which define organizational culture.

A more clear distinction between culture and climate is given by Svyantek and Bott (2004), in which Organizational culture is defined as a set of shared values and norms held by employees that guide their interactions with peers, management, and clients. Organizational climate is more behaviorally oriented in that climates for creativity, innovation, safety, or service may be found in the workplace. These climates represent employees' perceptions of organizational policies, practices, and procedures, and subsequent patterns of interactions and behaviors that support creativity, innovation, safety, or service in the organization. Thus climate can be understood as a surface manifestation of culture (Schein, 1985; Schneider, 1990).

As noted by Denison (1996, pg.624), culture is the "deep structure of organizations, which is rooted in values, beliefs, and assumptions held

by organizational members" whereas climate is "the shared perceptions of employees concerning the practices, procedures, and kinds of behaviors that get rewarded and supported in a particular setting" (Schneider, 1990, p. 384). Culture is generally holistic, whereas climate is focused "toward something" (Schneider, 1983). Culture has its roots in the symbolic interactionist perspective and social construction perspective (Berger & Luckmann, 1966). Climate has its roots in Field theory (Lewin, 1935, 1951).

Again, while there are differences between climate and culture, it is important to note that both constructs address a common phenomenon: the creation and influence of social contexts in organizations. Therefore, although climate and culture may be viewed as distinct constructs, there is some overlap in these streams of research. It is also similar in the sense that both constructs deal with the environment in which individuals function (Denison, 1996). An important link and mechanism linking culture to climate was contributed by Schein (2010). His message was that to what leaders pay attention and scarce resources, along with the tactics that define effectiveness in an organization, determine early on climate of the organization; over time, as successes builds on successes, the climate becomes embedded in the organization as a set of implicit guidelines for behavior. It also becomes embedded in the sense-making of people in the organizations and thus constitutes implicit values and basic assumptions about doing and being - that becomes the culture of the organization.

These issue of level of analysis and specificity of organizational climate has been discussed in detail. Any climate research begins with a decision regarding level of analysis & specificity. Accordingly the present study follows individual level of analysis and is specific to climate for services.

2.9 Emotional intelligence

Table 2.3 Evolution of Emotional Intelligence

Thorndike (1920)	*presents the notion of social intelligence*
Wechsler (1940)	*presents non intellectual affective, social and personal abilities*
Gardner (1983)	*introduces multiple intelligence theory including intra and inter personal intelligences*
Salovey and Mayer (1990)	*coined the actual term 'Emotional Intelligence'*
Goleman (1995)	*published book on EI and popularized the concept*

The historical roots of EI can be traced back to Thorndike (1920) in which he uses the term social intelligence, which is concerned with the ability to understand and manage people and to act wisely in human relations. Its proximal roots lie in the work on multiple intelligences by Gardner (1983) and more specifically, his concepts of intrapersonal and interpersonal intelligence.

2.9.1 Definitions of Emotional intelligence

Below given are few other popular definitions of Emotional intelligence

Table 2.4 Definitions of EI

Author	Definition
Cooper & Sawaf (1997)	EI as the ability to sense, understand and effectively apply the power and acumen of emotions as a source of human energy, information, connection and influence.
Dulewiez & Higgs (1999)	EI as being aware of, and managing one's own feelings and emotions; being sensitive to, and influencing others; sustaining one's motivation; and balancing one's motivation and drive with intuitive, conscientious and ethical behavior.
Weisinger (1998)	EI is the intelligent use of emotions meaning that the individual intentionally makes emotions work for him or her by using them to help guide behavior and thinking in ways that enhance results.
Bar-On (1997)	EI an array of non cognitive capabilities, competencies, and skills that influence one's ability to succeed in coping with environmental demands and pressures.
Goleman (1995)	EI is the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationship
Salovey & Mayer (1990)	EI is the subset of social intelligence that involves the ability to monitor one's own and other's feelings and emotions, to discriminate among them and use its information to guide one's thinking and actions.

2.9.2 The Scope of Emotional Intelligence

The scope of the term Emotional Intelligence can be easily understood from the below exhibit.

Emotional Intelligence

Emotional Intelligence is an ability to understand and to problem solve that involves:

- Managing emotional responses
- Understanding emotions and emotional meaning
- Appraising emotions from situations
- Using emotions for reasoning
- Identifying emotions in faces, voices, postures, and other content

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Emotion

Emotions are coordinated responses to changes in the environment that involve:

- Invoking specific subjective experiences
- Activating relevant cognitions, especially related to taking action in relation to the self and environment
- Coordinating bodily states so as to prepare for certain reactions
- Appraising the ongoing situation for changes

Intelligence

Intelligences are abilities to understand and problem solve about information that involve:

- Reasoning about abstract relationships
- Storing material in an organized fashion in memory
- Learning targeted material
- Inputting material through sensory and perceptual channels
- Processing information quickly

Source: Mayer, Roberts, Barsade (2008)

Figure 2.5 Scope of EI

2.9.3 Models of Emotional Intelligence

Although various models of EI have been suggested in the literature, most of the empirical research in the field has relied heavily on three major models of EI. Although these models overlap in some

respects, they are different in terms of how they define EI. The three major models of EI are given below:

1) Ability model
2) Mixed model
3) Competency model

1)   The ability model Mayer and Salovey (1997) defines EI in terms of four dimensions:

▪ To perceive emotions, or the accuracy with which people identify emotions in themselves and in other people.

▪ To use emotions, or the ability to employ emotions to facilitate thought and assist reasoning by directing these emotions toward constructive activities.

▪ To understand emotions, or the ability to understand one's own emotions and the emotions of other people, how emotions evolve over time, how emotions differ, and which emotion is most appropriate in a given context.

▪ To regulate emotions, or the ability to manage one's own and others' moods and emotions.

2)   The mixed model (Bar-On, 1997) conceptualizes EI as a combination of cognitive abilities and personality traits.

3)   Competencey Model

EI has been defined by Goleman (1998) as the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our

relationships. The competency model includes a set of personal and interpersonal competencies. Unlike the ability model, which posits EI in terms of cognitive abilities that originate in childhood and continue to develop subsequently, the "competency model" does not posit emotional competencies as innate talents; rather, they are understood as learned capabilities that must be developed in order to achieve high performance.

In the present study, the conceptualization and measurement of EI is similar to the ability model.

2.10 Job Involvement

Lodhal & Kejner (1965) are credited with an early definition of the concept of job involvement. *"Job involvement is the degree to which a person is identified psychologically with his work, or the importance of work in his total self-image"* (Lodhal & Kejner 1965, p. 24).

Saleh & Hosek (1976, p.233) concluded that JI is *"the degree to which the person identifies with the job, actively participates in it and considers his performance important to his self-worth"*.

The conceptualization of Job Involvement in literature is mainly classified into four.

- The *fi*rst is the degree to which the total job situation is a central life interest, i.e. the degree to which job is perceived to be a major source for the satisfaction of important needs. This definition is identical to that of *Lawler and Hall* (1970).

- The *second* interpretation of involvement in terms of participation. This indicates that the psychological state of involvement be viewed as behavioural acts of the individual directed toward the satisfaction of his or her needs for autonomy and control. This is in congruence with Saleh and Hosek (1976).

- The *third* conceptualization is the degree to which the employee perceives that his job performance is central to his self-concept; that is the degree to which it affects his self-esteem, as in Lodahl and Kejnar (1965).

- The *fourth* conceptualisation is the degree to which the employee perceives that his job performance is consistent with characteristics that are central to his self-concept. This conceptualization can be found in McKelvey & Sekaran (1977).

In view of the above discussion, it is clear that a person is job involved (a) when work to him is a central life interest;(b) when he actively participates in his job; (c) when he perceives performance as central to his self-esteem; and (d) when he perceives performance as consistent with his self-concept. Further Smith (1973) suggests that essential components of JI are co-operation and commitment. Rotondi (1980) states that a person who is oriented towards his profession is involved in his job and is concerned with the development and use of his professional knowledge and skills in that job. Blau (1985) argued that job involvement frequently includes identifying with the job, actively participating in the job and perceiving job performance to be important to self-worth.

2.10.1 Overview of Definitions of Job Involvement

Table 2.5 Definitions of Job Involvement

Lodahl & Kejner (1965)	The degree to which a person is identified psychologically with his work or the importance of work in his total self-image and the degree to which a person's work performance affect his self-esteem.
Lawler & Hall (1970)	The degree to which a person perceives his total work situation to be an important part of his life and to be central to him and his identity because of the opportunity it affords him to satisfy his important needs.
Saleh & Hosek (1976)	The degree to which the job situation is a central life interest.
McKelvey & Sekaran (1977)	The degree to which the job situation is central to the person or his identity
Farrell & Rusbult(1981)	The extent to which an employee perceives he /she is connected to a job
Kanungo (1982)	A generalized cognitive state of psychological identification with the job.
Brooke, Russell & Price (1988)	The cognitive belief state reflecting the degree of psychological identification with one's job.
Elloy, Everett and Flynn (1991)	The extent to which the job satisfies his or her salient needs.
Paullay, Alliger & Stone- Romero (1994)	The degree to which one is cognitive preoccupied with, engaged in and concerned with on's present job.

Source: Doobree (2009).

2.10.2 Models of Job Involvement

Various models in the literature related to Job Involvement is discussed in this section.

2.10.2.1 The Motivational Model to Job Involvement

The motivational approach of Job Involvement takes into account both the antecedent and the consequent conditions of job involvement.

According to the model, the historical causes of job alienation are factors found in the early socialisation of individuals. The conditions of the immediate environment of the individual influences a person's job involvement or alienation. An individual's behaviour and attitudes exhibited both on and off the job is a function of the saliency of the need states within that individual. The saliency of need states within the individual is dependent on previous socialization process of the individual and on the perceived potential of the environment. An individual's job involvement or job alienation depends on whether the work has the potential for satisfying his salient needs (Kanungo, 1979, p.132).
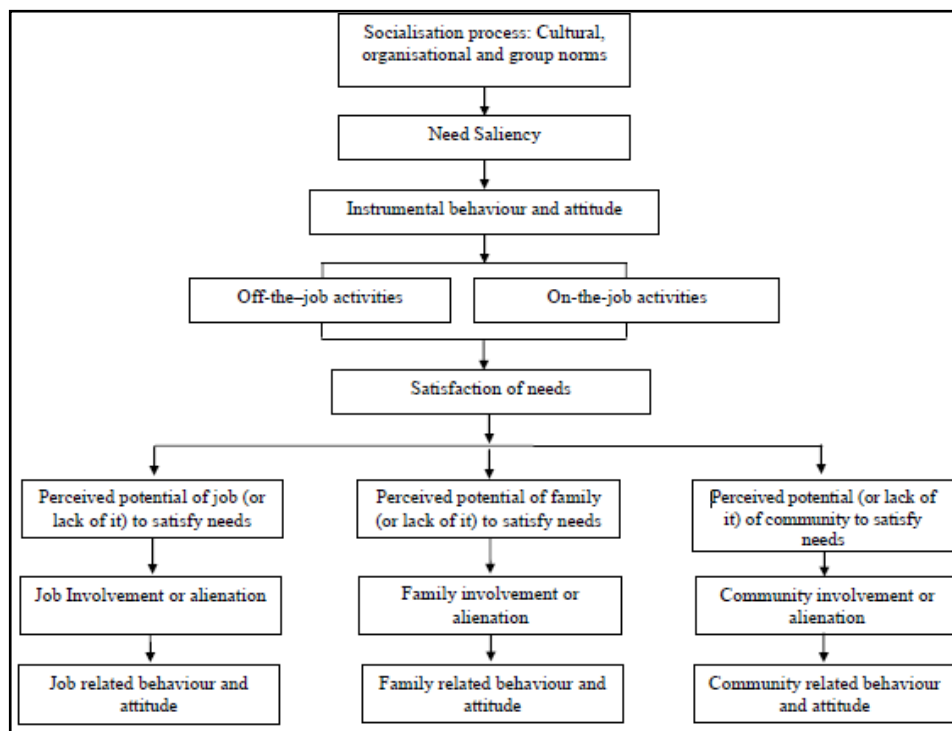
Source: Kanungo, R.N. (1982)

Figure 2.6 Work Alienation-An integrative approach

2.10.2.2 The interactive model to Job Involvement

The Interactive Model propounds that both individual differences and environmental circumstances affect job involvement. The interaction proposition presented by Lawler & Hall (1970) appeals that it is necessary to recognize the importance of situational and personal influences on job involvement.
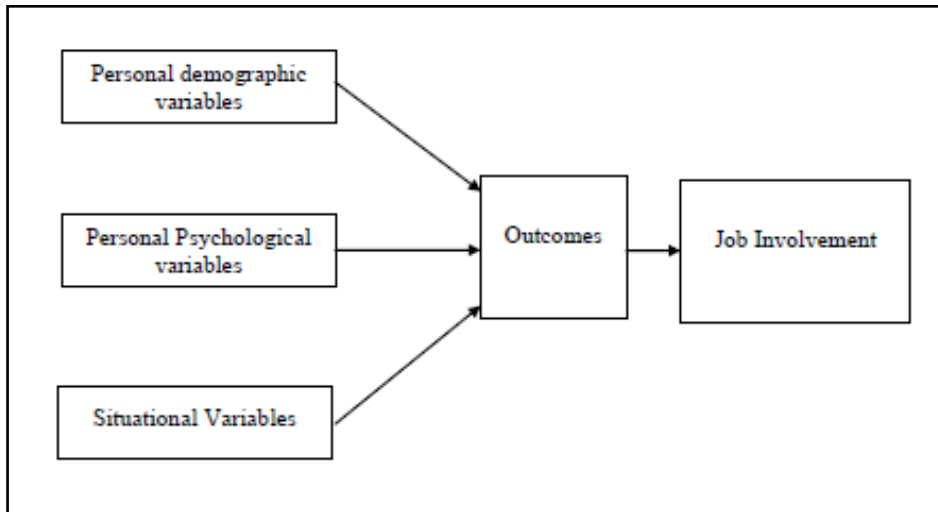
Source: Adapted from Lawler, E.E. & Hall, D.T. (1970)

Figure 2.7 Interactive Model to Job Involvement

2.11 Theoretical Framework to current study

The theoretical framework of the study is derived from some of the popular theories in literature. Such theories found relevant to the framework of the current study is discussed in detail in this section. They are Social Exchange Theory, Service Profit Chain theory, Mc Daniel and Frei (1994) approach to employee service behaviour and Attitude Intention Behaviour Framework.

2.11.1 Social Exchange Theory

Social exchange theory (SET) is a relevant theory for understanding the impact that supportive service climate perceptions have on the attitudes and behaviors of boundary-spanning employees (Cropanzano & Mitchell, 2005). It provides a rationale to understand the influence of service climate on individual behavior. According to social exchange theory, employees reciprocate benefits received in such a way that they return benefits to the exchange partners (Blau, 1964). Service climate captures the internal social exchange relationship between employees and the organization. According to the norm of reciprocity (Gouldner, 1960), when employees perceive they are supported and treated fairly, they are more likely to reciprocate effort back to those who have treated them well (Cropanzano & Mitchell, 2005). Social exchange relationships are different from economic exchanges. Economic exchanges are short term and transaction based whereas social exchanges are relational and long-term arrangements. While economic exchanges are based on the exchange of tangible outcomes, social exchanges are based on the exchange of socio emotional resources (Rupp & Cropanzano, 2002). Social exchange is a primary determinate that drives and influences involvement in ones job within organizations (Blau, 1964). The social exchange theories were used to examine to what extent the socio emotional exchange influence employee behaviour. The social exchange theory proposes that behaviors are driven by reciprocity and expectation of rewards (Blau, 1964). This may involve emotional, social, and material benefits. Nord (2001) posited that these needs permit individuals to be shaped into social beings by their experiences in significant social settings.

Designing the job to support an employee's ability to effectively perform his or her responsibilities, should aid in the development of a social exchange relationship between the employee and the organization in a similar fashion to organizational and managerial support. Having a well designed job can make it easier for the employee to perform his or her job, likely serving as an indication that the organization cares about his or her success and well-being. The employee in turn will be motivated to reciprocate this support back to the organization. Consequently, it is likely that when employees perceive they are supported by the organization, management, and job, they will be motivated to reciprocate this support back in the form of effective performance. When employees perceive the organization expects, supports and rewards service, they understand that their work roles are valued and their contributions are cared about when they direct their energies to the organizational expectation of superior service. Their behaviour based on this realization will enable them to contribute positively to organizational goals and they receive support for the same. Thus, they tend to reciprocate the favourable treatment with positive behaviours according to the norm of reciprocity.

Social exchanges also occur between employees and customers. Effective performance of boundary-spanning employees is typically determined by their ability to provide high quality service to customers. Therefore, this performance is an exchange between the employee and the customer (Bowen & Waldman, 1999). While most of the research has indicated that employees are likely to reciprocate their efforts within the organization, some researchers have suggested that boundary-spanning employees may direct these efforts outwards toward the customer

(Masterson, 2001; Vaughan & Renn, 1999). These authors argue that initially, customers enter into an economic exchange with an organization; however, overtime a social exchange relationship develops between customers and service employees. Conceivably, boundary-spanning employees who perceive they are provided the necessary support to effectively serve customers would provide service to customers in such a way that feelings of trust, loyalty, and commitment between the customer and the organization begin to develop. In turn, customers would likely reciprocate effort back to the organization by remaining loyal to and satisfied with the organization (Vaughan & Renn, 1999). This is especially relevant in service organizations since some have estimated that it costs most organizations approximately five times as much to acquire a new customer than to retain a current one (Schneider et al., 1998).

The psychological effect of a service environment depends on how the individual interprets the environment. This interpretation may vary across individuals with different emotional experiences, which further affects the individual's intentions and reactions in social exchange relationships. The interactive effect of individual climate perception and emotional experience on work performance has received little attention in the domain of service management.

In addition, the social exchange theory may also be applied to explain the relationship between job involvement and employee service behaviour. Employees who feel they have been well supported by their organizations tend to reciprocate by performing better than those

reporting lower levels of perceived organizational support (Eisenberger et al., 1990). People strive to balance what they give and receive from social exchanges. Service behaviour of employees are means by which an employee can give back to the organization, so, if an employee is satisfied with his or her job, the employee may be more likely to reciprocate by superior service performance. Employees may be less likely to perform extra duties, endorse, support, or defend the organization's objectives, if they have low levels of satisfaction with the job.

2.11.2 Service Profit chain Theory

Another rationale for the present conceptual framework is derived from Service Profit chain Theory. The Service Profit Chain (SPC) theory is an important foundation of the "strategic service vision" (Heskett, 1986).
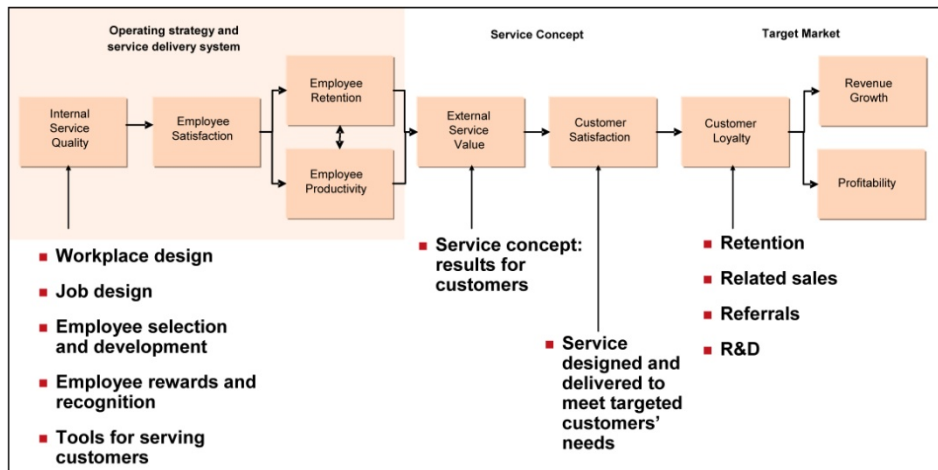
Source: (Heskett, Jones, Loveman, Sasser & Schlesinger, 1994)

Figure 2.8 Service Profit Chain

The Service Profit Chain emphasizes a conducive environment for employees which leads to "value" for customers, and value is considered a function of service quality and this value leads to retention and profits for the organizations. In the SPC model, the antecedents of employee satisfaction are variables related to "internal service quality" and it includes organization and job design and practices adopted to achieve service excellence. As cited by Dean (2004), many of the studies in SPC have been done in banking and insurance sector and it has established the links between organizational features, employee attitudes and their ability to deliver high level of service (Burke Borucki & Hurley, 1992; Rust, Stewart, Miller & Pielack (1996). Schneider (2014) observes that customers report superior service when employees indicate that they work in a positive climate for service.

Quality of service is the foundation of the service pledge that an organization offers its customers. Many aspects of Service climate can be equated with the 'internal service quality' in SPC theory. Time and again research has suggested that customer satisfaction, loyalty, business profit and growth are enhanced by service over time (Doyle and Wong, 1998; Heskett, Sasser & Schlesinger, 1997; Johnson, 1996). When policies and practices of organization support service excellence they have a competitive edge in most markets (Lynn, Lytle & Bobek, 2000).

2.11.3 Mc Daniel and Frei (1994) approach to employee service behaviour

According to McDaniel and Frei (1994), two general factors influence employees' tendency to provide quality customer service-

organizational climate and individual personality characteristics. The former is called "macro organizational approach" and the latter is called "micro organizational approach". The macro organizational approach (i.e., climate) methodology examines the extent to which the organization itself promotes a quality service orientation. The micro-organizational approach examines the importance of selecting those employees who are likely to provide a quality service orientation. Research in this area has focused on the extent to which certain personal factors affect later service behaviors. Thus, assuming that quality service behavior is in part due to certain personal characteristics, assessing such characteristics could help identify those job applicants who are predisposed to engage in favorable service-oriented behaviors (Bowen, Siehl, & Schneider, 1989). There is abundant evidence that, in assessing service delivery, customers attach importance to personal interactions with service employee (Gwinner et al., 1998). However, the role of emotions in service delivery has not been examined in sufficient detail (Lin & Lin, 2011). The impact of selecting such individuals would be apparent at various levels; employees will become more efficient, consumers would be happier, and organizations would be more productive and profitable

2.11.4 Attitude Intention Behaviour Framework

Bagozzi (1992) has given a framework to explain service employee behavioural intentions and is called the Attitude Intention Behaviour Framework. This framework proposes that individual behavior is determined by a sequence involving appraisal processes, emotional reactions and coping responses. An appraisal is the evaluation of internal or situational conditions.

Emotional reaction is the outcome of the appraisal process and coping responses is the behavioural or action part which is experienced by others. In the model of the present study, service climate variables of customer orientation, managerial support and work facilitation are indicative of the appraisal phase. If the appraisal process is positive it leads to reactions on the part of the employee. As per the present study, job involvement can be placed as the consequence of appraisal process. Employee behaviors are the coping responses.
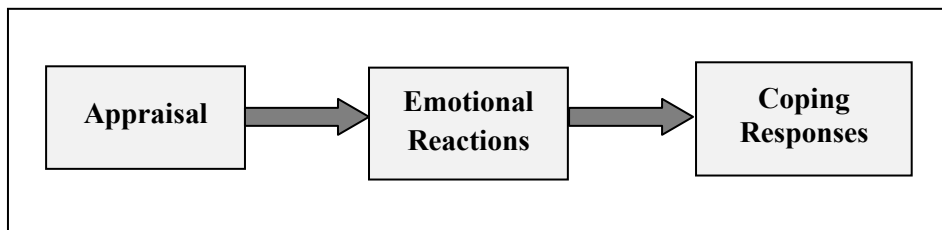
Figure 2.9: Attitude Intention Behaviour Framework

2.12 Conclusion

This chapter has explained the conceptual framework of the variables under study. The major definitions, dimensions and popular models in the conceptualization of the variables are detailed. The chapter ends with established theories that have been used in arriving at the model of the present study. In that regard Social Exchange Theory, Service Profit Chain, Mc Daniel and Frei (1994) approach of employee service behaviour and Attitude Intention Behaviour Framework are discussed.

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Chapter **3**

LITERATURE REVIEW

This chapter provides the Literature review of the study variables. Service behaviour assumes an integrating position in service encounter as it is an essential link between the service organization and the customers. Emotional Intelligence, Service Climate and Service Behavior are major topics discussed in this chapter.

3.1 Introduction

Service organizations are becoming increasingly involved in a highly competitive marketplace. Quality of service is one of the most significant factor that enable units to stand out from the competitors. As a result organizations are paying more attention to quality of service they give to the consumers (Schneider, Salvaggio & Subirats, 2002), and more attention is being given to control of employee attitudes and service mindedness.

The global transformation from an industrial to service oriented world has led to many publications and studies in the area of service and customer relation. A peculiarity of service is that it is produced and consumed at the same time and the notion of reworking the product to make it better for the consumer is not applicable. Service based organizations and their human resources differ from traditional manufacturing organizations in that they deal with perishable, intangible products that are produced, presented and consumed in a single episode or series of closely related episodes.

Customer Service is the interaction between a customer and organization, mostly represented by employees. It is important in an organization's quest to keep customers. Even in the digitalized world where customer service staff interacts with the customer through a telephone or internet, service excellence is still important, because on the either side of the system they are real human beings who have expectations and perceptions of service delivered. Especially in the modern times where people are more aware of the choices and customization available, it heightens the challenge for the organizations in meeting and keeping up with customer standards. A service organization must be fully prepared to provide excellent service. Managers need to monitor the capacity of the organization to provide excellent service and it is an important task to search for predicators of superior service. An orientation to service and customer needs is crucial in determining right attitudes of employees in serving the customers effectively.

3.2 Customer Service in Service encounter

Service encounter occurs when a customer directly interacts with service. Controlling and enhancing service encounter is a critical task as this is from where the customer impressions are formed regarding the quality of service and it cannot be left for chance (Shostack, 1985). Service encounters usually involve a series of episodes which involves multiple facets of an organization. These episodes can be considered as opportunities or points for satisfying or dissatisfying the customer. The quality of service encounter is the shared experience of gain by participants and the stable pattern of behavior associated with a given type of service encounter (Klaus, 1985). This is ephemeral in the services environment- it can disappear in a moment during a negative interaction between a customer & service provider (Varca, 2004). Service encounter is central and a test on the service provider's ability to satisfy customer needs. Service encounter includes distinct events and behavior, along with a customer's interaction, physical surroundings and the frontline employees (Bitner, 1990).

The service encounter plays an important role in customer evaluations of quality of service. It is largely based on their experiences with the employee of the organization. There are two aspects that affect service encounter- Technical quality and functional quality. Technical quality is based on adherence to standards and expectations for accuracy, speed, timeliness, and such objective aspects. On the other hand functional quality refers to the customer perceptions of the social-psychological process of service delivery (Solomon, Surprenant, Czepiel & Gutman, 1985) and is largely influenced by employee's personal characteristic.

Technical aspects are more tangible and can be easily standardized and measured. For the same reason, organizational specifications for service evaluations are more likely to focus on the more tangible technical aspects. It is also possible that due to standardization, the customer itself is not able to differentiate between various service providers on the basis of technical aspects (Groonroos, 1983). Due to technology, task related training and similar other factors, technical aspects of service might be felt comparable and alike for the customers. Organizations especially in service sector are differentiated in the eyes of the consumer on the basis of interpersonal aspects of service encounter interactions. Skills, behaviors, attitudes and emotions of the service employee are apparent to customers driving the service encounter (Mills & Moberg, 1982). Service encounters are events that have emotional consequences for both customers and providers (Weiss and Cropanzano, 1996).

According to Bolton (2005), the frontline service jobs rely on embodied capacities of the worker. Haksever, Render, Russell & Murdick (2000) imply that service encounter is perceived by the customers as the 'organization'. Therefore if a customer has adverse experience with an employee of the organization, the customer thinks that he has had an encounter with a bad organization, and it is not necessarily perceived as an encounter with a bad employee.

The conceptual framework of the variables of the study is presented in previous chapter in detail. This chapter contains important findings and result of researches carried out by various investigators in the area of employee service behaviour, emotional intelligence, service climate and

job involvement. The contents of the chapter are organized under four parts as mentioned below:

Part-I: Review of literature in the area of service delivery and employee service behaviour

Part-II: Review of literature in the area of emotional intelligence

Part-III: Review of literature in the area of service climate

3.3   Review of literature in the area of service delivery and employee service behaviour

Employee behavior plays a critical role in determining the level of service quality that is experienced in a service encounter by customers and hence their level of satisfaction with the company and their willingness to remain with the company. Service behaviors are the behaviors that service employees perform to affect the service encounter perceptions of customers (Ryan & Ployhart, 2003). These behaviors are directed at customers with the intention or expectation that these behaviors will benefit or help the customer and organization itself in the long run. Previous authors have demonstrated that employees' orientation to service and ability to provide service quality affects both consumer satisfaction and subsequent purchase intentions (Cronin & Taylor, 1992). The quality of service in labour intensive organizations is determined mostly by the skills and attitudes of the people producing the services (Lewis and Gabrielsen, 1998). All employees are in fact part of the process that connects with the customer at the point of sale or 'moment of truth' (Norman, 1984; Carlzon, 1987). Employees can therefore enhance the level of satisfaction that customers will experience with a company (Zeithaml, Berry & Parasuraman, 1988)

by appropriate behavior. Service providers are selected and trained to, amongst other things to manage their emotional displays (expression or repression of emotions) so that they are construed by the customer in ways which enhance the customer's experience of the service encounter. As noted by George (1991), Service Behaviors are prosocial in that they are helpful behaviors directed at customers.

Because of the nature of services - intangibility, heterogenity, customer interaction and simultaneous production and consumption, it is difficult to predict how employees need to behave in the various circumstances that may arise in their interactions with customers (Bowen & Schneider, 1988). The need for customization and a high degree of non standardization within service contexts has made it difficult to determine the specific behaviors that will gain customer's perceptions of high quality service (Bowen & Schneider, 1988; Morrison, 1997; Ryan & Ployhart, 2003). Therefore, many have suggested that it is important for boundary-spanning employees to exhibit the appropriate service behavior in order to provide high superior service to customers (Bettencourt & Brown, 1997).

Dean (2004) noted that studies in services management form different perspectives of marketing, operations, human resources and psychology support the existence of a variety of links between the organization and their customers. The basic argument in this research is that organizational characteristics and practices are linked to employee attitudes and that they get reflected in service outcomes, customer responses and consequently profit of the organization. The linkage was summarized using previous studies as in Figure 3.1. It can be understood that

service oriented practices, importance of service, service climate etc. in the organization are determinants of employee attitudes. Further employee attitudes and behaviours are key to linking the organizational philosophy to the outside world. It affects the quality of service and customer responses and determines the profitability of the organization. Dean (2004) observes that there needs to be more research on links between how organizational characteristics affects employee behaviours.
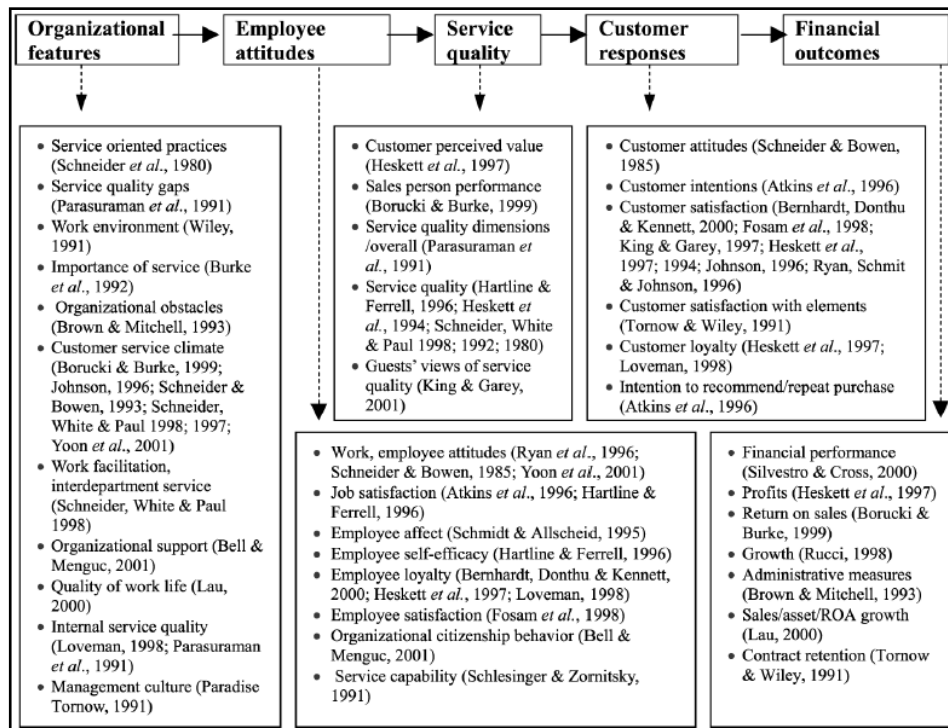
Source: Dean (2004)

Figure 3.1 Variables in service delivery

An organization wide embracement of service quality and delivery of outstanding service results directly from the existence of an orientation to service (Lytle et al., 1998). This is the outcome of "enduring organizational policies, practices and procedures which support, nurture and reward excellent employee service behavior" (Bowen & Schneider, 1998). Businesses are challenged to cultivate a setting in the organization that signifies, crafts, nurtures, and rewards services practices and behaviors of employees to meet customer's needs. Improving customer service often centers on selection of the right employees to do the job. Following this logic, a major factor in establishing customer service is the choice of employees with positive service behavior.

Stafford (1996) reports that service is a significant issue in the banking industry. The primary objective of this study was to discriminate on key demographic variables to determine which elements of bank service quality are most important to different demographic segments. Standards and quality matter regardless of income. Women seem more concerned about quality than men. Older people have a problem with technological solutions to customer service issues. He also found that a congenial bank atmosphere and a sincere personal relationship are potentially powerful ingredients for an effective promotional campaign, regardless of the targeted gender.

Zerbe, Dobni and Harel (1998) examined the relationship between satisfaction with human resource management (HRM) practices and employee performance. The study was done at the individual level of analysis by taking the employee perceptions of HRM practices and self

report measure of their service behaviour. The study tested the hypothesis that employee perceptions of HRM practices predict their behaviour toward customers. The study was done among airline service employees. The results showed that HRM practice perceptions of employees had both a direct effect on self-reported service behaviour and an indirect effect through service culture.

Kelley (2002) observed that service orientation has an even greater role in service organizations than in other types of organizations. Further Asif and Sargeant (2000) observe that service organizations should begin considering employees' role in helping the organization achieve a sustainable competitive advantage.

Literally, to be of service means to understand the needs of others which involve helping, giving and sharing (Lynn et al., 2000). In this study, the SERV*OR scale, a measure of organizational service orientation, was administered to 105 employees from two Slovenian banks - a newly established private bank and a large, older, state-supported bank. The private bank outperformed the state bank in service orientation and in financial performance. The results show that service orientation of organizational practices affects the financial performance.

Colgate and Hedge (2001) reported that service failure is an important reason for switching by bank customers. Empirical survey was conducted among banking customers in Australia and New Zealand. Major objective was to identify the antecedents of switching behaviour. Items were selected based on previous literature and focus group interviews and respondents were asked to rate them. In that way, three

main problems identified were service failures, pricing problems and denied services. The results also confirmed that service failures such as rude staff were important on switching decisions.

Jamal and Naser (2002) in a study among bank customers found that both core and relational dimensions of service quality is linked to customer satisfaction. Core dimensions in this study refers to keeping customer promises at the time of service delivery. Relational aspect means to make sure that employees are properly trained to be courteous, pay attention and willingness to help customers. The study further observes that as customer expertise increases, their expectation of the employee performance also increases. Only if the employees keep up with the expected level, they will be satisfied. This study indicates that the quality of interaction with employees at the time of service encounter is an important determinant of customer satisfaction.

Homburg, Hoyer & Fassnacht (2002) sampled two retail industries to examine service strategy and business performance. Results support the view that a service-oriented business strategy has a positive impact on performance in the market and profitability. Thus, although there are significant costs, both time and financial, involved in applying a service-oriented business strategy, the study suggests that this strategy will pay off. The empirical results found evidence which indicate that managers who adopt a service-oriented business strategy should experience improvements in customer satisfaction, loyalty, retention, and market share. These findings suggest that companies should not be overly concerned about the costs associated with offering services. Not only are

costs often one of the key reasons that services are not offered, but also services are often one of the first areas that receive cuts when companies are trying to tighten their belts financially. However, companies should not be reluctant to pursue a highly service-oriented business strategy. An inevitable part of that strategy is the service employees.

Many studies support the statement that companies more likely to provide quality services are those which adopt an orientation towards customers (Rodriguez, Carrillat & Jaramillo, 2004).

In a study conducted by Lytle and Timmerman (2006) in a bank, they observe that service orientation is the adoption by the organizational members to use outstanding service to earn competitive advantage. They found that service orientation is positively correlated with the bank's financial performance.

A study was conducted by Bellou & Andronikidis (2008) to understand the effect that internal service quality has on employees' service behaviour. Both public and private banks were chosen for the study. One hundred thirteen usable responses were obtained and regression analysis was used for analysis. Service behaviour was measured using dimensions as 'role prescribed', 'extra role' and cooperation. The findings indicate that employees are more likely to improve their general performance and are more cooperative when internal service quality exists. Study also checked for any significant difference in service behaviour of employees in public or private sector banks. It was found that there is no significant difference in service behaviour with respect to bank type as public or private.

Customer Relationship Management (CRM) is the basis of overall strategy consideration for most financial service companies. This is because of the sea change in the perceptions and expectations of the customers with regard to modern banking services. It necessitates banks to establish a service oriented approach so as to maintain long lasting 'relationships' which is the ultimate factor behind success of banks. These relationships are judged by customers from the employees constituting the bank. The most important challenge that banks face to stay competitive is to change the attitude of the employees interacting with bank customers. Studies have shown that the relationship handling strategies in Indian banking sector is not satisfactory esp. with regard to handling complaints of the customers (Pudaruth et al., 2010).

Mechinda & Patterson (2011) conducted a study and observed that there are three categories of factors that affect service behaviour of employees-organizational factors, individual satisfaction with job and dispositional variables. Organizational factors refer to characteristics of the organization that reward and facilitate excellent customer service. Dispositional factors refer to innate characteristics of an individual. It was found that employees are more likely to deliver excellent service when organization provides them with appropriate resources, has an appropriate reward structure and customer centric policies, procedures and practices. Results of the study indicated that individual factors, job satisfaction and service climate are important in service delivery of employees. Additionally service climate was found to have effect on both technical and interpersonal aspects in service encounter.

Mangnus (2012) studied the influence of EI on service behaviours. It was found that EI of frontline employees influence customer perceived service quality through adaptive behaviours executed by them. EI was found to significantly influence customer orientation and that employees with higher EI will have a deeper insight into individual customer emotions and will better manage their own emotions as per the need of the situation.

Frimpong and Wilson (2012) investigated the broad underlying factor structure of service orientation of employees in service delivery. Data was collected from 535 employees and 1970 customers in the banking context. The study results pointed to four major dimensions as internal cooperative behaviours, service responsiveness, service competence and enhanced service. Internal cooperative behaviours emerged as the most important dimension

The study by Riaz and Mahmood (2017) empirically tested a multilevel model linking manager –High Performance Work System with employees' service related behaviours in bank branches. HPWS is a technique where various HR practices in organizational HR system are used to promote discretionary behaviors among employees. The study also tested commitment as mediating variable for the linkage between manager HPWS and employee service behaviors. . Hierarchical linear modeling (HLM) was applied to test hypotheses of this study. Empirical findings of this study implied that effectively implemented HPWS by branch managers has the potential to influence commitment level of front line employees which inturn affected their service behaviour.

KeeFu & Ap (2007) remarked that success and failure of service delivery can largely depend on the attitudes and behaviors of the contact employees. In order to enhance customer satisfaction, the contact employee can play an important role in making each service encounter a memorable experience (Van Dolen, de Ruyter, & Lemmink, 2004).A recent study found that employee behavior was, by far, the most influential factor in shaping customer's perceptions of their high-and low-preferences (Berry & Lampo, 2004). Another study found that humanistic clues dominate mechanic clues in influencing service quality perceptions for the casual-dining restaurant surveyed (Wall & Berry, 2007).Similarly, other researchers agree that employee behaviors can affect customer satisfaction (Kim, Tavitiyaman and Kim, 2009) and that employee behaviors during interactions with customers have either a positive or negative impact on customer perceptions of service quality (Bitner, Booms & Tetreault, 1990)

3.4 Literature Review related to Emotional Intelligence

Management of service quality during inter personal encounters between customers and the frontline employees have long been a popular area of research (Bitner & Hubbert, 1994). The quality of such interactions is crucial to the service experience of customers (Sigala and Christou 2006). Many researchers opine that emotions are important in creation of service experiences and it has been receiving greater emphasis in the literature (Lemmink and Mattsson, 2002; Martin, O'Neil , Hubbard & Palmer, 2008; Price, Arnould & Deibler, 1995; Wong, 2004). Individuals vary enormously based on emotions, how they perceive, respond and

manage emotions of oneself and others. This can be a deciding factor between a good manager and a bad manager. Thus Emotional intelligence (EI) can be understood as intelligent use of emotions.

Developing and understanding emotional intelligence means acknowledging that emotions are always present at the workplace and doing something intelligent with them. Individuals vary enormously in the skill/ability with which they use their own emotions and respond to the emotions of others—and that can make the difference between a good manager & a bad manager. According to Abraham (2004) & Higgs (2004) the concept of emotional intelligence encapsulates many of the key competencies that are required for the effective performance of employees during interpersonal encounters in the workplace.

Moreover, research suggests that the EI of employees is amenable to training and development, especially in terms of learning interpersonal skills (Cherniss and Caplan, 2001; Cherniss and Goleman, 2001). Training in interpersonal skills has been shown to improve the quality of service interactions (Garavan, 1997), which suggests that training in EI has the potential to influence service performance of employees. However only few studies in the literature have specifically examined EI in service contexts (citation).

Mattila & Enz (2002) observes that in service organizations it is necessary to create an environment that fosters positive affect for employees because customer emotions in and after service encounter was significantly associated with the overall assessment of service providing organization and its environment.

Martin (2004) studied emotional characteristics of services, that is the extent to which the interaction between customer and service provider relies on emotion based reactions and situations. It was found that emotions are important in service encounter.

Rozell, Pettijohn & Parker (2004) conducted a study to determine the relationship existing between customer- oriented selling, emotional intelligence and organizational commitment and found that a sales person's customer orientation level is significantly related to EI. Implications of the findings indicate that an important aspect that managers should consider during selection & human resource development programmes is EI.

Barlow & Maul (2000) opines that high EI in service provider contributes to customer satisfaction. Customer satisfaction is related to the emotional experience of a customer during the sales encounter. Service employees with high EI should be better able to create a positive experience for customers than service employees with low EI as per their study.

A considerable amount of literature advocates for EI as a key ingredient on which human resource professionals and organizations must focus. Research indicates a correlation between EI and top performers and performance climates in the workplace. According to such research, EI is supported as a vital element in excellent job performance profiles, in employee behavior and organizational practices leading to an outstanding climate for service delivery, and in employee concern for quality and ability to deal with workplace conflict. Emotional Competence (EC)

"captures many of the key competencies involved in creating and maintaining an appropriate climate for service," and the development of EC among service employees may "serve to reduce some of the emotional problems inherent in high levels of interpersonal interactions" (Bardzil and Slaski, 2003, p. 98). EC is especially important in service encounters where customers look for directly observable cues, such as employee behaviors, to assess the service (Lin and Lin, 2011; Parasuraman et al., 1985). Thus, individuals who improve their emotional intelligence and emotional competence in ways that match the demands of their work situation can be expected to raise their job performance.

Kaura (2011) studied public and private sector employees in banking context, the importance of employee emotional intelligence in service context. The study revealed that there is strong relationship between EI of employees and service quality. Data was collected equally from public and private sector bank as sample for the study. Compared to public sector banks , the influence of EI was more evident in private sector banks. It is suggested that training employees in EI will have positive consequences for the organization.

EI is necessary for effective functioning within an occupational setting as it encompasses empathy, communication, stress tolerance and social skills required for effective functioning at work (Reuven, 1999). People with higher EI excel better in interpersonal interactions. This is because while working with others the intrapersonal elements are brought into play and contribute to performance through the interpersonal elements.

Dulewicz & Higgs (2004) reports that there is evidence to support the belief that Emotional Intelligence is capable of being developed. Findings from three previous studies that used 'before' and 'after' designs to understand the results of training interventions were chosen. It was found that in all the three cases there was significant improvement post training. This has implications for organizations in terms of the nature and design of development activities. Organizations should introduce programmes and processes designed to develop the Emotional Intelligence of their employees. Particularly 'enabler' elements of EI can be developed after relevant training.

Research on relationship between EI and work related aspects indicate that it is an important element in organizations (Ashkanasy & Daus, 2002). They observe that management of emotions in organizations should be considered as an important tool, and requires higher attention. They show it has a strong potential for practical application in organizations especially in areas such as selection, performance management, and training, as well as implications for domains like customer service. They state that study of emotions in organizational settings has provided new and important insights into the way in which people in organizations behave. EI is important for the determination of emotional climate and to understand the emotional concerns of employees. It is suggested that managers should include expectations and behaviours regarding emotional expression explicitly in evaluation and compensation system, so as to encourage and reinforce positive emotions. Strategies for developing an Emotionally Healthy Organization are also discussed in the paper.

The skills of EI are vital for success (Akers and Porter, 2003). As per the study, individual success and professional success today depend on the ability to read other people's signals and react appropriately to them. They observe that, it is important to develop emotional intelligence skills required to better understand, empathize and negotiate with other people, especially in the context of global economy.

As per Welch (2003), a manger will be benefited by emotionally intelligent workforce as teams high on EI are likely to be more initiative in dealing with organizational challenges. He concludes that those teams which develop their EI are likely to have far more initiative in dealing with organisational challenges, will be far better at addressing ongoing concerns such as stress, change and conflict and will genuinely get more out of work. EI teams are sensitive to change but not resistant to it.

Carmeli (2003) indicated that emotionally intelligent managers tend to develop high commitment towards their careers and high affective commitment for the organizations where they work. Research has implied that employees' emotional intelligence can predict their job satisfaction. The study has shown that emotional intelligence does predict job satisfaction and job performance. The result indicates that respondents who are of high emotional intelligence perform better and are more satisfied with their job than respondents who are of low emotional intelligence.

The study by Deshpande, Joseph, Shu (2005) suggests that emotionally intelligent people tend to be more ethical in attitude and serve as better corporate citizens. The study was done among Chinese undergraduate students and managers, to examine relation between EI and

ethical business practices. Respondents with high EI perceived counterproductive behaviours to be more unethical than those with low EI. This suggests that people with high EI tend to be better corporate citizens and exhibit better ethical attitudes towards their firm and work.

Carmeli and Josman (2006) conducted an empirical study to find relation between EI and work outcomes. Work outcome was operationalized as task performance and organizational citizenship behavior (OCB). Emotional Intelligence was assessed using employee self report and work outcome was assessed by the supervisor of the employee. The findings showed positive relationship between EI and employee's work outcomes. It was suggested that there could be potential mediators in such connections. Particularly with regard to specific component wise relation, it was remarked that OCB may be aligned more with emotional understanding which in turn will lead to supportive and voluntary behaviors.

Beigi and Shirmohammadi (2011) comment that studies of the application of EI concept in service contexts are relatively recent in literature. They investigated any difference in employee's service performance using an experimental design. EI training was given and effectiveness of the training was assessed. Employees of five branches of a large public sector bank in Iran was selected as the "treatment group" to undertake a tailored eight session EI training programme and employees of another homogenous sample of five branches were selected as "control group" with no training programme. Two customer samples were utilized to evaluate the service of employees before training and after training. EI

training programme showed result in terms of improvement in overall service performance by the employees

Lin & Lin (2011) collected data from 217 employee- customer pairs in ten service industries. Results indicated that employee inner emotions and service environment have a positive influence on employee affective delivery. This had implications for service outcomes. The hypotheses were tested using SEM. It was remarked that the managers of service firms should recognize the importance of drivers of employee's displayed emotion for the benefit of the organization.

Rozell, Pettijohn & Parker (2004) studied the relationships existing between customer oriented selling, emotional intelligence & organizational commitment. The results indicated that sales persons' customer orientation level is significantly related to emotional intelligence. Correlation analysis was used and it highlighted the implications of emotional intelligence for customer oriented sales practices

Giardini and Frese (2008) investigated the links between employees' EI competence and customer evaluations of satisfaction with service encounters. The study found that the emotional competence of employees had a direct influence on customer evaluations of the encounter. Moreover, a positive affect in employees resulted from emotional competence and this directly improved customer satisfaction. They found that such employees were less likely to show reduced levels of well being in the face of stressful emotional demands. It is most likely that service excellence with positive emotional content will be facilitated by employees who are emotionally self aware and who understands others on

a more emotional level. The results also highlight the value of service employees' positive affect for the success of service encounters.

Kernbach and Schutte (2005) investigated a possible causal link between employees' EI and customer satisfaction. A sample of 150 participants viewed video clips depicting a service provider displaying three different levels of emotional intelligence in high or low service difficulty transactions. Findings showed that higher emotional intelligence displayed by the service provider led to greater reported satisfaction with the service transaction. Further, there was an interaction between emotional intelligence of the service provider and transaction difficulty. In the low transaction difficulty condition there was more satisfaction at each higher level of service provider emotional intelligence.

Bardzil and Slaski (2003) argued in a conceptual study that higher levels of EI facilitate a positive climate for services. The article focuses on the role of emotions within organizations, with particular regard to the climate for services. The concept of EI is considered as encapsulating many of the key competencies involved in creating and maintaining a positive climate for services. They argue that higher levels of EQ within the organizations will facilitate appropriate conditions for positive climate for services to emerge. At the individual level, climate for services becomes manifest by expression of empathy & awareness by considering both customer and organizational expectation. At organizational level, it requires implementation and support of service based behaviours in terms of organizational vision and objectives. A positive climate to serve customers is essential both in terms of organizational and consumer goals.

The authors concluded that service organizations will benefit from incorporating the concept of EI in their policies regarding selection, performance management and training into staff training programmes.

Naeem, Saif & Khalil (2008) included 120 employees and 120 customers of two leading banks in Pakistan (a foreign bank and a national bank) to study the relationship between employees' EI and customers' perceptions of service quality. They argue that emotional intelligence is strongly related to dimensions of service quality indicating that when employees of the organization practice the skills of emotional intelligence, it enhances service quality. He concludes that for creating and maintaining climate of high quality service in the organization, emotional intelligence is considered most important element as its skills can be learned and practiced by the employees. It helps employees in learning service skills that ultimately results in job success. The delivery and performance of services can be enhanced by linking them with the emotional intelligence skills.

According to Laurens and Budinich (2006), eventhough banks institute training programs they are not able to affect change as little attention is given to emotional issues.

3.5 Literature Review on Service climate

Service climate is the specific application of organizational climate, the meaning people in a work environment attach to cues they perceive about required focus of their energies and competencies, a summary impression employees have about "how we do things around here" or

what we focus on around here" (Schneider, Macey & Young,2006). The concept of service climate derive from the idea that, in regard to interpreting the work environment, employees integrate their micro perceptions of work place events to macro perceptions of climates that capture important themes in that work environment. These perceptions provide a shared psychological identity of an organization for employees and drive service oriented employee behavior and motivate employee behaviors that are consistent with organizational values (Liao, Toya, Lepak & Hong, 2009). Thus, when excellent service is accepted as important and considered top priority in an organization, a positive service climate exists.

Particularly, the concept of service climate has been considered a crucial link between internal and external service parameters (Schneider, White, & Paul, 1998). Service climate refers to employees' beliefs about the organization's emphasis on service quality throughout the service production, delivery, and consumption processes. These perceptions are derived from employees' experiences of the events, practices, and procedures in the organization, as well as employees' understanding of what types of behaviors are rewarded, supported, and expected (Schneider, 1990; Schneider, Bowen, Ehrhart, & Holcombe, 2000). The interference that organizations can do is to cultivate a strong service climate to guide the attitude and behavior of employees in the service process.

Employee perception of work environment is an area of interest since a very long time for services management and services marketing researchers. This interest has resulted in a quest to understand how

employee perceptions of work climate influence work related attitudes and behaviors. Although research on service management suggest that service climate has the central role in connecting internal and external service parameters, the theoretical underpinnings and mechanisms of linkage is not well studied empirically, especially in Indian context.

Early researchers suggested that the social climate or atmosphere in a workplace had significant consequences on employees' perceptions of the work context and which in turn, was predicted to influence organizational productivity (Katz & Kahn, 2004; McGregor, 2000).

Hong, Liao, Hu & Jiang (2013) conducted a meta analysis of 58 independent samples of service climate studies. Service climate was found as a critical linkage between internal and external service parameters. Significant relation was found with general/service oriented HR practices, leadership and service climate. Service climate was found to play a central role in translating job satisfaction and commitment of employees to long term financial performance of the firm. They tried to link service climate with Service Profit Chain and tried to address the lack of a comprehensive model explicating the antecedents, outcomes and moderators of service climate. They observe that in a meta analysis there can be variations based on the different service context, and some of the very relevant antecedents and outcomes were modeled as shown in the Figure 3.2. It can be understood that service climate is an antecedent to employee service behaviour, job satisfaction, commitment and service quality.
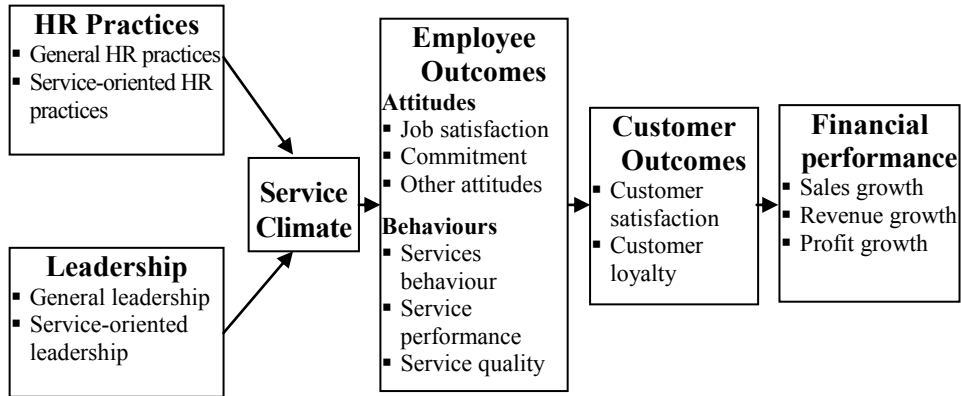
Figure 3.2 Service Climate-critical link in Internal and External Parameters

Service Oriented HR practices are specifically targeted at service (Liao, Toya, Lepak, & Hong, 2009). In a service-oriented HR system, selection and training targets service oriented skills and evaluations & rewards are based on excellent service performance. In general HR practice, selection, training, performance appraisal, and pay does not specify the types of skills and abilities being selected or trained or the types of behaviors being evaluated or rewarded.

Service climate is being studied as an antecedent of several employee behaviors that add value to organizations. This research chose Service climate from among several specific climate facets due to this importance. Salanova, Agut & Peiro (2005) studied the mediating role of service climate in employee performance and customer loyalty. The study was conducted in service organizations. It was found out that organizational resources and work engagement predict service climate and in turn predicts employee performance and impacts customer loyalty.

Paulin, Ferguson & Bergeron (2006) tested a model linking service climate, job satisfaction, employee behavior and organizational commitment. They specifically examined how service climate influenced customer linked job satisfaction and how it led to positive employee behavior through commitment. It was found out that positive service climate is linked to overall job satisfaction, affective commitment and organizational citizenship behaviors.

Little & Dean (2006) investigated service climate perception of employees, commitment and service quality capability of employees. It was found that service climate positively related to employee's service quality capability, with partial mediation by employee commitment. A detailed exploration of various dimensions of service climate with service quality capability of employees was studied and Managerial practice, customer feedback & HRM aspects were significant in the study.

Jong, Ruyter & Lemmink (2004) examined the antecedents and consequences of service climate in boundary spanning Self Managing Teams that deliver financial services. It was observed that flexibility and team support have a direct positive impact on individual employee's service climate perception.

Dimitriades (2007) explored the interrelationship between service climate and job involvement impacting customer focused OCB of frontline employees. The study was done in Greece in five service industries. Hierarchical Regression Analysis and Confirmatory Factor analysis (CFA) was done. Results revealed that the relationships between involvement and service climate in impacting OCB of employees. In

addition to direct positive relations found in the study, partial mediation was found in service climate –OCB relationship with job involvement as mediator.

Wilder, Collin & Barnes (2014) examined the how perceived service climate of the organization and employee empowerment influences frontline employee's ability to adapt a service. Perceived service climate has a larger impact on recognition of customer needs and employee adaptability was found significant. This has implications for business practices in managing service encounters as adaptive behaviors can be fostered using interventions for employee perception of service climate.

He, Li & Lai (2010) attempted to conduct a study to understand how service climate improves customer satisfaction. Dimensions of service climate as customer orientation, managerial support and work facilitation were found to affect customer satisfaction through organizational commitment. Various dimensions play different roles in improving customer satisfaction. SEM was used and mediated relation was obtained with managerial support and work facilitation. Customer Orientation had a direct effect on customer orientation

In a study of 368 frontline employees and 45 managers from five Chinese banks, Zhang, Liu, Wang & Shen (2011) examined the relation between service climate and service performance. Job stress moderated the relation between service climate and extra role performance. Job stress had a negative influence and organizational identification positively moderated the SC-Service performance relation.

Sengupta, Yavas & Babakus (2015) used Person Job Fit theory to explain the job demand service performance relation. Customer Orientation was found to have a direct effect on job performance and direct negative effect on turn over intentions. Customer orientation was considered as a part of the work situation and it was observed that organizational resources negates the adverse effects of job demands & lead to superior customer service. In the present study, customer orientation is an important component of service climate.

3.6   Banking Scenario

With the substantial array of banks offering private banking services to niche markets, the choice of bank is not easy. The key to providing private banking facilities is to establish relationships, integrity and add value over time. Service excellence, meeting client needs and innovative products are essential to success in this market. Most of the private banks claim that relationships are important to them and they are aware of the potential power relationships provide.

Historically the key factors influencing the selection of a bank have been influenced by rates, fees and prices charged. Performance of banks in India especially in the context of technology and other services are important areas for research (Natarajan, 2015). It appears that, on its own, superior service is not sufficient. However as Beatty et al. (1996) noted, top management, employee customer orientation and relationship-motivated customers were important factors that facilitate the development of long-term customer relationships.

3.7 Conclusion

This chapter presents the literature review of the major constructs of the study as service behaviour, emotional intelligence and service climate.

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Chapter **4**

DEVELOPMENT OF HYPOTHESES

This chapter explains the hypotheses of the study. The chapter attempts to bring out the manner in which the conceptual model of the study was arrived at and explains in detail the research background of each hypothesis. The chapter ends with concluding remarks on conceptual model and hypotheses development.

4.1 Conceptual Model of the study

The objective of the study is to understand employee service behaviour and to examine the role of emotional intelligence, service climate & job involvement on it, in the contemporary Indian retail banking context. Extensive review of the literature was made to identify key variables in service encounter. To understand the employee perceptions of the study constructs, data was collected from frontline employees. Retail banking services in India was chosen for this study as it is an inevitable sector as far as any economy is considered and findings from this sector can have potential application in related service sectors also.

The service sector in India has remained the most vivacious sector in terms of contribution to national and state incomes, trade flows, FDI (Foreign Direct Investment) inflows, and employment. It is widely accepted that today's business environment is highly competitive. This means that to stay competitive there should be a differential advantage. However, financial service industry is one which offer similar financial products and usually have identical operating hours. Against this background, the predominant way for such service industry to differentiate itself from others is to pursue a service-oriented business strategy (Ellis and Kelley 1993). Banks are an indispensable part of the financial service sector. The peculiarity of the banking sector is that the expectations from banks may vary for different customers. Especially banking being a sector wherein financial security, availability of particular banking services, waiting time, customization, competence of bank employees, ambience of the bank, exchange rates or evening working hours are important determinants of service. Customers may value some of these factors more than others. And they may change what they value as technology evolves and as competition among banks escalates. What is important for an organization is the combination of the right individuals and the right context. In an industry that is characterized by rapidly changing trends, fierce competition, increasing customer demands more and more businesses are focusing on successful models to stay competitive. It was identified from literature that a potential area of interest in that respect is service behaviour of the customer contact employees.

Conceptual model of the present study was developed based on the literature review related to the construct of interest and the objectives of

this study. Variables in service delivery, related to employee service behaviour were thoroughly reviewed from the existing literature and the following conceptual model as per the Figure 4.1 was arrived at. The dependent variable is service behaviour. The variables to explain the dependent variable as conceptualized in this study are Emotional intelligence, Service climate and Job involvement. The role of service climate is studied interms of its dimensions as customer orientation, managerial support and work facilitation.
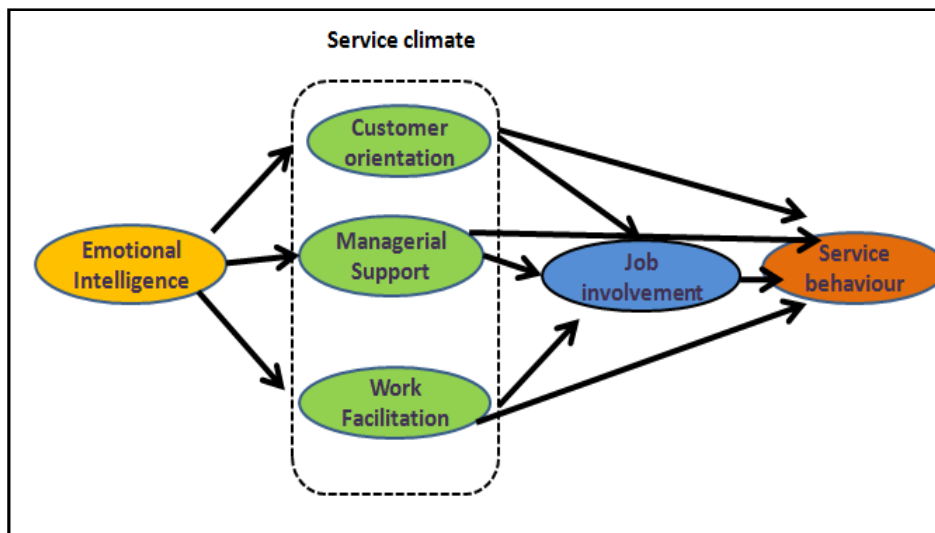
Figure 4.1: Conceptual Framework of the Study

Service encounters are events that have emotional consequences for both customers and employees interacting with the customer (Weiss and Cropanzano, 1996). The quality of such interactions is crucial to the service experience of customers (Sigala and Christou, 2006). According to Hartel, Barker & Baker (1999), a potential driver of service interaction

quality and service evaluation is emotional intelligence. Several other researchers have also stressed the importance of EI in service encounters (Lemmink and Mattsson, 2002; Price et al., 1995; Wong, 2004). Competence based on emotional intelligence is called Emotional Competence. Emotional Competence "captures many of the key competencies involved in creating and maintaining an appropriate climate for service" (Bardzil and Slaski, 2003, p. 98). Nevertheless, employees vary substantially in their capacity to build relationships with customers and understand their emotional needs (Bitner et al., 1990). Morehouse (2007, pg. 298) remarked that "EI is a vital element in excellent job performance profiles, in employee behaviour and organizational practices leading to an outstanding climate for service delivery".

Service climate was chosen for this study because it has been studied as an antecedent to several service employee traits or behaviours, including commitment (Little & Dean, 2006), customer satisfaction (Johnson, 1996), performance (Borucki & Burke, 1999; Liao & Chuang, 2004; Salanova, Agut & Piero, 2005) and work effort (Yoon et al., 2001). The overall sense or meaning people construe from their individual experiences and behaviours that they observe in social settings is what constitutes the climate of the organization (Lewin, Lippitt and White 1939; Schneider, Ehrhart and Macey, 2011). Service Climate is the perception that employee has regarding the importance attributed to service in the organization and is built from experiences during workday (Schneider and Bowen, 1995). Schneider & White (2004) reports that creating a service climate in which quality customer service is expected, supported and rewarded sends a message to employees that superior

customer service is a core value and important to the success of the organization. Therefore the employees working in such an environment are more likely to have positive appraisals of the work environment (Schmidt & Allscheid, 1995). Several researches have shown that when the organization stresses on providing excellent service, it will result in improved customer loyalty (Hartline & Ferrell, 1993; Heskett, Sasser & Schlesinger, 1997). Thus the work environment of the organization has important implications for service behaviour of the employees. In addition to that, it also motivates employees in ways that are expected and valued by their organization. Thus it is considered as a primary factor for motivating service employees to exhibit superior service behaviour (Ryan & Ployhart, 2003). Such a climate is crucial for proper service behaviour on the part of employees. A few such studies exist (Chuang and Liao 2010), but more research could prove both academically interesting and practically useful. There is little or perhaps no empirical research to study the mechanisms of how service climate drives service behaviour of employees. Vaughan & Renn (1999) remarked that through social exchange relationships, employees will be motivated to reciprocate toward the organization (i.e. management and co workers) and outward toward the customer when employees feel fairly treated and supported by the organization. In that sense also service climate or the importance attributed to service by organization is likely to be reflected in employee behaviour.

Climate determines how individuals behave and it also influences how they think and feel about their work situation (Salancik & Pfeffer, 1978), as they rely on cues from their work experiences and develop

appropriate behaviour. When employees perceive the climate of organization as positive, they are more likely to identify their personal goals with those of the organization and invest more effort to pursue the organizational goals. Employees feel a sense of pride in belonging to the organization and this will result in increased vow to the organization (Chen, 2007). A climate for service depends on the fundamental support provided by organization through resources, training, managerial practices, and assistance required to perform effectively (Schneider et al., 1998). It includes some practices which encourage offering high quality service, creating supportive conditions, facilitating the work and its setting for good service etc. For the purpose of this study, service climate is operationalized through customer orientation, work facilitation and managerial support. These dimensions have been used by previous researchers for studying service climate in detail (He, Li & Lai, 2010; Shainesh & Sharma , 2003; He-Yoon, Beatty & Suh , 2001; Little & Dean, 2006; Schneider et al., 1998). It is proposed that the internalization of a positive service climate and its conversion to service behaviour has an underlying mechanism to be explored and towards that job involvement is anticipated as a mediating variable. This is on the premise that when employees perceive the climate positively, they are more likely to identify their personal goals with those of the organization and invest more effort to pursue the organizational goals (Brown & Leigh, 1996).

Customer satisfaction in service interactions depend to a large extent on the employee service behaviour. Individuals may not be encouraged to work in service oriented manner unless there is an organizational setting that supports customer service. Work behaviour can

be understood as a function of interaction between organizational or situational context and individual characteristic. This perspective of work behaviour in the domain of employee service behaviour towards customers is intended to be addressed by the conceptual framework. Emotional intelligence is the individual or personal characteristic. Service climate is the context part or the situational part as per this study. Service Climate as perceived by the employee is considered for the study. Thus, for a detailed look at how various dimensions of service climate operate in the context of the study, employee perception of customer orientation, managerial support and work facilitation of the organization is studied. Taken together, in the context of banking sector, the variables of emotional intelligence, service climate and job involvement has crucial implications for employee service behaviour. This study tries to understand the linkages between these variables.

4.2 Development of hypotheses

Hypotheses for this study have been derived from various literatures on the variables under study. The following section details the development of hypotheses of the study.

4.2.1 The relation between Emotional Intelligence and Service Climate

Emotional intelligence serves as a potential predictor upon which to speculate the person's fit into the culture of the organization (Chrusciel, 2006). Although there has been abundant research that, in assessing service delivery, customers attach importance to their personal interactions with service employees (Gwinner et al., 1998), the role of emotions in

service delivery has not been examined in sufficient detail (Lin and Lin, 2011). Bradzil and Slaski (2003) observes that EI plays an important role in superior service delivery through service climate. However, no empirical evidence was given in their article and the propositions made by Bradzil and Slaski (2003) concerning the important role of EI on service climate, will be tested in this research. According to Morehouse (2006), EI is supported as a vital element in excellent job performance profiles, in employee behaviour and organizational practices leading to an outstanding climate for service delivery. Individual differences among employees are likely to bring in variation in the perceptions of service climate. Thus how different individuals perceive the service climate of the organization is important.

As already mentioned in the previous section, competence based on emotional intelligence is termed as emotional competence. EC is especially important in service encounters. This is because customers look for observable cues to assess the service (Lin and Lin, 2011; Parasuraman, Zeithaml & Berry, 1985) and this is experienced in the form of employee behaviour. The interpretation of the situations an individual confront is influenced by his emotions. For those who strongly identify with their organization, they feel positively about their being a member of the organization and view organizational life very close to them (Tajfel & Turner, 1979). As a result, the perception of policies, procedures and practices concerning customer service may be interpreted in a positive way, whereby the service climate becomes a conduit to expected service performance. Emotional experience would distinguish the extent to which service climate stimulates individual behaviour during service encounters.

It is also likely that emotional exhaustion may lead the employees to perceive the service climate in a negative manner (Slaski & Cartwright, 2003). Hence, how the emotions of individuals impact on their service climate perception is an important question to be addressed. Whether employees' level of EI as high or low affect their perception of service climate of the organization is to be looked at. In this study, service climate is studied in terms of three dimensions as customer orientation, managerial support and work facilitation. Hence the hypotheses:

H1:   Emotional intelligence has a positive impact on customer orientation.

H2:   Emotional intelligence has a positive impact on managerial support.

H3:   Emotional intelligence has a positive impact on work facilitation.

4.2.2 The relation between service climate and service behaviour

The behaviour of employees are influenced by service environment (Chebat & Michon, 2003). The unique characteristics of service suggest that service climate plays a central role in the service management process. Compared to production, service is more intangible; the production and consumption of service are often more simultaneous; and customers can be involved to a greater extent to coproduce service (Bowen, Siehl & Schneider, 1989). These attributes makes it difficult for organizations to accurately assess, monitor or control the service delivery process compared to production. Instead, organizations need to cultivate a strong service climate to guide the attitudes and behaviour of employees in the service process. As such, service climate has been considered a critical linkage in translating internal management philosophy into organizational performance (Schneider, Ehrhart, Mayer,

Saltz & Niles-Jolly, 2005; Schneider et al., 1998). To add to the above observation, previous literature suggests that service climate by itself does not produce customer experiences of interest, but it is employee service-oriented behaviour, that tangibly yields customer experiences. Borucki and Burke (1999) found a relationship between service climate and customer focused service performance. Liao and Chuang (2004) found that store service climate is positively associated with individual employees' in-role service performance. Customers cannot directly experience the service climate of the organization, it is through employee behaviours that they experience it. Blau (1964) reports that employee–organization relationships represent the whole tone of climate (as cited by Zhang, Liu, Wang & Shen, 2011). Employees perceive how their organization expects, supports and rewards them for good service, and they tend to reciprocate the treatment with positive behaviour according to the norm of reciprocity. Studies have shown that service performance or work outcomes are affected by service climate (Liao & Chuang, 2004; Paulin, Ronald & Jasmin, 2006). Hence the hypotheses:

H4:   Customer orientation directly and positively affect service behaviour.

H5:   Managerial support directly and positively affect service behaviour.

H6:   Work facilitation directly and positively affect service behaviour.

4.2.3 Service climate and job involvement

When employees perceive the organizational environment positively (i.e., as consistent with their own values and self-interests), they are likely to identify their personal goals with those of the organization and to invest greater effort pursuing them. When employees believe they are contributing

meaningfully toward organizational goals, they are likely to be more involved in their jobs. Employees who feel that their contributions are appropriately recognized identify themselves with their jobs and be more involved (Kahn, 1990). According to Lodahl and Kejner (1965), job involvement affects people for whom their job constitutes the most important part of their lives. The more individuals identify psychologically with their work, the greater the amount of time and energy they are likely to commit to work activities (Kahn, 1990). However, empirical evidence regarding this relationship has been mixed and inconclusive. He observes that effort in job is likely to be sensitive to employees' perceptions of psychological climate. When employees perceive that the organization accommodates their psychological needs in the workplace, they are likely to respond by investing time and energy in the work of the organization. As per Brown and Leigh (1996), a positive climate will enhance productivity through mediation of job involvement and effort. Further, when employees perceive the management as supportive & feel that they are making a meaningful contribution, employees were found more job involved and exerted greater effort. Hence, Job Involvement appears to be a construct that follows directly from the way individuals are affected by their immediate work environment and interpersonal relationships (Ruh, white and Wood, 1975). When employees perceive that service is supported in their organization, they are likely to be motivated to work hard (Yoon et al., 2001). This happens when individuals identify psychologically with their work and identify their personal goals with those of the organization and invest more effort for the achievement of organizational goals. In this study context, if the employees internalize and identify with the service

climate, it will have impact on their job involvement. Therefore, it is posited that:

H7:   Customer orientation directly and positively affect job involvement.

H8:   Managerial support directly and positively affect job involvement.

H9:   Work facilitation directly and positively affect job involvement.

4.2.4 Job involvement and service behaviour

Littlle & Dean (2006) observes that employee involvement is linked to employee attitudes and responses in job. Malhotra & Mukherjee (2004), in a study in four call centres of UK bank demonstrated that employees commitment to job has an impact on their service performance. As stressed by Schneider et al., 1998, service climate focuses on employee effort and proficiency in delivering quality service. It can be expected that when employees feel involved, and happy in the workplace, they will identify organizational goals with their own and that will be reflected in their work performance. Studies related to work engagement shows that when employees are highly engaged, it is likely to have positive consequences for job attitudes & behaviours amongst employees (Zhong, Guo, Newman, 2017). However, empirical substantiation for such a relation is lacking. Thus the following hypothesis is proposed:

H 10: Job involvement positively impact service behaviour

4.2.5 Mediating role of job involvement in service climate- service behaviour relationship

He, Li and Lai (2010) studied the mediating role of organizational commitment in the relation between employee perceptions of service

climate and service to customers. It is observed that there is a possibility of a mediating variable in the relation between service climate and customer focused behaviour. According to Social Exchange theory, individuals would engage in social exchange if they feel valued in the organization (Blau, 1964; Homans, 1958). This relation will have a wider and long term scope it both feels beneficial in this exchange. Hence, following the norm of reciprocity, employees would perform work roles or expand the role scope in return for the organization, which indicates in-role and extra-role service behaviours (Bettencourt & Brown, 1997). As per Kahn (1990), there are intervening variables in the relationship between individual climate perceptions and performance. Brown & Leigh (1996) suggests that in-depth process research is required to verify whether the effects of service climate are mediated by employees' job involvement (cited in Ruo, Xin , Hai & Li, 2011) to influence employee service behaviour. As this study aims at exploring this proposition dimension wise, the following hypotheses are proposed:

H 11: Job involvement mediates the relation between customer orientation and service behaviour

H 12: Job involvement mediates the relation between Managerial support and service behaviour

H 13: Job involvement mediates the relation between work facilitation and service behaviour

4.2.6 Hypotheses relating personal and Occupational factors to Employee Service Behaviour

Hypotheses were also formulated to check for the impact of personal and occupational factors like age, gender, educational qualification, income, experience and type of bank on employee service behaviour.

4.2.6.1 Age and Employee Service Behaviour

Spreitzer (1996) reports that age influences level of employees' competence. It is likely that, as age advances one will look at things with more maturity. Noting the important role of age in customer –employee interactions in service sector, Iweins, Desmette, Yzerbyt & Stlinglhamber (2015) noted that older employees can bring in a level of emotional maturity to service organizations and that organizations in service sector should recognize the valuable contribution that workers can make to their business. Keeping in view these reports, the present study assumed that the employee service behaviour will vary with age and formulated the hypothesis as:

H 14: There is a difference in service behaviour of employees with respect to age.

4.2.6.2 Gender and Employee Service Behaviour

As per Wang and Zhang (2012), there can be differences with respect to gender in competencies of individuals. Mathies and Burford (2011) investigated the determinants of good customer service from the viewpoint of frontline service employees and explored the effect of differences in gender on it. The study found that gender can explain some differences in service behaviour of frontline employees. Thus, this study hypothesized that gender can make a difference in service behaviour of frontline bank employees.

H 15: There is a difference in service behaviour of employees with respect to gender.

4.2.6.3 Educational Qualification and Employee Service Behaviour

The kind of exposure, training and experience provided for different educational programmes at different levels are different. This difference might influence their social and customer management skills of employees (Zakkariya, 2008) and in some ways the service behaviour towards customers. Thus it was hypothesized that level of educational qualification will make a difference in employee service behaviour exhibited by frontline employees.

H 16: There is a difference in service behaviour of employees with respect to educational qualification.

4.2.6.4 Income and Employee Service Behaviour

Income is very important and is one of the primary motive behind employment in any job. High or low income can influence employee service behaviour as there is possibility that individuals evaluate the worthiness of the income earned from the job with the organizational expectation from an employee. If both of these are in congruence, this will be reflected in the behaviour of the employee towards the customer as an ideal representative of the organization. Bakan and Buyukese (2013) observed that income level was related to job satisfaction and job satisfaction results is an important determinant of extra role and in role job performance. Therefore it is possible that income level will influence employee service behaviour. It was therefore hypothesized that:

H 17: There is a difference in service behaviour of employees with respect to income.

4.2.6.5 Experience and Employee Service Behaviour

Experience is a very important factor in the modern competitive era. Employees get to learn newer things and can use his insights from previous experiences in dealing with newer customers, handling customer problems, customer relation strategies etc. In line with this logic, the investigator presumed that experience of frontline employees in banks will influence employee service behaviour.

H18: There is a difference in service behaviour of employees with respect to experience.

4.2.6.6 Bank Type and Employee Service Behaviour

The culture and atmosphere of different organizations are different. Similarly is the case of different banks. The work culture of public, private and new generation banks are different because these banks have different cultural roots. Public sector banks are based on socio-economic welfare of common man, whereas private banks primarily aim at higher profitability (Elizabeth, 2013). This difference is likely to be reflected in the service behaviour of employees also. It was on the basis of this assumption that a hypothesis was formulated stating difference in employee service behaviour with respect to bank type as public or private.

H19: There is a difference in service behaviour of employees with respect to bank type as public or private.

4.3 Major Hypotheses of the study

Based on the conceptual framework and literature review following hypotheses were developed. Hypotheses 1 to 13 relates to the conceptual model of the study and hypotheses 14 to 19 relates to personal and occupational factors of employees. All the hypotheses formulated for the study are given below:

H1:   Emotional intelligence has a positive impact on customer orientation.

H2:   Emotional intelligence has a positive impact on managerial support.

H3:   Emotional intelligence has a positive impact on work facilitation.

H4:   Customer orientation directly and positively affect service behaviour.

H5:   Managerial support directly and positively affect service behaviour.

H6:   Work facilitation directly and positively affect service behaviour.

H7:   Customer orientation directly and positively affect job involvement.

H8:   Managerial support directly and positively affect job involvement.

H9:   Work facilitation directly and positively affect job involvement.

H10: Job involvement positively impact service behaviour

H11: Job involvement mediates the relation between customer orientation and service behaviour

H 12: Job involvement mediates the relation between Managerial support and service behaviour

H 13: Job involvement mediates the relation between work facilitation and service behaviour

H 14: There is a difference in service behaviour of employees with respect to age.

H 15: There is a difference in service behaviour of employees with respect to gender.

H 16: There is a difference in service behaviour of employees with respect to educational qualification.

H 17: There is a difference in service behaviour of employees with respect to income.

H18: There is a difference in service behaviour of employees with respect to experience.

H19: There is a difference in service behaviour of employees with respect to bank type as public or private.

4.4 Conclusion

This chapter explains the conceptual model of the study. Then it proceeds to development of hypotheses. Development of each hypothesis is dealt with in detail. Finally all the hypotheses of the study are presented for easy understandability.

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Chapter **5**

RESEARCH METHODOLOGY

This chapter begins with relevance of the study. It is followed by the details of the variables of the study as per the conceptual model. Theoretical definition and operational definition are given for each construct. The next section is on the research design, sample design, sample selection procedure & data analysis strategy. Analysis strategy includes plan of statistical techniques for hypothesis testing and attainment of the study objectives. Details of data collection and limitations of the study is given at the end of the chapter.

5.1 Relevance of the study

Virtually all organizations compete to some degree on the basis of service. It is difficult to name even one industry for which service is unimportant. With the liberalization of economic policies that began in

1991, the banking system in India is in a state of trivial change (Bery, 1994). The reformation in policies has led to trimming of the barriers to entry for private and foreign banks. This has resulted in heightened competition for public sector banks and service is increasingly being attested as a key differentiating factor for the banks that attempt to improve their profits and market share. Many organizations have therefore started to view service excellence as a strategic imperative (Hong, Liao, Hu & Jiang, 2013).

The banking sector is an indispensable part of any economy. It can rightly be considered as the nerve centre of the economy or barometer of economic perspective in any country. In the context of banking sector, Lytle and Timmerman (2006) notice that there is a mounting interest in orientation of employees to service because it appears to be a defining factor in the creation of superior customer service and customer value. It points to the potential of service behaviour as a significant constituent of service delivery that influences the customer intentions in banking sector. Little attention is paid to this factor as a socially constructed variable (Kallan, 2010). Analysis of service component of banks in a developing economy is of paramount interest especially in India. This is on the grounds that the Indian Banking sector is also trying to integrate with global banking and global market place. With the advantage of a fairly large customer base and the increasing thrust given to financial inclusion, it is repositioning itself to a customer centric one.

As banking becomes more globally integrated, differences in bank products are getting diminished. The research on global banking has

largely focused on structural, regulatory and financial performance based dimensions. This study therefore tries to examine the performance on service dimensions and the applicability of a service behaviour model in the Indian context. In fact, the significance of service is quite broad-based. It is true that banks have been placing a high value on customer relationships for quite some time. However, the nature of the customer relationship management has undergone a drastic change. As electronic banking becomes more prevalent, a bank's service may well be measured in terms of personal support rather than technical support (Angur, 1999).

Service sector trends are increasingly emphasizing a need to provide customer service to more diverse and demanding customer base (Ashkanasy, 2002). With the expansion of service economy, increasing competition, and diverse demographics of the modern day workforce, the knowledge of how to achieve service competitiveness is becoming an area of interest for practitioners and academicians. In spite of many changes that are taking place within the organizations or among the customers, one thing that has not changed and will not change is the growing demands of the customer for service excellence. Meeting the requirements and expectations of customers place numerous demands upon employees. The employees need to possess the knowledge and have access to information to help solve customer problems (Berry, Parasuraman, & Zeithaml, 1994) and be able to deal with the immediate situation. Besides they need to be able to deal with a variety of customers, even in situations where the employee is tired/worn out or in situations where the customer is rude.

According to Rogelberg, Farrell & Creamer (1999), employee Service Behaviour is attributed to dispositional variables or personal characteristics of the service provider and also variables associated with organizational context in which the service provider works. Previous researchers points that employees are key to success at the 'moments of truth' and the manner in which the service is delivered becomes critical in service evaluation (Carlzon and Peters, 1987; Czeipiel, Solomon & Supprenant, 1985). Quality of service depends, in part, on the skills, attitudes and personality traits of the service provider (Rafeli, 1989) and in part on job attributes. Klaus (1985) refers to the agent's friendliness and warmth as contributing to clients' perception of quality service (Chait, Carraher & Buckley, 2012). Bowen and Schneider (1985) suggest that personal qualities such as flexibility, adaptiveness and empathy on the part of employees are related to a superior service experience. This line of reasoning has led to the suggestion that the quality of service can be enhanced if the employer selects individuals for service positions who have the requisite personal characteristics.

One area which is considered worthy as organizations are on the lookout for a potential management tool to address the demand for quality customer service is emotional intelligence (Chrusciel, 2006). The emphasis of emotional intelligence is on monitoring one's own feelings as well as those of others to take advantage of a given situation. A key benefit for the organization by emphasizing on EI is that of enabling the employees to regulate their own emotions and management of customer emotions when dealing with customers. It implies that if, in a service encounter, an employee can project appropriate emotions, the customer

relation with the service organization will be strengthened. This doesn't necessarily mean that an employee should always show an overtly pleasant attitude. However, he should have the ability to analyze the situation and squelch their emotions to meet the expectations of the customers (Lam and Kirby, 2002).Projection of appropriate emotions and management of one's own emotions can influence customer interactions and eventually result in service excellence being felt by the customers. It is from this framework that an approach is derived to explore the utility of emotional intelligence of frontline employees towards their service behaviour. Earlier research has pointed out that employees with high emotional competence are more likely to successfully manage their own and their customers attitude in a service encounter (Radomir, 2011).

As Bowen and Schneider (1985) explain, a service is produced and consumed at the same time, and there is no opportunity to rework the "product." They also point out that, for the customer, the quality of the organization is often judged by the quality of the service. The unique characteristics of tangibility and simultaneous consumption of service hint that service climate will play a pivotal role in the service management process (Hong et al., 2013). Gronroos (1983) noted that, a service encounter is judged by two dimensions- technical dimension and functional dimension. Technical Dimension refers to adherence to standards and expectations for objective aspects of service such as timeliness, speed, accuracy etc. The functional dimension is factors related to social dynamics of the service encounter. Schneider and Bowen (1985), in a study in banking industry, demonstrated that bank teller perceptions of the internal work environment, which is a function of the

management practices, policies and HR orientation is correlated with how the customers perceive a service. There is likely to be a spillover effect wherein the orientation or thrust given or not given for service can be detected by the customers and that can influence their judgment of the service offered by that organization. As such, service climate has been considered a critical linkage in translating internal management philosophy into organizational performance (Schneider et al., 2005; Schneider et al., 1998).

In that context, employee perceptions of the service climate can have implications on the quality of customer-employee interaction (Schneider et al., 1998). Hence this study of service behaviour of frontline bank employees will be able to provide insights into how service behaviour of employees can be improved and also to specifically study the impact of personal factor of emotional intelligence and functional factor service climate. This is especially important as EI is a learned behaviour and can be trained.

Just like 'what' is being delivered in the form of financial products, 'how' it is delivered is also important in the banking context. Thus from the above discussion, it can be clearly understood that service behaviour of employees is critical in banking sector. The employee service behaviour has implications for customer relation with the organization. Customer behaviour can't be predicted or controlled by the organization. What can be controlled or effected is employee service behaviour. In the light of the above discussion, this study is expected to shed light on how employee service behaviour can be created and enhanced. In a high

involvement industry like banking sector, employee service behaviour is very important as even a small mistake on the part of employees will create confusion and affect the trustworthiness of the organization as it deals with people's hard earned money. Similarly, research in the area of service climate is very rare in terms of empirical research. There is a tremendous opportunity to theoretically integrate the construct of service behaviour with emotional intelligence and service climate and to establish a comprehensive model of service behaviour and to empirically validate such a model.

5.2 Variables of the study and Definitions

The major variables or constructs of study and their definitions are given in this section. Definitions are given in the form of theoretical and operational definition for each variable.

5.2.1 Variables

From the conceptual model, following are the variables under study:

1) Service behaviour
2) Emotional intelligence
3) Service climate
   - Customer Orientation
   - Managerial Support
   - Work Facilitation
4) Job involvement

5.2.2 Definitions

The definitions of constructs in the study are given in this section. There are several definitions for the variables but the definitions given in the following section will be considered for the study.

5.2.2.1 Employee Service behaviour

a)   Theoretical Definition

Service behaviour is defined as "the extent to which branch employees go out of their way to solve customer problems, are committed to providing excellent service and feel personal responsibility for their work" Johnson (1996, p.836) Service behaviour from an individual level can be defined as "a set of attitudes and behaviours affecting the quality of interaction between an organization's employees and its customers" (Hogan et al., 1984).

b)   Operational Definition

Service behaviour in this study is operationally defined as extra-role and role-prescribed behaviour related to service (Bettencourt & Brown, 1997) and service capability. Extra-role service behaviour refers to the discretionary behaviour of contact employees in serving customers that extends beyond formal role requirements. Role-prescribed refers to expected employees behaviour that may derive from implicit norms in the workplace or from explicit obligations as specified in organizational documents such as job descriptions. Service capability refers to the required knowledge, skills and concepts for the employee to offer excellent service. This operationalization of service behaviour is similar to study by Tsaur & Lin (2003).

5.2.2.2 Emotional intelligence

a)   Theoretical Definition

Mayer and Salovey (1997, p.10) defined EI as "a set of interrelated skills concerning the ability to perceive accurately, appraise and express emotion; the ability to access and/or generate feelings when they facilitate thought; the ability to understand emotion and emotional knowledge; and the ability to regulate emotions to promote emotional and intellectual growth''.

b)   Operational Definition

Emotional intelligence is the ability of the employees that enables them to understand, regulate and harness emotions in the self and others to enhance their performance in a service encounter.

5.2.2.3 Service climate

a)   Theoretical Definition

Service climate may be defined as employees' perceptions of organizational policies, practices and procedures, which promote a climate that expects and rewards customer service. Service climate reflects the individual perceptions of organization's emphasis on quality service (James & James, 1989). It rests on the perception of individual employees, which influence individual behaviour (Bagozzi, 1992). For the purpose of this study, service climate is treated as an individual attribute.

b) Operational Definition

For the purpose of this study service climate is proposed to have three major facets or components in this study- Customer Orientation, Managerial Support and Work Facilitation. This is in confirmation with study by He, Li and Lai (2010) that measured service climate in terms of these dimension. Similar conceptualization has been used by various researchers (Schneider et al., 1998; Yoon, Beatty and Suh, 2001 & Little and Dean, 2006). Operational definition of each of the components for this study is given below:

i. Customer Orientation

Customer orientation of an employee refers to the degree to which he places priority on customer interests, generating and using information about customers, and creating systems to act on such information.

ii. Managerial Support

Managerial support means the extent of support as felt by the employee regarding actions taken by his immediate manager for delivery of quality service.

iii. Work Facilitation

Work facilitation means employee perception of the working conditions that support delivery of quality service, such as general HR practices, guidance, and cooperation among workmates.

5.2.2.4 Job involvement

a)   Theoretical Definition

Job Involvement can be conceptualized as "the degree to which a person identifies psychologically with his work or the importance of work in his total self image" (Lodahl & Kejner, 1965, p.24)

b)   Operational definition

For the purpose of this study, Job Involvement is the degree of psychological identification with one's job and the overall importance given to job.

5.3   Research Design

The objective of the study is to describe and explain the service behaviour of frontline employees in retail banks in terms of service climate, emotional intelligence and job involvement. Hence, the study is descriptive research. It tries to analyze the relationship and linkages between the variables under study. The study also analyzes any difference in service behaviour with respect the profile of the samples as age, gender, educational qualification, income, experience and bank type as public or private.

5.4   Sample Design and Sample selection procedure

The population of the study comprises of frontline bank employees in various Public and Private sector banks located in the state of Kerala. An inclusion criteria of a minimum service of two years in the present bank branch was incorporated so as to get reliable responses on the

construct of service climate in the present bank they are working. Choosing the banks for data collection was a complex task. A multi-stage sampling design was adopted for the study after considering the various aspects. Firstly, geographical locations were fixed. In the second stage bank classification as public sector and private sector banks were considered and the bank groups were identified. Nextly, the branches of the selected bank groups were identified for data collection. Finally the samples were selected from the population fixed for the study. The sampling selection procedure is explained in detail in the following paragraph.

Firstly based on geographical locations, Kerala was divided into North, Central and South. Representative districts from each region were chosen. Kozhikode from the Northern region, Ernakulam from the Central region and Thiruvananthapuram from the Southern region were selected. The classification of Scheduled Commercial Banking system in India is given in the Figure 5.1. The major classification is Public and Private sector banks. Public sector banks include State Bank group and associates together with nationalized banks and Private sector banks comprise of the old private sector banks and new private sector banks. It was decided not to include the foreign banks, as these banks are not very active in the retail segment. In the next stage, bank groups to be included from the public and private sector was identified from the official website of RBI based on the criteria of highest number of bank branches in the state of Kerala. It was decided to select two banks belonging to the State Bank group & two bank groups from nationalized banks to represent public

sector banks. Two old private sector bank groups and two new private sector bank groups were selected to represent the private sector banks. As per the criteria, State Bank of Travancore (SBT) and State Bank of India (SBI) from the State Bank Group, Canara Bank and Union Bank of India from the nationalized banks were selected. These banks constituted the public sector banks for population of this study. For private sector banks to be included in the study population, Federal bank and South Indian Bank from the Old Private sector banks and HDFC and ICICI from the new private sector banks were included for the final data collection. In the next level, 10 branches from each bank were chosen based through lottery method for data collection. As a precautionary measure to get sufficient data, 200 questionnaires (100 each in public sector and private sector bank) were distributed in each district, totaling to 600 in the present study. Finally the researcher got 528 sample from the aforementioned banks. Since banks have their restrictions which prevent researcher to collect information directly, the frontline employees meeting the inclusion criteria was identified based on the direction from the branch manager and questionnaires were handed over to the permitted employees. Deliberate effort was taken to include different branches in order to have variance and spread in the selected variables.
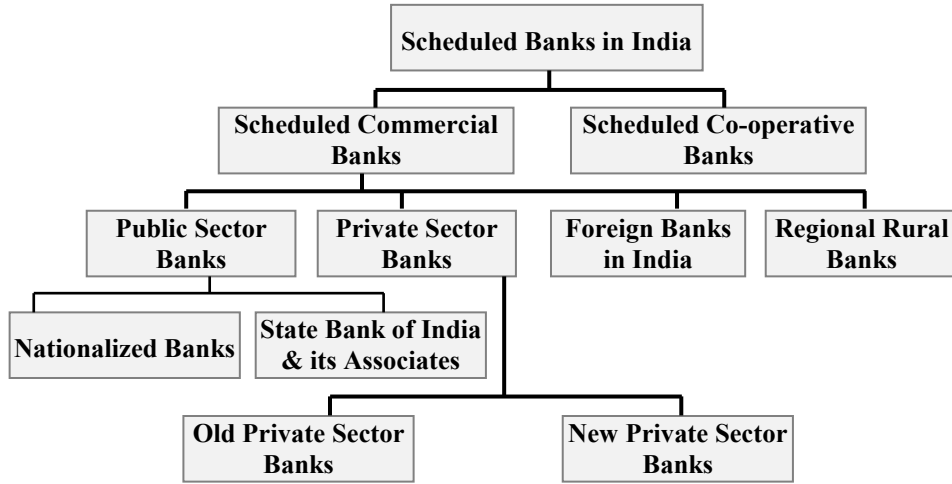
Figure 5.1: Classification of Scheduled Banks in India

5.5   Data Analysis Strategy

At the time of collecting the data itself the strategy for analyzing the data was fixed. Descriptive statistics, Correlation analysis and Factor analysis were done using SPSS 17. Exploratory factor analysis was done to identify and understand the factor structure of the variables under study. Finally inorder to test the hypotheses and check the explanatory power of the model, Partial Least Squares (PLS) based Structural Equation Model (SEM) was used.

The conceptual model was tested using Structural Equation Modeling based on Partial Least Squares in WARP PLS 4.0. Generally speaking, Partial Least Square (PLS) is a statistical approach for modeling complex multivariable relationships among observed and latent variables. In the past few years, this approach has been enjoying increasing popularity in social sciences (Vinzi, Trinchera & Amato, 2010; Hair, Hult, Ringle & Sarstedt,

2017). ANOVA (Analysis of Variance) was used to find any variation in the outcome variable with respect to personal and occupational factors of the sample units. Below is a brief description of the data analysis techniques used:

i) Exploratory Factor Analysis (EFA)

This field of factor analysis involves the study of order and structure in multivariate data. It includes both theory and underlying constructs & dynamics which give rise to observed phenomena and methodology for attempting to reveal those constructs from observed data. In EFA, indirectly non-observable behaviour is measured by taking measures on multiple observed behaviour. This is a data reduction tool and aims to remove redundancy or duplication from a set of correlated variables. The main aim is data reduction to represent most of the variance in a set of variables using a smaller number of variables. It is used to analyze associations to find which variables "hang together", to test hypotheses about dimensionality, for measurement invariance and scale construction. In the present study, dimensionality of all measures was analyzed initially by exploratory factor analysis. Even though the scales used in the study are widely used, they were not originated in India and it was deemed necessary to conduct factor analysis in an exploratory fashion as a relevant step in establishing their factor structure.

ii) ANOVA and Independent sample t test

ANOVA produces a one way analysis of variance for a quantitative dependent variable by a single factor (independent variable). ANOVA

tests the hypothesis that the means of three or more populations are equal. Here analysis of variance is conducted to examine the effects of personal and occupational factors. When the comparison is to be made between two groups only, a t-test is done to compare the means of independent samples. In the present study the dependent variable or the variable of interest is service behaviour. Tests are done with respect to different factors like age, gender, educational qualification, income, experience & bank type to study its effect on employee service behaviour.

iii) Partial Least Squares (PLS)

Partial Least Squares based Structural Equation Modelling is an emerging second generation tool (Hair et al., 2017). PLS path modelling is a variance based Structural Equation Modelling technique. PLS SEM is an Ordinary Least Squares regression based estimation technique. The method focuses on the prediction of a specific set of hypothesized relationships that maximize the explained variance in the dependent variable.

5.6 Data Collection

Before data collection, the researcher obtained prior permission from the Bank Branch Manager to collect data from the employees. Firstly, the Branch Manager was approached with Letter of Introduction (LoI). The purpose of the survey and the study objectives were briefly explained to him. A cross sectional survey design is used for the study. The frontline employees meeting the inclusion criterion in that branch

were identified with the help of the manager and the questionnaires were handed over to such frontline employees in sealed envelopes coded for public and private sector banks. The data collection is confined to the period August 2014 to January 2015. Questionnaires were collected the very next day and in some cases a reminder was made. Employees who were busy and unable to complete in a reasonable time were excluded. A total of 600 questionnaires were distributed, of which 528 were received back usable for data analysis.

5.6.1 Tool of Data Collection

Questionnaire was used to collect responses from the sample. Scales from prior research were adopted for the study in order to elicit responses from the sample units. Thus data have been collected from the respondents by administering standardised tests of proven validity and reliability. All the scales used were subjected to reliability test using Cronbach's alpha. Questionnaires were handed over in sealed envelopes and the respondents were asked to mark their responses. Details of the scales are given in a later section of the next chapter.

5.6.2 Measurement of the constructs

Scales from prior research were adopted for the study in order to elicit responses from the sample units. All the scales used were subjected to reliability test using Cronbach's alpha, the details of which are explained in Chapter 6. A total of 46 items were used to assess the constructs shown in the conceptual framework.

i)   Service behaviour

Scales adopted to measure employee service behaviour was developed by Bettencourt & Brown (1997). Two aspects were assessed: Extra-Role service behaviour (3 items) and Role-Prescribed Service behaviour (3 items). In addition, in order to measure employees' service capability, a three-item scale developed by Jaworski & Kohli (1993) was used. All ratings were on a five-point Likert-type scale ranging from 1 *('Strongly Disagree')* to 5 (*'Strongly Agree'*). This conceptualization of service behaviour is similar to Tsaur and Lin (2003).

ii)   Emotional intelligence

Wong and Law (2002) developed and validated a 16-item measure of EI, which was chosen for this research. The EI Scale measures four dimensions of emotional intelligence which include Self-Emotion Appraisal (SEA), Others' Emotion Appraisal (OEA), Regulation of Emotion (ROE) and Use of emotion (UOE). Four items are used to measure each dimension. Each item is rated on a 5-point Likert scale with response options ranging from *'Strongly Disagree'* to *'Strongly Agree'*.

iii) Service climate

Service climate was measured using its dimensions of customer orientation, work facilitation and managerial support. Researchers have mostly studied service climate in terms of its dimensions (He, Li and Lai (2010); Schneider et al., 1998; Yoon, Beatty and Suh,

2001 & Little and Dean, 2006; Shainesh and Sharma, 2003). The present study hypothesizes that the three dimensions of customer orientation, managerial support and work facilitation be treated as distinct in its own right. The service climate scale in this study is a shorter version of the Schneider et al. (1998) scale. This is different from his global service climate scale and is useful to study service climate in depth.

iv) Job involvement

A frequently used seven-item version of the Lodahl and Kejner (1965) scale was used to measure job involvement. The response format was a 5-point Likert-type scale from 1 to 5 *('Strongly Disagree'* to *'Strongly Agree').*

5.7 Instrument for Data Collection

The final instrument has 53 items. The questionnaire begins with request and instruction to the respondents to fill in the questionnaire. The first section consisted of questions related to age, gender, educational qualification, income, years of experience in total, years of experience in the present branch and bank type. The next section consisted of scales related to the variables under study. Independent tests of proven validity and reliability were included separately to measure the major variables of the study. For that purpose there were 4 sections (Sections A to D) Section A is the Emotional intelligence scale with 16 items. Section B is for measuring different dimensions of Service climate as customer orientation (6 items), Managerial support (4 items) and work facilitation (4 items).Section C and D are for measuring job involvement(7 items)

and service behaviour (9 items). All the questions were on a 5 point Likert scale ranging from *Strongly Disagree* to *Strongly Agree* (1 to 5).

Pre-Testing

A pre test of the questionnaire was conducted to establish the appropriateness of wording, sequencing, form and layout, identify difficulty level of the question, instructions, questionnaire length and completion time of the questionnaire. Pre testing is particularly important as it allows feedback from respondents to find and fix any flaws in the questionnaire. For this reason pilot study was conducted among 100 respondents occupying frontline positions in public and private sector banks in Kerala. The pre testing was insightful and led to minor alterations in the final questionnaire. The modifications were mainly in terms of the layout and sequence. After making suitable modifications, the revised questionnaire was distributed to the sample for the final study.

5.8   Limitations of the study

Empirical results although offers insights, it is not free from limitations. This study is confined to public and private sector banks in Kerala. Generalizability is possible only to that extent. Moreover norms of service delivery and emotions vary across cultures. Further research could consider the cross cultural stability of present findings. This study is cross sectional in nature and longitudinal study can be done to validate the current findings. Customer assessment of employee service behaviour wasn't made in the study, that would be worthwhile and such dyadic research could be a scope for further research.

5.9 Conclusion

This chapter explains in detail the methodology used for the study. It begins with relevance of the study. Definitions of major variables are given following that. Further the chapter elaborates methodology used for the study-research design, sample design, sample selection procedure, analysis strategy and details of data collection. Finally the limitations faced in the conduct of research are pointed out.

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Chapter **6**

DATA ANALYSIS

This chapter explains the data collection, sample profile, validity and reliability of the constructs under study, followed by the descriptive statistics and correlation of study variables. A discussion is also made on the data distribution. The assessment of distribution of data is made using histogram and normal Q-Q plot.

6.1   Data Collection

Primary and secondary data were used for the study. Primary data collection was arranged in such a manner that there would be equal representation by the three districts identified for the study. 200 questionnaires were distributed in the districts of Calicut, Ernakulam and Trivandrum. The secondary data sources used in the study primarily

consisted RBI reports, banking reports, articles published in national and international journals. This section is to describe the primary data collection. Questionnaires with a Letter of Introduction were given to the Manager of the bank. After obtaining the consent, those employees meeting the inclusion criteria of 2 years of minimum service in the present bank branch was identified with the help of the Branch Manager and was approached with questionnaires in a sealed envelope and handed over to such sample units. The envelope was coded for public and private banks. Questionnaires filled in were collected the very next day or the day following and in cases a reminder was made. Employees who were unable to complete in a reasonable time were excluded.

Table 6.1 Data Collection

Districts	Number of questionnaires distributed	Number of usable responses
Thiruvananthapuram	200	190
Ernakulam	200	144
Kozhikode	200	194
Total	600	528

Table 6.1 gives the details of questionnaire distributed and data collected from frontline bank employees based on districts. It can be understood that 200 questionnaires were distributed in each of the selected districts. Out of the 200 questionnaires distributed in Trivandrum, 190 usable responses were obtained, in Kozhikode it was 194 and from Ernakulam district it was 144. Questionnaires rejected were mainly because of incompleteness of response.

6.2   Sample Profile

The demographic profile of the sample with respect to age, gender, educational qualification, income & years of experience is explained in this section.

6. 2.1 Classification based on Age
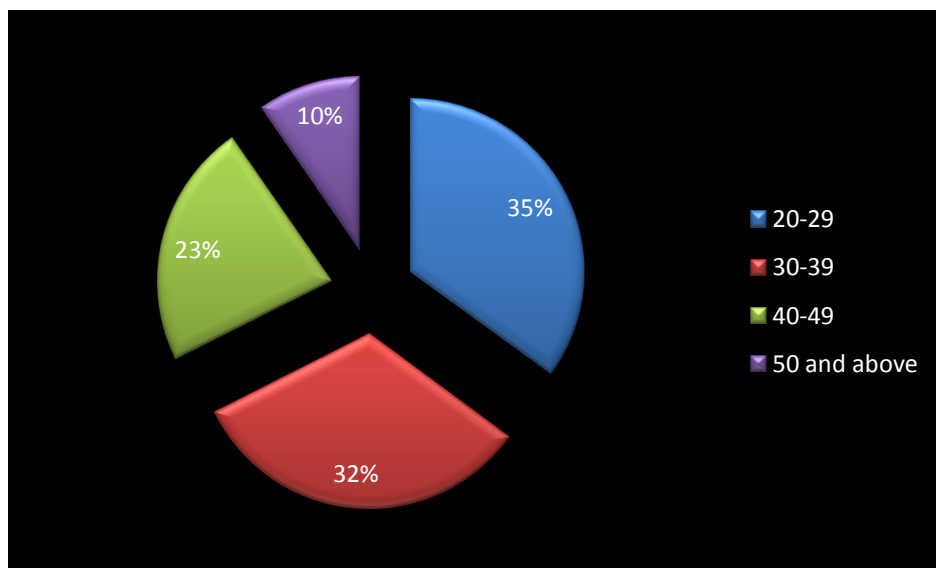
Figure 6.1 Age

In this study, the age was divided initially into four categories as 20-29, 30-39, 40-49 and 50 and above. The data showed that maximum number of persons belonged to the age group of 20-29 with one hundred eighty five respondents (35 %). The second highest group belonged to the age group of 30-39 with one hundred seventy two respondents (32%). One hundred twenty respondents were in the age group of 40-49 (23 %). There were 10 % in the age group of 50 and above, numbering to fifty one.

6.2.2 Classification based on Qualification
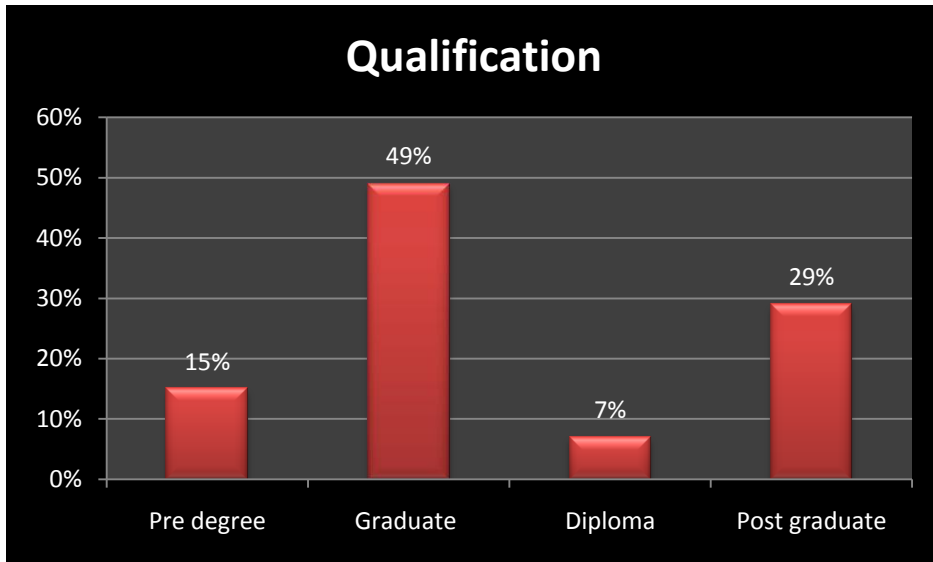
Figure 6.2 Qualification

The figure shows the profile of the respondents based on educational qualification of the sample. It can be understood that two hundred and fifty nine (49 %) of the respondents were graduates and one hundred fifty five respondents (29 %) were postgraduates. Seventy seven (15 %) of the respondents were with the educational level of pre degree and thirty seven respondents (7 %) were with Diploma.

6.2.3 Classification based on Gender

Three hundred fifty five respondents (67 %) were males and one hundred seventy three respondents (33%) were females.
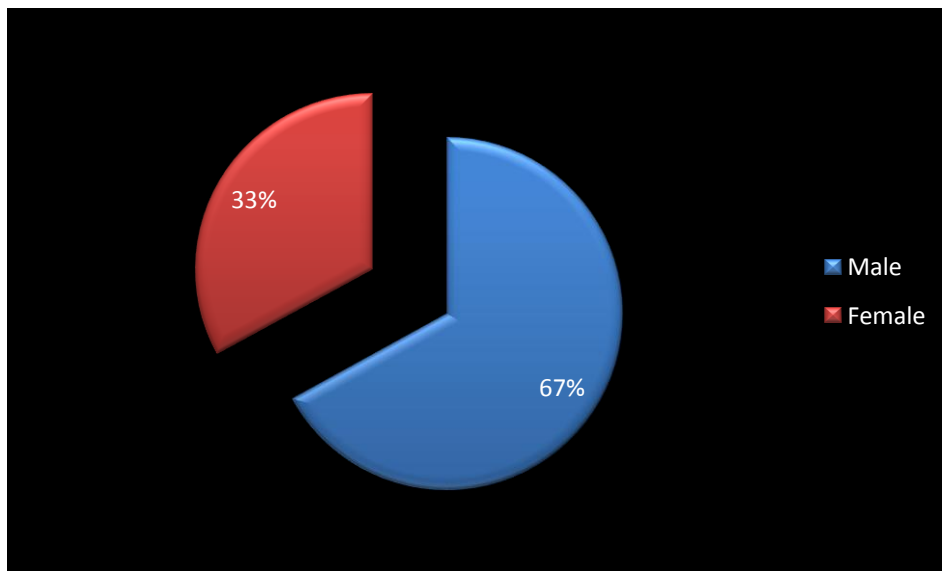
Figure 6.3 Gender

6.2.4 Classification based on Income

Initially the income categories were fixed at seven levels as can be seen in the figure. Most of the respondents were in the income category of ₹ 25,001 to ₹ 35,000 with 31 % . Followed by 24 % of the respondents in the income category of ₹ 35,001 – ₹ 45,000 and 20 % in the income category of below ₹ 25,000. In the income category of ₹ 45,001-₹ 55,000 there were 11% of the respondents, 9 % in the income category of ₹ 55,001 to ₹ 65,000, 3 % in the income category of ₹ 65,001-₹ 75,000 and lastly 2 % in income category of above ₹ 75,000
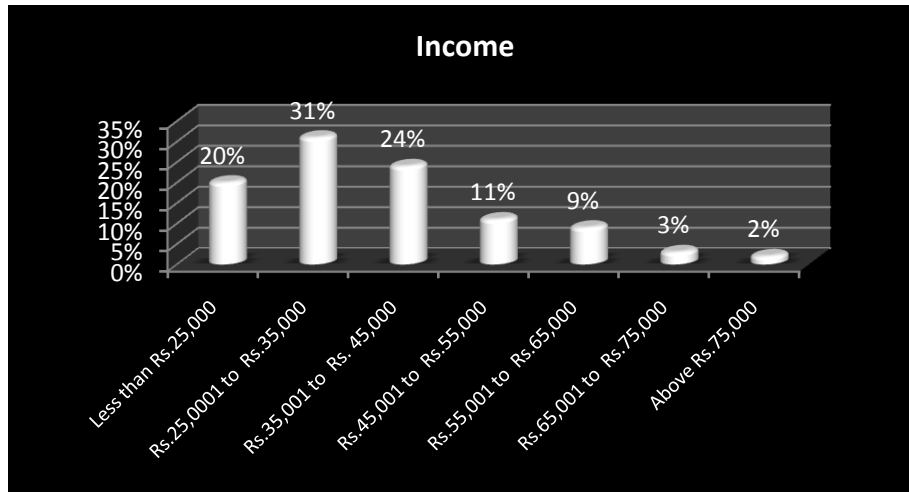
Figure 6.4 Income

6.2.5 Classification based on Experience

Most (218 in number) of the respondents are with experience of 2 years to 7 years. Nearly one hundred and twenty two respondents (23 %) are within the experience category of 8 years to 13 years. In the experience category of 14 years to 19 years and 20 years to 25 years, there is equal representation of 12%. 8 % of the sample is with experience of 26 years to 31 years and only 3 % with experience of above 31 years.

Table 6.2 Experience

Experience	N	Percentage
2 years to 7 years	218	41 %
8 years to 13 years	122	23 %
14 years to 19 years	61	12 %
20 years to 25 years	66	12 %
26 years to 31 years	44	8 %
Above 31 years	17	3 %
Total	528	100 %

6.3   Factor Validity and Reliability of Measures of Constructs

Validity and Reliability are major concerns of empirical measurement. Especially in Social Sciences, it is important to determine the extent to which a particular empirical indicator represents a given theoretical concept. All measurements, especially measurements of behavioural constructs are subject to fluctuations that can affect the measurement's reliability and validity. Reliability refers to consistency or stability of measurement. It is the extent to which the measurement yields the same results on repeated trials. Internal consistency is probably the most commonly reported reliability statistic. Internal consistency measures how well the scores for individual items on the instrument correlate with each other. It is expected that the scores measuring a single construct would correlate highly. It is indicative of the homogeneity of the items in the measure that tap the construct. The test used to measure internal consistency of items of all measurements is Cronbach's alpha. An acceptable value for Cronbach's alpha is 0.70 or above (Nunnally, 1978).Composite Reliability, which is a measure of the overall reliability of a collection of heterogenous bit similar items, is also used in the study in a later section. This is given in detail in the next chapter. Validity refers to the suitability or meaningfulness of the measurement. It is the extent to which a scale or set of measures accurately represent the concept of interest (Hair, Black, Babin & Anderson, 2009). Face validity is the appropriateness, sensibility, or relevance of the test and its items as they appear to the persons answering the test (Holden, 2010). Content validity is the degree to which elements of an assessment instrument are relevant to and representative of the targeted construct (Haynes, Richard &

Kubany, 1995). Since all the constructs were measured using adaptations of existing scales, face validity and content validity are assumed as established. Construct validity refers to how well the theoretical concept is operationalized in the measurement of the construct. This is assessed through convergent validity and discriminant validity.

Factor analysis is used to understand the distinct constructs assessed by a set of measures. The specific statistical procedures comprising factor analysis provide information about number of common factors underlying a set of measures. Nature of these factors are determined by providing estimates of the strength & direction of influence each of the common factors exerts on each of the measures being examined, which is called factor loading. As factor structure and unidimensionality are critical in Structural Equation Modelling, dimensionality of all measures were analysed initially by exploratory factor analysis. These scales are adapted from previous studies. For establishing factor structure of scales used for construct measurements in this study context, factor analysis was done. The present study employed Principal Component Analysis (PCA) for extracting the factors. Varimax rotation was performed on the extracted factor structure for a simplified and easily interpretable factor solution. Using PCA, unidimensionality is established if Eigen value of the first factor extracted in the correlation matrix is greater than one and that of the second factor is less than one (Tenenhaus, Vinzi, Chatelin & Lauro, 2005; Vinzi et al., 2010). As per the guidelines in Hair, Anderson, Tatham & Black (1998), it was decided to consider .5 as the cut-off value for the factor loadings. As a pre requisite for the conduct of factor analysis, sampling adequacy measures and correlation among items are routinely scrutinised to assess suitability of data

for performing factor analysis. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity are the common measures in this regard. Kaiser-Meyer-Olkin (KMO) is computed for assessing the sampling adequacy for principal component analysis. A minimum value of 0.5 indicates that the sampling is adequate for factor analysis (Kline, 1994). Bartlett's Test of Sphericity tests correlation among the items of the scale. It tests the hypothesis that the correlation matrix of all items is an identity matrix, indicating that there is no correlation among these items. Significance at (p <.01) rejects the above hypothesis and confirms correlation.

The study deals with six different constructs namely, Service behaviour, emotional intelligence, three service climate dimensions (namely customer orientation, managerial support and work facilitation) and job involvement. Separate reliability and factor analysis are carried out for each of the measures of the constructs. Reliability analysis and items purification were done before performing factor analysis keeping in view the recommendations in literature (Churchill, 1979). The details of reliability of scales used for each construct and factor validity are given in the section following.

1. Emotional Intelligence

i) Reliability

Initial scale of emotional intelligence had 16 items. Reliability analysis using Cronbach's alpha method for emotional intelligence scale resulted in a 15 item scale. One item of Emotional intelligence had to be dropped from the scale through iterative Cronbach's alpha computation and purification.The item was dropped since it showed low item-total

correlation in the reliability analysis. Removing this item resulted in improvement of scale reliability. The final Cronbach's alpha of the 15 item EI scale is 0.80. The four dimensions of the EI scale are Self Emotion Appraisal (SEA), Others Emotion Appraisal (OEA), Regulation of Emotion (ROE) and Use of Emotion (UOE).

Table 6.3 Reliability-Emotional intelligence Scale

Dimension	Cronbach's Alpha	No. of items
SEA	0.902	4
OEA	0.719	3
ROE	0.713	4
UOE	0.817	4
Total	**0.8**	**15**

ii)   Factor analysis

KMO and Barlett's test of spherecity were performed for items of the scale. Below is the result of KMO and Barlett's test.

Table 6.4   Kaiser-Meyer-Olkin measure (KMO) and Bartlett's Test of Sphericity for Emotional Intelligence

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.846
Bartlett's Test of Sphericity	Approx. Chi-Square	3955.536
	df	105
	Sig.	0.000

It can be seen that the KMO measure is 0.846, which is well above the required minimum of 0.5. Therefore we can confirm sample adequacy. Barlett's test of spherecity is significant at 0.01 ($p < 0.01$). Hence the data is suitable for factor analysis.

Principal Component Analysis on Emotional Intelligence with Varimax rotation resulted in extraction of 4 components with eigen values greater than one. Factor loadings of 0.5 or higher were taken as significant loadings. The loadings of all indicators should be 0.5 or above on their hypothesized component to be considered practically significant (Hair et al., 2009, p.106). It was decided to consider 0.5 as cut off value for the factor loadings. The four factor structure explains 70.154% of variance in Emotional intelligence. This percentage of variance explained by the factor structure is more than 50% which is considered acceptable (Hair et al., 1998). The factor matrix is given in the Table 6.5 below.

Table 6.5 Factor Loading Matrix for Emotional Intelligence

Rotated Component Matrix[a]				
	Component			
	1	**2**	**3**	**4**
E1	.852			
E2	.907			
E3	.884			
E4	.830			
E5				.571
E6				.840
E8				.689
E9			.668	
E10			.635	
E11			.812	
E12			.709	
E13		.769		
E14		.830		
E15		.845		
E16		.814		

Thus the final scale of emotional Intelligence had 15 items in four components-Self Emotion Appraisal, Other's Emotion Appraisal, Regulation of Emotion and Use of emotion.

2. Service Climate

As service climate is measured using its three dimensions- customer orientation, managerial support and work facilitation, reliability checks were done separately for each of these. The service climate scale in this study is a shorter version of the Schneider et al. (1998) scale.

2a) Customer orientation

i) Reliability

By internal consistency method the reliability of the scale was conducted for the construct of customer orientation. The customer orientation dimension was measured using 6 items. The Cronbach's alpha for reliability was computed as 0.867. It showed acceptable item to total correlation as can be seen in Table 6.6.

Table 6.6 Reliability analysis- Customer orientation

Cronbach's Alpha	N of Items
.867	6

ii) Factor Analysis

Exploratory Factor Analysis using Principal Component Analysis with Varimax rotation was done for confirming the unidimensionality of Customer Orientation.

Table 6.7 Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity – customer orientation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
Bartlett's Test of Sphericity	Approx. Chi-Square	1504.164
	df	15
	Sig.	0.000

KMO test shows a value of .837 which is well above the cut-off value of 0.5. Bartlett's Test of Sphericity is also significant at p <.01. Factor analysis using Principal Component Analysis with Varimax rotation resulted a unidimensional structure.

Table 6.8 Factor Loadings matrix- Customer Orientation

	Component
	1
SC_CO1	.641
SC_CO2	.652
SC_CO3	.840
SC_CO4	.821
SC_CO5	.859
SC_CO6	.820

The factor loadings of the items were as expected. The unidimensional structure accounted for 60.424 % of total variance. As this explains more than 50% of total variance, it can be considered satisfactory.

2 b) Managerial Support

i) Reliability analysis

The initial scale to measure managerial support had four items. Cronbach's alpha method for reliability analysis produced a scale with three items. One item had to be dropped as it showed poor item to total correlation. It was done through iterative Cronbach's alpha computation and purification. Initial Cronbach alpha was less than 0.70. With deletion of the item with poor item to total correlation, the Cronbach alpha improved to 0.882 for the three item scale for managerial support.

Table 6.9 Reliability Analysis-Managerial Support

Cronbach's Alpha	N of Items
.882	3

ii) Factor Analysis

Table 6.10   Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity – Managerial Support

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.739
Bartlett's Test of Sphericity	Approx. Chi-Square	815.389
	df	3
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) test for sampling adequacy and Bartlett's' test of spherecity supported the appropriateness of using factor analysis and thus exploratory factor analysis with Principal Component Analysis was performed and PCA extracted one component which accounted for

80.751% of the total variance of the scale. Table 6.10 gives the results of KMO and Barlett's test. Factor loading matrix of managerial support is given in Table 6.11.

Table 6.11 Factor loading matrix-Managerial support

	Component
	1
SC_MS1	.895
SC_MS2	.914
SC_MS4	.887

3 c)   Work facilitation

i)   Reliability Analysis

Cronbach alpha for work facilitation was computed as 0.869.

Table 6.12 Reliability Analysis-work facilitation

Cronbach's Alpha	**N of Items**
.869	4

ii) Factor Analysis

Table 6.13   Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity – Work Facilitation

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.799
Bartlett's Test of Sphericity	Approx. Chi-Square	1005.381
	df	6
	Sig.	.000

KMO for checking sample adequacy and Bartlett's test for assessing appropriateness of factor analysis yielded positive results. KMO was calculated as 0.799, which is almost 0.80 and Bartlett's test for sphericity is significant at $p<0.01$. Exploratory Factor Analysis using Principal component analysis and Varimax rotation yielded a unidimensional structure as expected with extraction of 71.89% of the total variance. The factor loading matrix is also given below in Table 6.14 and it can be seen that the loading on all items is above 0.80.

Table 6.14 Factor loading matrix-Work facilitation

	Component
	1
SC_WF1	.831
SC_WF2	.857
SC_WF3	.880
SC_WF4	.822

3.   Job Involvement

i)   Reliability

Job involvement was measured using Lodahl and Kejnar (1965). The scale had 7 items. The internal consistency was checked for the construct using Cronbach alpha. One item was excluded as it showed a poor item to total correlation and the resulting scale with 6 items was checked for the reliability test. The resulting cronbach alpha was obtained as 0.780.

Table 6.15 Reliability analysis-Job involvement

Cronbach's Alpha	N of Items
.780	6

ii)   Factor Analysis

Table 6.16   Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity – Job involvement

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.776
Bartlett's Test of Sphericity	Approx. Chi-Square	800.677
	df	15
	Sig.	.000

KMO for sample adequacy value was 0.776 and Bartlett's test of spherecity is significant at p<0.01. Thus it is appropriate to conduct exploratory factor analysis and the resultant factor structure after exploratory factor analysis to confirm the factor structure was able to explain nearly 49.7 %, which is almost 50% . It emerged as a unidimensional construct. The factor loadings are also satisfactory which is given in the Table 6.17 below.

Table 6.17 Factor Loading Matrix-Job involvement

	Component
	1
JI1	.630
JI2	.685
JI4	.695
JI5	.764
JI6	.721
JI7	.644

4.   Service Behaviour

i)   Reliability Analysis

The construct was measured using Bettencourt et al. (1997). Two aspects were assessed- Extra role service behaviour and role prescribed service behaviour. In addition it also had three items developed by Jaworski et al. (1993). This was as administered by Tsaur & Lin (2004) to measure service behaviour. Reliability Analysis using Cronbach alpha was conducted and the results of the nine item scale is given below.

Table 6.18 Reliability Analysis-Service behaviour

Dimensions	Cronbach's Alpha	N of Items
SB_R	0.975	3
SB_X	0.734	3
SB_AB	0.697	3
Total	0.802	9

ii)   Factor Analysis

KMO and Barlett's test

The result of KMO is 0.785 which is more than the cut off value of 0.50. The Bartlett's test also proved significant at p<0.01. Thus it can be inferred that the sample adequacy norm and applicability of factor analysis for confirming the factor structure is met for this measurement.

Table 6.19   Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Bartlett's Test of Sphericity – Service behavior

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.785
Bartlett's Test of Sphericity	Approx. Chi-Square	1406.521
	df	36
	Sig.	.000

The factor analysis with Principal Component Analysis and Varimax Rotation resulted in a three factor structure on the expected ground and the total scale explained 66.9 % of the variance of the scale. The factor loadings are also satisfactory, above 0.50.

Table 6.20 Factor Loading Matrix-Service behaviour

	Component		
	1	**2**	**3**
SB_R1			.880
SB_R2			.851
SB_R3			.510
SB_X1	.794		
SB_X2	.817		
SB_X3	.787		
SB_AB1		.744	
SB_AB2		.838	
SB_AB3		.718	

6.4 Descriptive Statistics of Variables

This study is focused on six latent variables namely, emotional intelligence, customer orientation, managerial support, work facilitation, job involvement and service behaviour. Emotional intelligence is the independent variable. Service behaviour is the major dependent variable. Job involvement is conceptualized as a mediating variable. For all the variables, the minimum score is 1 and the maximum score is 5, as the items were measured on a five point scale. The descriptive statistics pertaining to the variables are given below.

Table 6.21 Descriptive Statistics

Variable	N	Mean	Median	Std. Deviation
Emotional intelligence	528	3.9110	3.933	.37614
Customer Orientation	528	4.2788	4.333	.53209
Managerial support	528	4.3004	4.000	.57689
Work Facilitation	528	4.2415	4.000	.59758
Service Behaviour	528	4.1020	4.111	.38571
Job involvement	528	3.6462	3.7143	.56076

For emotional intelligence, the mean score was 3.911, median 3.933 and standard deviation 0.37614. The mean of Customer orientation dimension of service climate is 4.2788, median 4.333 and standard deviation 0.53209. Managerial support has a mean score of 4.3004, median score 4.000 and standard deviation 0.57689. The mean score of work facilitation is 4.2415, median 4.000 whereas its standard deviation was obtained as 0.59758. For the construct of service behaviour, the mean value is 4.1020, median 4.111 and standard deviation 0.38571. For the

mediating variable job involvement mean score is 3.6462, median 3.7143 and standard deviation 0.56076. It can be understood that the mean and median values of all the variables are different, but fairly close. This is an indication to the fact that distribution of variables in the study is not perfectly normal. It seems that the deviation from normality is minor at this point. Hence, a detailed analysis of the normality is made in the following session.

6.5   Correlation Analysis of Variables

Table 6.22 Correlation Matrix of Variables

	SC_CO	SC_MS	SC_WF	JI	SB	EI
SC_CO	1					
SC_MS	0.62	1				
SC_WF	0.687	0.736	1			
JI	0.115	0.124	0.159	1		
SB	0.443	0.378	0.391	0.277	1	
EI	0.221	0.155	0.191	0.166	0.162	1

Correlation using Karl Pearson's r for values of relationship among variables of this study is discussed here. The magnitude of the correlation between EI, Customer Orientation, Managerial Support, Work Facilitation, Job Involvement and Service Behaviour are given in the Table 6.22. The correlation ranges between 0.115 to 0.736. This is very much below 0.90, and common method variance can be ruled out (Siponen & Vance, 2010), since the ceiling suggested by Pavlou, Liang & Xue (2007) is 0.90.

6.6 Data Distribution

This section of the chapter deals with distribution of data with respect to dependent variable of the study - employee service behaviour. Data distribution analysis is a prerequisite for assessing the appropriateness of statistical method to be used. Statistical analysis tools are often based on certain assumptions about the distribution of data. All parametric tests of hypothesis assume that population is normally distributed. In the present study, ANOVA/ t- test is used for testing any significant difference in the major dependent variable-service behaviour, with respect to age, gender, educational qualification, income, experience and bank type. The analysis of distribution is assessed graphically by histogram and normal Q-Q plot. The details of data distribution of the construct service behaviour is given below.
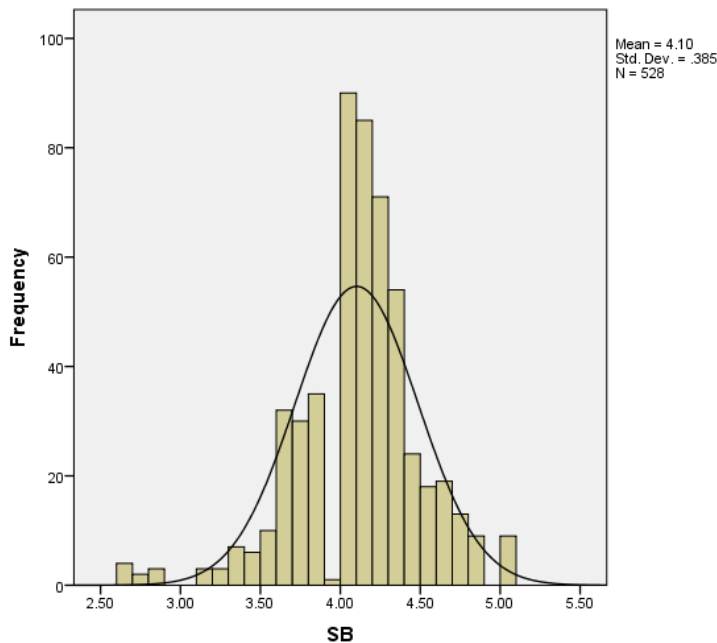
Figure 6.5 Histogram with normal curve of Service Behaviour

Through eyeballing it can be understood that the data in case of service behaviour (the outcome variable of the study) appears almost normal.
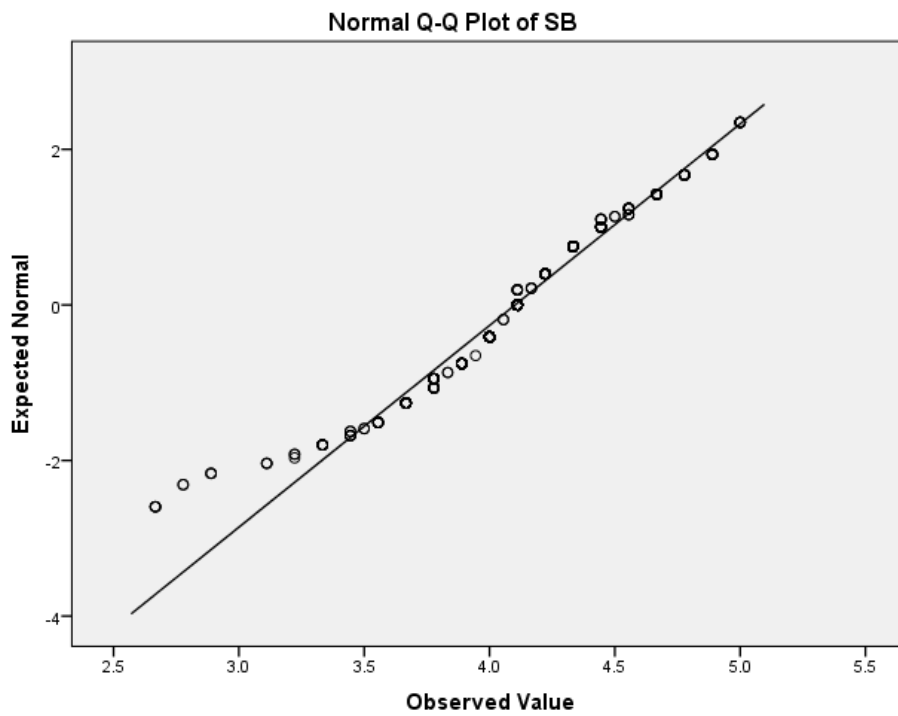
Figure 6.6 Normal Q-Q Plot of Service Behaviour

Since ANOVA/ t- test is performed only with the outcome variable-service behaviour, the data distribution with respect to the said variable alone is presented here in detail.

6.7 Analysis of Normality of data (Skewness and Kurtosis)

As a preliminary step for analyzing the data distribution and normality, histogram and normal Q-Q plot have been explored for the dependent variable. The analysis was done merely by eyeballing. Hence it was decided to check for skewness and kurtosis for detailed analysis. Hence, all data distributions were explored for skewness and kurtosis. These methods are generally regarded as a more accurate test of normality-assumptions.

In case of all variables, the skewness values are negative which indicates a left–skewed distribution. All variables have skewness less than 1. Kurtosis values are also within the specified limit.

Figure 6.23 Skewness and Kurtosis

Variables	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic
Emotional Intelligence	3.9110	.37614	-.238	3.453
Customer Orientation	4.2788	.53209	-.848	4.763
Managerial Support	4.3004	.57689	-.852	5.884
Work Facilitation	4.2415	.59758	-.808	4.886
Service Behaviour	4.1020	.38571	-.527	4.814
Job Involvement	3.6462	.56076	-.236	3.983

6.8 Conclusion

This chapter dealt with data collection, reliability and validity of measures and data distributions of the variables. In the beginning the details of data collection from various districts and the profile of the sample was discussed so as to get a general idea of the frontline bank employees chosen for the study. Following that, a detailed analysis and discussion of the reliability and validity   measures of the variables under study is made. The descriptive statistics and assessment of normality by means of graph and skewness and kurtosis statistic is presented in the chapter.

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Chapter **7**

TESTS OF HYPOTHESES AND ANALYSIS OF CONCEPTUAL MODEL

This chapter presents the result of tests of hypotheses of the study. Data analysis was done using the software packages SPSS 17 and Warp PLS. The results of analysis using ANOVA and Independent Sample t test are detailed in the beginning of the chapter. An overview of PLS SEM is given. The chapter discusses the reliability and validity of the measurement model. Structural model analysis and interpretation is presented in the section following that. Model fit indices & Common Method Bias is also investigated and the results are presented.

7.1 Tests of Hypotheses

The analysis of the collected data has been carried out with SPSS and PLS SEM. All hypotheses formulated for the purpose of the study were tested using appropriate statistical tests. The hypotheses relates to major variables in the conceptual model of the study like EI, service climate dimensions of customer orientation, managerial support and work facilitation, job involvement and service behaviour. Besides hypotheses were also formulated related to personal and occupational factors of frontline bank employees and employee service behaviour. Firstly hypotheses tests related to these factors are presented.

7.1.1 Age and Employee Service Behaviour

Age was categorized into four groups as shown in the table. There were 185 employees in the age group of 20 years to 29 years, 172 employees in the age group of 30 years to 39 years, 120 employees in the category of 40-49 years and 51 employees in the age group of 50 years and above. Their mean scores for service behaviour were 4.0919, 4.1050, 4.1051, 4.1156 and 4.1014 respectively. Table 7.1 gives the results of one way ANOVA to explore the impact of age on employee service behaviour.

Table 7.1 ANOVA - Age and Employee Service Behaviour

Age group	N	Mean	SD	F	Sig.
20 years- 29 years	185	4.0919	.34853		
30 years -39 years	172	4.1050	.41328		
40 years-49 years	120	4.1051	.40364	0.068	0.977
50 years and above	51	4.1156	.38621		
Total	528	4.1014	.38578		

One way ANOVA indicated that the differences in service behaviour scores of employees in different age groups were statistically not significant (F=0.068, p value=0.977). It is therefore concluded that the service behaviour of frontline bank employees does not vary with differences in age, and that age is not a differentiating factor as regards service behaviour in this context.

7.1.2 Gender and Employee Service Behaviour

The number of female frontline employees is comparatively less in the sample. There were 355 males and 173 females in the sample of 528. The mean score for service behaviour for male is 4.1364 and females 4.0318. In order to test whether this difference is statistically significant, independent sample t test was done. The result of t test is given in Table 7.2. It is found that there is significant difference between service behaviour scores of frontline bank employees with respect to gender as the p value is .003.

Table 7.2 t test- Gender and Employee Service Behaviour

Gender	N	Mean	Std. Deviation	t	Sig
Female	173	4.0318	.40588	-2.944	.003
Male	355	4.1364	.37123		

7.1.3 Educational Qualification and Employee Service Behaviour

The Table 7.3 shows the group descriptive, mean and standard deviation for service behaviour with respect to qualification. Majority of the employees in the sample were graduates numbering to 259, followed

by 155 post graduates, 77 with Pre-degree and 37 with diploma as the highest qualification held. Their mean scores for service behaviour were 4.0292, 4.2624, 4.0361 and 4.0772 respectively. It can be seen that there is significant difference in service behaviour among different qualification of employees as Pre Degree, Diploma, Graduate or Post Graduate. One way ANOVA indicated that the differences in mean service behaviour scores for the different qualifications is significant at 0.05 level, F=13.740 & p= .000.

Table 7.3 ANOVA-Educational Qualification & Employee Service Behaviour

Educational Qualification	N	Mean	Std. Deviation	F	Sig.
Pre Degree	77	4.0361	.42048		
Graduate	259	4.0292	.39772		
Diploma	37	4.0772	.37168	13.740	0.000
Post Graduate	155	4.2624	.29557		
Total	528	4.1020	.38571		

7.1.4 Income and Employee Service Behaviour

There were seven income categories as can be seen in the Table 7.4. The group descriptive, mean and standard deviation of different income categories is given in the table. Most of the employees (numbering to 164) belongs to the income category of ₹ 25,001- ₹ 35,000 and with mean score for service behaviour as 4.1287. It was followed by 126 employees in income category of ₹ 35,001- ₹ 45,000 and mean 4.1146. There were 106 employees in the income category of upto ₹ 25,000 (mean=4.0608), 58 employees in income category of ₹ 45,001- ₹ 55,000 (mean=4.0843),

47 employees in the income category of ₹ 55,001 - ₹ 65,000 (mean=4.0307), 15 employees in the income category of ₹ 65,001- ₹ 75,000 (mean = 4.1630) and finally 11 employees in the income category of above ₹ 75,000 (mean=4.2727). ANOVA was performed to test whether there is significant difference in service behaviour among these different income categories. It is found that there is no significant difference as the p value is 0.382. F statistic as per the table is 1.066.

Table 7.4 ANOVA- Income and Employee Service Behaviour

Income Category	N	Mean	Std. Deviation	F	Sig.
less than ₹ 25,000	106	4.0608	.34226		
₹ 25,001- ₹ 35,000	164	4.1287	.41013		
₹ 35,001- ₹ 45,000	126	4.1146	.38405		
₹ 45,001- ₹ 55,000	58	4.0843	.39024	1.066	.382
₹ 55,001- ₹65,000	47	4.0307	.39229		
₹ 65,001- ₹ 75,000	15	4.1630	.38229		
Above ₹ 75,000	11	4.2727	.36638		
Total	528	4.1020	.38571		

7.1.5 Experience and Employee Service Behaviour

Most of the have experience between 2 years to 7 years. There are 218 employees in that experience category. This is followed by 122 employees with experience of 8 years to 13years, 66 employees with 20 years to 25 years of experience, 61 employees with experience of 14 years to 19 years, 44 employees with experience of 26 years to 31 years and 17 employees with experience of above 31 years. The mean scores of service

behaviour for each category were 4.1834, 4.1389, 4.0775, 4.2486, 4.2414 and 4.0889.

Table 7.5 ANOVA-Experience and Employee Service Behaviour

	N	Mean	Std. Deviation	F	Sig.
2 years to 7 years	218	4.1834	.32394		
8 years to 13 years	122	4.1389	.37094		
14 years to 19 years	61	4.2486	.25287		
20 years to 25 years	66	4.0775	.46102	1.510	.186
26 years to 31 years	44	4.2414	.39515		
Above 31 years	17	4.0889	.17213		
Total	528	4.1696	.35258		

ANOVA was performed to test whether there is significant difference in service behaviour among frontline employees with different levels of experience. It is found that there is no significant difference with respect to variations in experience level as the p value is .186. F statistic is 1.510, as can be seen in Table 7.5.

7.1.6 Bank Type and Employee Service Behaviour

For the purpose of the study, both public and private sector banks were incorporated in the sample. The mean and standard deviation of service behaviour scores as per the bank type is shown in the Table 7.6. Public sector banks have a mean score of 4.0414 & standard deviation of 0.41242 and private sector has a mean score of 4.1625 and standard deviation of 0.34738 with respect to service behaviour of frontline employees. Independent sample t test to examine statistically significant

difference in employee service behaviour scores between public and private sector banks yielded results as given in the table. It is found that there is significant difference in service behaviour with bank type with t=-3.644 and p=0.000.

Table 7.6 t test- Bank type and Employee Service Behaviour

Bank Type	N	Mean	Std. Deviation	t	Sig.
Public Sector	264	4.0414	.41252	-3.644	.000
Private Sector	264	4.1625	.34738		

7.2 PLS Structural Equation Modelling - An Overview

The first generation statistical methods such as factor analysis and regression analysis dominated the research landscape through the 1980s. But since the 1990s, second generation methods have expanded rapidly and is being extensively used in empirical research. Partial Least Squares Structural Equation Modelling is one such emerging second generation tool (Hair et al., 2017). PLS path modelling is a variance based structural equation modeling (SEM) technique. There are two types of SEM: Covariance based (CB) SEM and Partial Least Squares based SEM. CB- SEM is used to confirm or reject theories. It does this by determining how well a proposed theoretical model can estimate the covariance matrix for a sample data set. In contrast, the PLS SEM is used to develop theories in exploratory research. This is particularly useful and considered as an alternative to CB SEM, when the main aim is prediction and explanation of the target variable (Rigdon, 2012).

PLS SEM is an Ordinary Least Squares regression based estimation technique. The method focuses on the prediction of a specific set of hypothesized relationships that maximizes the explained variance in the dependent variables. Thus the focus of PLS SEM is more on prediction than on explanation, which makes PLS SEM particularly useful for studies on the sources of competitive advantage and driver studies (Hair, Ringle, Hult & Sarstedt, 2017) While being a regression based approach, it does not make any assumptions regarding the distribution of data. Table 7.7 gives the key characteristics of PLS-SEM.

Table 7.7 Key characteristic of PLS-SEM

Data Characteristics	
Sample data	• No identification issues with small sample sizes • Generally achieves high levels of statistical power with small sample sizes • Larger sample sizes increase the precision (ie. consistency) of PLS SEM estimations
Distribution	• No distributional assumptions • Highly robust as long as missing values are below a reasonable level
Scale of measurement	• Works with metric data • Some limitations when using categorical data to measure endogenous latent variables
Model characteristics	
Number of items in each construct	Handles constructs measured with single and multi-item measures
Relationship between constructs and their indicators	Easily incorporates reflective and formative measurement models
Model complexity	Handles complex models with many structural model relations

Table 7.7 Continued...

PLS SEM Algorithm properties	
Objective	Minimizes the amount of unexplained variance
Efficiency	Converges after a few iterations to the optimum solution
Nature of constructs	Viewed as proxies of the latent concept under investigation, represented by composite variables
Construct scores	- Estimated as linear combinations of their indicators - Are determinate - Used for predictive purposes - Can be used as input for subsequent analysis - Not affected by data inadequacies
Model Evaluation Issues	
Evaluation of the overall model	No established global goodness of fit criterion
Evaluation of the measurement model	- Reflective measurement models: Reliability and Validity assessments by multiple criteria - Formative measurement models: Validity assessment, significance and relevance of indicator weights, indicator collinearity
Evaluation of the structural model	Collinearity among sets of constructs, significance of path coefficients & criteria to assess the model's predictive capabilities
Additional analyses	- Impact performance matrix analysis - Mediating effects - Hierarchical component models - Multigroup analysis - Uncovering and treating unobserved heterogeneity - Measurement model invariance - Moderating effects

(Source: Hair et al., 2017)

7.2.1 Measurement of constructs

This study involved relationships among variables which were not directly measurable. As the variables involved in the study were abstract, the concept of latent variables was introduced in the study. Latent variables are hypothetical constructs that cannot be directly measured and which are created to understand the research area. To operationalize the latent variables, observable and measurable indicators (referred to as manifest variables) that have a logical link with the concept were identified so that the relationships between the theoretical constructs could be analyzed. Generally there are two different ways to measure unobservable variables. One approach is referred to as reflective and the other formative. The approach to modeling constructs is an important consideration in developing path models. Construct specification involves defining the causality of relationship between a construct and its measures or indicators.

Constructs can be either reflective constructs or formative constructs. The key characteristics and differences between reflective and formative constructs is given below in Table 7.8. After measurement of the constructs as reflective or formative, the next step is determining the path model.

Table 7.8 Reflective and Formative Constructs

Characteristics	Reflective	Formative
Causality of construct	Items are caused by construct.	Construct is formed from items.
Conceptual relationship among items	All items are related conceptually because they have a common cause	No requirement of conceptual linkage to other items
Domain of items	Representative sample of potential items.	Exhaustive inventory of all possible items.
Covariance among items	Expected collinearity among items.	No expectation of collinearity. High collinearity among formative items can be problematic
Internal consistency	Required.	Not required.
Forms of construct validity	Internal and external.	Only external.

Source: Hair, Black, Babin and Anderson (2009)

In PLS –SEM, the relationships between variables and visual display of hypotheses are made using path models. Thus path models are diagrams used to visually display the hypotheses and variable relationships that are examined when SEM is applied (Hair et al., 2011). A PLS path model consist of two elements- Structural model (also called the inner model) and Measurement model (also called the outer model). The Structural model explains the relationship between the constructs and the Measurement model display the relationship between the constructs and the indicator variables. Path models are developed based on theory. Two types of theory are required to develop path models: Measurement theory

and Structural theory. Measurement theory specifies how the latent variables are measured and the Structural theory is regarding the relationship between the constructs of the study.

A sound measurement theory is a necessary condition to obtain useful results from PLS SEM. Hypotheses tests involving the structural relationships among constructs will be only as reliable or valid as the measurement models are explaining how these constructs are measured. Thus while developing constructs researchers must consider the measurement specification as reflective measurement model or formative measurement model. Accordingly the reflective measurement model represents the effects or manifestations of an underlying construct. That is causality is from the construct to its measures. However the formative measurement models are based on the assumption that causal indicators form the construct by means of linear combinations. Structural theory shows how the latent variables are related to each other. It shows the constructs and the path relationships between them in the structural model.

As already discussed, there are mainly two approaches to estimating relationships in a structural model. They are the Covariance based SEM and the Partial Least Squares based SEM. Each is appropriate for different research context and the researchers need to understand the differences in order to apply the correct method. To decide on which method is appropriate for a given context, the researchers should focus on the characteristics and objectives that distinguish the two methods. In situations where theory is less developed, researchers should consider the use of PLS SEM as an alternative approach to CB SEM. A very important

difference between PLS SEM and CB SEM relates to the way it treats the latent variables included in the model. CB SEM considers the constructs as common factors that explain the co-variation between its associated indicators. In contrast the PLS SEM uses proxies to represent the constructs of interest, which are weighted composites of indicator variables for a particular construct. This is the reason why PLS SEM constitutes a composite based approach to SEM, and has relaxations for the strong assumptions of CB SEM that all the co-variation between sets of indicators is explained by a common factor (Henseler, Dijkstra, Sarstedt, Ringle, Diamantopoulos & Straub, 2014)

A general guideline in choosing between PLS SEM and CB SEM is given below.

Table 7.9 Rules of thumb for choosing PLS SEM and CB SEM

Use PLS-SEM when
• The goal is predicting key target constructs or identifying key "driver" constructs.
• Formatively measured constructs are part of the structural model. Note that formative measures can also be used with CB-SEM, but doing so requires construct specification modifications (e.g., the construct must include both formative and reflective indicators to meet identification requirements).
• The structural model is complex (many constructs and many indicators).
• The sample size is small and/or the data are non-normally distributed.
• The plan is to use latent variable scores in subsequent analyses.
Use CB-SEM when
• The goal is theory testing, theory confirmation, or the comparison of alternative theories.
• Error terms require additional specification, such as the covariation.
• The structural model has non-recursive relationships.
• The research requires a global goodness-of-fit criterion.

Source: Hair, Hult, Ringle and Sarstedt (2014)

In PLS-SEM, analysis of the model starts with the evaluation of measurement model. In the event of satisfactory results on the validity and reliability of the measurement model; it proceeds to the next stage of structural model evaluation. Measurement model assessment is done in terms of unidimensionality, discriminant validity and convergent validity (Tenenhaus, et al., 2005). Structural model is assessed using path coefficients and weights of the constructs. Path coefficients and weights are interpreted in the same way as beta coefficients and R^2 of regression analysis.

- **Specifying the measurement model**
- **Specifying the Structural Model**
- **PLS path Model estimation**
- **Assessing PLS results for measurement model-Reflective/Formative**
- **Assessing PLS SEM results for the structural model**
- **Interpretation of results and arriving at conclusions**
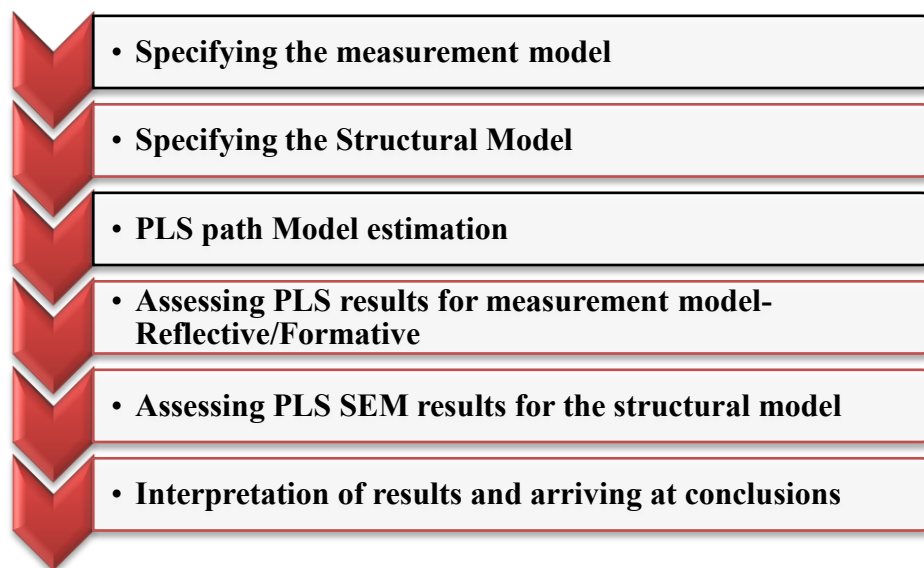
Figure 7.1 Systematic procedure for applying PLS SEM

7.3 Analysis of Conceptual Model of the study

Analysis of conceptual model delivers empirical measures of the relationships between indicators and constructs in the first stage measurement model, as well as between the constructs in the structural

model. The empirical measures will enable us to compare the theoretically established measurement and structural models, as represented by the sample data. The Figure 7.2 shows the hypothesized relationships in the study. Service behaviour is the dependent variable. Emotional intelligence, Service Climate dimensions of Customer Orientation, Managerial Support and Work Facilitation are conceptualized as predictors of Service Behaviour as shown in the conceptual model. The mediating role of job involvement between the service climate dimensions and service behaviour is also examined.
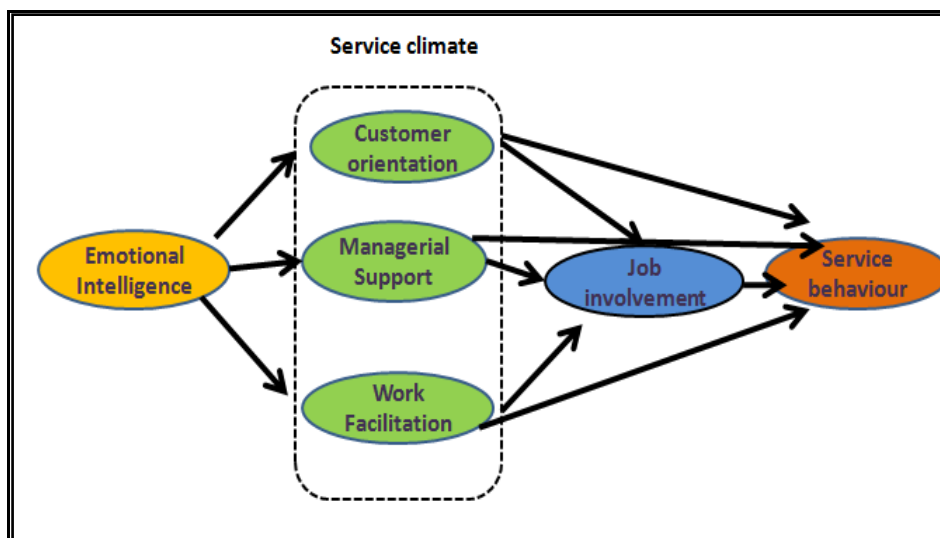
Figure 7.2 Conceptual Model of the study

7.4   Analysis of the Measurement Model of the Study

In this study there are six latent constructs . These are measured in reflective mode where the construct is assumed to cause the indicators to vary. Emotional intelligence has 15 indicators, customer orientation has 6

indicators, managerial support has 3 indicators, work facilitation has 4 indicators, job involvement has 6 indicators and finally service behaviour has 9 indicators.

Among the 6 latent constructs, emotional intelligence and service behaviour are measured as second order constructs. The four latent dimensions of emotional intelligence and 3 latent dimensions of service behaviour are also specified as reflective indicators of their second order constructs. The measurement model of the study is given in Figure 7.3. The guidelines for systematic evaluation of PLS SEM results are given in the Table 7.10.
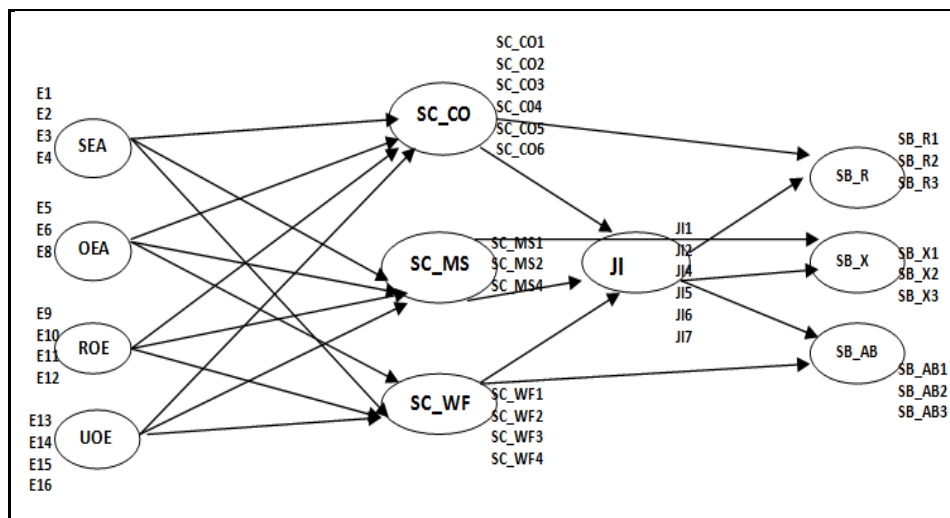
Figure 7.3 First stage Measurement Model of the study

Table 7.10 Systematic Evaluation of PLS SEM Results

Evaluation of the Measurement Models	
Reflective Measurement Models	**Formative Measurement Models**
▪ Internal consistency (Cronbach's alpha, composite reliability) ▪ Convergent Validity (indicator reliability, Average Variance Extracted, indicator loading) ▪ Discriminant Validity (AVE & inter-construct correlation)	▪ Convergent Validity ▪ Collinearity between indicators ▪ Significance and relevance of outer weights
Evaluation of the Structural Model	
▪ Model Fit indices ▪ Assess the structural model for collinearity issues ▪ Assess the significance and relevance of the structural model relationships using path coefficients ▪ Coefficients of determination (R^2) ▪ Predictive relevance (Q^2)	

7.4.1 Unidimensionality at the first stage measurement model

PLS SEM results are reviewed and evaluated using a very systematic process. The systematic evaluation and analysis follows a two step process. The process includes separate assessment of the measurement model and the structural model. Initially the PLS model focuses on the first stage measurement model. The first stage measurement model is evaluated in terms of unidimensionality, reliability and validity (convergent validity & discriminant validity). Unidimensionality using PCA is established if eigen value of the first factor extracted in a correlation matrix is greater than 1 and that of the second factor is less than 1 (Vinzi et al., 2010). Another criterion for establishing unidimensionality is Cronbach's alpha & composite reliability (Tenenhaus et al., 2005). Table 7.11 gives gives the unidimensionality of measurements using PCA.

Table 7.11 Unidimensionality – PCA results for 1st stage measurement

Component	No. of items	Eigen values
EI1	4	3.115 0.437 0.282 0.166
EI2	3	1.893 0.975 0.450
EI3	4	2.247 0.693 0.653 0.407
EI4	4	2.970 0.458 0.325 0.247
JI	6	3.009 0.762 0.655 0.502 0.465 0.396
SC_CO	6	3.625 0.910 0.503 0.447 0.276 0.239
SC_WF	4	2.876 0.519 0.334 0.272
SC_MS	3	2.423 0.327 0.251
SB_R	3	1.633 0.787 0.685
SB_X	3	1.295 0.437 0.418
SB_AB	3	1.039 0.387 0.320

7.4.2 Reliability at the first stage measurement model

This section deals with the analysis of the measurement model. The measurement model in PLS-SEM is evaluated in terms of reliability, unidimensionality, convergent validity and discriminant validity. Establishing unidimensionality of each measurement block in the model is the first requirement for measurement-validity, followed by discriminant validity and convergent validity.

The table 7.12 represents the reliability of the variables at the first stage measurement model.

A value of 0.7 or more is acceptable incase of Cronbach's alpha and composite reliability (Fornell & Larcker, 1981; Nunnally &Bernstein, 1994) and it can be seen in literature that a value of 0.60 is an acceptable minimum (Bagozzi & Yi, 1988). Table 7.12 gives the Cronbach's alpha and Composite reliability of the latent constructs at the first stage measurement model.

Table 7.12 Reliability Measures (1st Stage Measurement Level)

	E1	E2	E3	E4	SC_CO	SC_MS	SC_WF	JI	SB_R	SB_AB	SB_X
Cronbach's alpha	0.905	0.719	0.738	0.884	0.862	0.875	0.867	0.776	0.978	0.709	0.776
Composite Reliability	0.934	0.778	0.836	0.920	0.898	0.923	0.910	0.843	0.980	0.839	0.870

The Cronbach's alpha range from 0.709 to 0.978 for various measures of variables. It is above the threshold level of 0.70. In addition composite reliability is also checked and it was found that it varies between 0.77 to 0.93, which is considered a better measure of unidimensionality (Chin, 1998). Thus unidimensionality check using Cronbach's alpha and composite reliability is within the accepted norm.

7.4.3 Reliability of Constructs in the 2nd Order Level

At the second stage measurement model, the reliability checks were done in a similar fashion as in the first stage measurement model. For the second order constructs EI and Service behaviour, acceptable reliability measures using Cronbach's alpha and Composite reliability was obtained. The details of the same are given in the Table 7.13 given below.

Table 7.13 Reliability Measures (2nd Stage Measurement Level)

	EI	SC_CO	SC_MS	SC_WF	JI	SB
Cronbach's alpha	0.796	0.862	0.875	0.867	0.776	0.806
Composite Reliability	0.808	0.898	0.923	0.910	0.843	0.853

All the variables at the second stage level have Cronbach's alpha and Composite reliability above 0.7 which indicates the reliability of constructs.

7.4.4 Convergent validity at 1st stage measurement model

Convergent validity is the extent to which measures correlates positively with alternative measures of the same construct. Thus the items that are indicators of a specific reflective construct should converge or share a high proportion of variance. To evaluate convergent validity of reflective constructs, researchers consider the outer loadings of the indicators and the Average Variance Extracted (AVE). As an indicator of Convergent validity WARP PLS recommends certain criteria (Hair et al., 2009; Kock, 2015). First one being that the loading equal to or greater than 0.50 and p values associated with loadings be equal to or less than 0.05. For research reports combined loadings and cross loadings in PLS are used for describing convergent validity (Kock, 2015, pg.59). Table 7.14 shows the combined loadings and cross loadings of all latent variables in the study. It can be seen from the table that the loadings of indicators to respective latent variable in all cases are above 0.50, and the same has been shown in highlighted mode for easy understandability. The p value associated with each indicator is also given alongside and it is below 0.05.

Table 7.14 Combined loadings and cross loadings (1ˢᵗ order level)

	SC_CO	SC_MS	SC_WF	JI	SB_R	EI1	EI2	EI3	EI4	SB_X	SB_AB	P value
SC_CO1	0.631	-0.107	-0.021	-0.076	0.159	0.011	-0.039	0.138	0.041	0.025	0.112	<0.001
SC_CO2	0.647	-0.249	0.075	-0.005	0.302	-0.002	0.074	0.063	0.026	-0.135	-0.017	<0.001
SC_CO3	0.839	0.059	-0.098	0.001	-0.017	0.005	-0.017	-0.03	-0.002	-0.049	0.059	<0.001
SC_CO4	0.818	-0.025	0.052	-0.009	-0.061	-0.09	0.04	0.025	-0.127	0.022	-0.067	<0.001
SC_CO5	0.858	-0.003	0.053	0.018	-0.136	0.004	-0.039	-0.081	0.011	0.051	-0.053	<0.001
SC_CO6	0.816	0.248	-0.049	0.053	-0.141	0.073	-0.011	-0.065	0.065	0.063	-0.011	<0.001
SC_MS1	0.24	0.892	-0.159	-0.002	-0.023	0.043	0.002	-0.027	0.051	0.018	0.034	<0.001
SC_MS2	-0.04	0.909	0.012	-0.01	-0.033	-0.047	0.005	-0.022	-0.021	0.014	0.042	<0.001
SC_MS4	-0.201	0.883	0.148	0.013	0.057	0.005	-0.007	0.051	-0.031	-0.032	-0.077	<0.001
SC_WF1	0.033	0.073	0.831	0.034	0.004	-0.003	0.037	0.012	0.032	0.039	-0.114	<0.001
SC_WF2	0.138	-0.158	0.856	0.008	-0.092	-0.014	-0.013	-0.023	0.045	0.038	-0.005	<0.001
SC_WF3	-0.127	-0.007	0.878	-0.025	0.017	-0.053	0.041	-0.039	-0.031	0.042	0.006	<0.001
SC_WF4	-0.042	0.098	0.819	-0.016	0.074	0.075	-0.068	0.055	-0.046	-0.125	0.115	<0.001
JI1	0.124	-0.402	0.27	0.625	0.093	-0.076	-0.049	0.101	-0.103	-0.048	0.119	<0.001
JI2	-0.016	-0.323	0.327	0.684	-0.039	0.007	-0.044	0.173	-0.043	0.061	0.05	<0.001
JI4	0.014	-0.048	0.156	0.691	-0.238	-0.045	0.037	-0.015	0.16	0.213	-0.055	<0.001
JI5	0.087	0.094	-0.116	0.764	-0.256	0.121	0.01	-0.08	0.051	-0.015	-0.005	<0.001
JI6	-0.066	0.245	-0.262	0.715	0.215	-0.005	0.079	-0.062	-0.072	-0.113	-0.033	<0.001
JI7	-0.15	0.403	-0.35	0.641	0.273	-0.024	-0.045	-0.103	-0.007	-0.103	-0.067	<0.001
SB_R1	-0.074	0	0.061	0.083	0.847	0.092	0.004	0.028	-0.09	-0.233	0.012	<0.001

SB_R2	0.079	-0.137	0.069	-0.02	0.831	-0.05	-0.001	-0.01	-0.017	-0.041	-0.003	<0.001
SB_R3	-0.005	0.205	-0.196	-0.096	0.557	-0.066	-0.005	-0.027	0.162	0.415	-0.013	<0.001
EI1	0.084	0.046	-0.133	-0.007	0.037	0.869	-0.029	-0.048	0.046	-0.035	-0.037	<0.001
EI2	0.041	-0.033	-0.024	0.025	0.036	0.931	-0.028	-0.041	0.028	0.019	-0.069	<0.001
EI3	-0.029	-0.004	0.045	0.026	-0.019	0.897	-0.006	0.061	-0.049	-0.014	0.039	<0.001
EI4	-0.102	-0.008	0.117	-0.049	-0.059	0.83	0.068	0.03	-0.026	0.03	0.074	<0.001
EI5	0.072	-0.036	0.048	-0.039	0.076	0.257	0.68	-0.145	0.02	0.022	0.048	<0.001
EI6	0.014	-0.053	0.009	-0.023	0.025	-0.212	0.819	-0.132	0.035	-0.02	-0.032	<0.001
EI8	-0.161	0.161	-0.081	0.083	-0.09	-0.13	0.693	0.138	0.077	-0.028	-0.004	<0.001
EI9	-0.009	-0.092	0.143	-0.087	0.001	0.168	0.049	0.688	-0.054	-0.027	0.02	<0.001
EI10	0.006	-0.058	-0.045	0.126	-0.094	-0.176	0.114	0.721	-0.036	0.062	-0.003	<0.001
EI11	-0.006	0.025	-0.003	-0.026	0.027	-0.055	-0.007	0.833	-0.073	-0.035	0.061	<0.001
EI12	0.009	0.113	-0.085	-0.013	0.06	0.076	-0.147	0.75	0.165	0.004	-0.083	<0.001
EI13	0.101	-0.049	-0.064	-0.019	0.042	0.104	-0.059	0.187	0.819	0.001	-0.049	<0.001
EI14	-0.064	0.023	0.061	-0.02	-0.026	-0.045	0.007	0.054	0.897	-0.003	-0.028	<0.001
EI15	-0.069	0.106	-0.045	0.001	-0.021	0.017	-0.001	-0.16	0.855	0.019	0.071	<0.001
EI16	0.039	-0.081	0.041	0.037	0.007	-0.068	0.049	-0.075	0.873	-0.017	0.005	<0.001
SB_X1	-0.108	0.153	-0.051	-0.036	0.021	0	-0.003	-0.045	0.044	0.812	-0.011	<0.001
SB_X2	0.038	-0.145	0.068	0.009	0.056	-0.06	0.035	0.039	-0.06	0.844	-0.117	<0.001
SB_X3	0.066	-0.002	-0.018	0.026	-0.076	0.061	-0.032	0.005	0.018	0.837	0.129	<0.001
SB_AB1	-0.046	0.033	0.063	-0.034	-0.129	-0.016	-0.047	-0.06	0.04	0.181	0.821	<0.001
SB_AB2	-0.058	0.006	-0.039	0.048	0.06	-0.021	0.07	-0.093	0.095	-0.083	0.864	<0.001
SB_AB3	0.126	-0.046	-0.026	-0.02	0.077	0.045	-0.031	0.186	-0.164	-0.111	0.697	<0.001

The second check for convergent validity is captured by PLS through AVE of each construct. The amount of variance explained by the indicators with respect to a construct is the Average Variance Extracted. If AVE >0.50, which means explanation of 50% of variance, convergent validity is assumed as established (Fornell & Larcker, 1981). In case of all the constructs AVEs were found higher than 0.50, as in Table 7.15.

Table 7.15 Convergent Validity - AVE values of constructs (1st Order Level)

Average variances extracted											
AVE	**SC_CO**	**SC_MS**	**SC_WF**	**JI**	**SB_R**	**SB_AB**	**SB_X**	**EI1**	**EI2**	**EI3**	**EI4**
	0.599	0.8	0.716	0.501	0.573	0.636	0.691	0.779	0.493	0.562	0.742

7.4.5 Convergent Validity at Second order

In a fashion similar to establishing convergent validity at the first order, the second order convergent validities can be established. The Table 7.16 shows the combined loadings and cross loadings at the second stage model. All the indicators have clearly loaded on their respective latent variables. In each case, cross loadings are not substantial and they are very much lower than the indicator loading. The p values are less than 0.05.

Table 7.16 Combined loadings and Cross- loadings of the latent variables in 2nd stage model (Convergent Validity check)

	SC_CO	SC_MS	SC_WF	JI	EI	SB	P value
SC_CO1	0.631	-0.107	-0.035	-0.085	0.11	0.263	<0.001
SC_CO2	0.647	-0.202	0.031	0.009	0.055	0.076	<0.001
SC_CO3	0.839	0.061	-0.091	0.001	-0.046	-0.014	<0.001
SC_CO4	0.818	-0.026	0.037	-0.007	-0.039	-0.095	<0.001
SC_CO5	0.858	-0.01	0.06	0.017	-0.06	-0.104	<0.001
SC_CO6	0.816	0.216	-0.004	0.047	0.02	-0.045	<0.001
SC_MS1	0.239	0.892	-0.143	-0.005	0.029	0.032	<0.001
SC_MS2	-0.063	0.909	0.006	-0.015	-0.017	0.02	<0.001
SC_MS4	-0.177	0.883	0.138	0.02	-0.011	-0.053	<0.001
SC_WF1	0.048	0.071	0.831	0.042	0.064	-0.069	<0.001
SC_WF2	0.114	-0.165	0.856	0.009	0.042	-0.049	<0.001
SC_WF3	-0.138	0	0.878	-0.027	-0.027	0.046	<0.001
SC_WF4	-0.02	0.101	0.819	-0.023	-0.08	0.071	<0.001
JI1	0.093	-0.358	0.232	0.625	-0.043	0.137	<0.001
JI2	-0.024	-0.351	0.34	0.684	0.111	0.101	<0.001
JI4	-0.047	-0.108	0.195	0.691	0.248	-0.044	<0.001
JI5	0.083	0.043	-0.043	0.764	0.024	-0.185	<0.001
JI6	-0.006	0.282	-0.292	0.715	-0.135	0.015	<0.001
JI7	-0.107	0.475	-0.422	0.641	-0.222	0.008	<0.001
lv_EI1	0.257	-0.171	0.288	-0.047	0.701	0.245	<0.001
lv_EI2	0.127	-0.065	0.104	-0.033	0.725	0.045	<0.001
lv_EI3	0.032	-0.032	-0.004	0.081	0.817	0.078	<0.001
lv_EI4	-0.118	0.072	-0.057	0.024	0.808	-0.092	<0.001
lv_SB_R	0.148	0.126	-0.124	0.053	-0.222	0.718	<0.001
lv_SB_A	-0.103	0.028	0.039	-0.037	0.091	0.796	<0.001
lv_SB_X	-0.03	-0.136	0.069	-0.01	0.105	0.831	<0.001

The Table 7.17 below shows the AVE at second order level and in all cases it is above the threshold level of 0.50.

Table 7.17 Convergent Validity at second order- (AVE values of the constructs at the 2nd stage)

AVE (Second order)	SC_CO	SC_MS	SC_WF	JI	SB	EI
	0.599	0.800	0.716	0.501	0.669	0.707

Thus the convergent validity at the first order and second order level are established using combined loadings and cross loadings, p value <0.05 and AVE criteria of the latent variables.

7.4.6 Discriminant validity at 1st order level

Discriminant validity checks whether responses from the respondents to the questions are either correlated or not with other latent variables. The criterion for discriminant validity is that for each latent variable, the square root of the average variance extracted should be higher than any of the correlations involving the latent variable. (Fornell & Larcker, 1981). That is, the values on the diagonal of the table containing correlation among latent variable, which are the square roots of the average variance extracted for each latent variable, should be higher than any of the values above or below them in the same column. Based on this criterion, it can be seen from the Table 7.18 that all latent variables meet the discriminant validity criteria at the first order level.

Table 7.18 Discriminant Validity check at first order level -comparison of AVE and inter-construct correlation

	AVE	SC_CO	SC_MS	SC_WF	JI	SB_R	EI1	EI2	EI3	EI4	SB_X	SB_AB
SC_CO	0.599	**0.774**	0.62	0.687	0.115	0.41	0.396	0.172	0.067	-0.107	0.337	0.331
SC_MS	0.80	0.62	**0.894**	0.736	0.124	0.354	0.294	0.122	0.04	-0.066	0.254	0.313
SC_WF	0.716	0.687	0.736	**0.846**	0.159	0.343	0.377	0.152	0.042	-0.087	0.292	0.318
JI	0.501	0.115	0.124	0.159	**0.7078**	0.203	0.062	0.12	0.15	0.109	0.244	0.213
SB_R	0.573	0.41	0.354	0.343	0.203	**0.757**	0.373	-0.001	-0.08	-0.214	0.402	0.337
EI1	0.779	0.396	0.294	0.377	0.062	0.373	**0.882**	0.165	-0.015	-0.229	0.254	0.156
EI2	0.493	0.172	0.122	0.152	0.12	-0.001	0.165	**0.7021**	0.411	0.369	0.142	0.063
EI3	0.562	0.067	0.04	0.042	0.15	-0.08	-0.015	0.411	**0.75**	0.493	0.082	0.114
EI4	0.742	-0.107	-0.066	-0.087	0.109	-0.214	-0.229	0.369	0.493	**0.861**	-0.029	-0.031
SB_X	0.691	0.337	0.254	0.292	0.244	0.402	0.254	0.142	0.082	-0.029	**0.831**	0.513
SB_AB	0.636	0.331	0.313	0.318	0.213	0.337	0.156	0.063	0.114	-0.031	0.513	**0.797**

Note: Square roots of average variances extracted (AVEs) shown on diagonal.

It can be seen from the Table 7.18 that the diagonal values in the table are greater than values below or above it. Thus the square root of AVE value of each construct is greater than any inter construct correlations for all constructs.

7.4.7 Discriminant Validity at 2nd Order level

Check for Discriminant validity is done at the second order level also. The Table 7.19 below gives the values of AVE, square root of AVE and inter construct correlation of constructs. It can be understood that the diagonal entries are greater than values above or below it, thus establishing discriminant validity.

Table 7.19 Discriminant Validity check at second order level-comparison of AVE and Inter-construct correlation

	AVE	SC_CO	SC_MS	SC_WF	JI	SB	EI
SC_CO	0.599	**0.774**	0.62	0.687	0.115	0.443	0.221
SC_MS	0.800	0.62	**0.894**	0.736	0.124	0.378	0.155
SC_WF	0.716	0.687	0.736	**0.846**	0.159	0.391	0.191
JI	0.501	0.115	0.124	0.159	**0.7078**	0.277	0.166
SB	0.669	0.443	0.378	0.391	0.277	**0.8179**	0.162
EI	0.707	0.221	0.155	0.191	0.166	0.162	**0.8408**

Cross loadings of indicators is also a check for discriminant validity. If all indicators in a measurement model load heavily on their respective latent factors without substantial loading on any other factor, discriminant validity is assumed (Chin, 1998). Already as in

Table 7.14, it can be seen that indicators load on their respective construct, with no substantial cross loadings to other constructs in the study.

7.4.8 Conclusion on Reliability and Validity

Measurement model was assessed for reliability and validity checks, as recommended in the literature (Gerbing, 1998). It can be understood from the previous section that the measurement model successfully crossed the reliability, unidimensionality, discriminant validity and convergent validity checks. This indicates soundness of the measurement model. Hence analysis can be taken to the next stage of structural model evaluation.

7.5   Analysis of the Structural Model

The structural model of service behaviour in the study is shown in Figure 7.4. Examination of this theoretical model involved six constructs. Service behaviour is the dependent variable of this study. Emotional intelligence is the independent variable. Service climate dimensions (customer orientation, work facilitation and managerial support) and job involvement are the linking variables between emotional intelligence & service behaviour, as conceptualized for this study. Job involvement is conceptualised as the mediator variable. Table 7.20 shows the path coefficients and p values of the latent variables of the study. From the Figure 7.4 the structural model of the study along with path coefficients, p values and R squared values can be closely examined in one visual shot. The figure indicates that R squared value of

service behaviour in the model is 60 %. That is the study variables explain 60 % of variance in the dependent variable service behaviour.
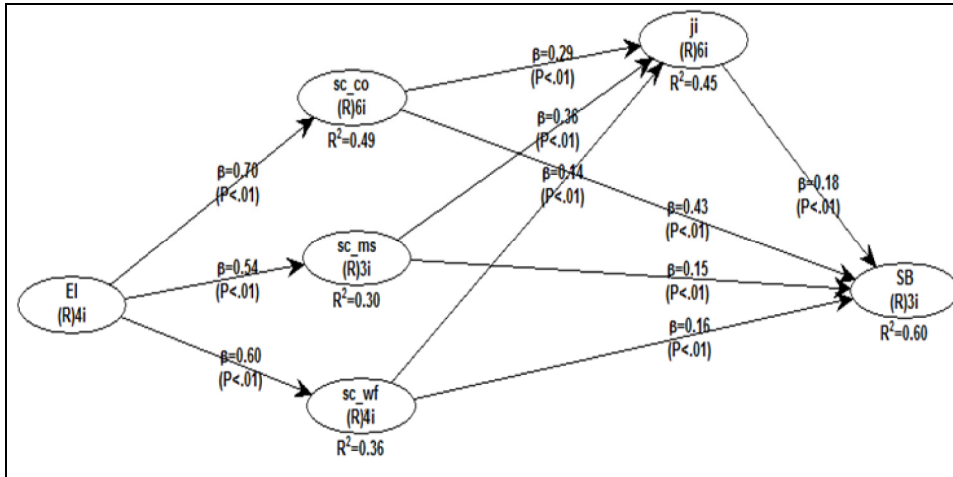
Figure 7.4 Structural Model

7.5.1 Path coefficients and p values

Path coefficients and p values are given in Table 7.20. Column refers to the predictor latent variable and row to the criterion. Path coefficients represent estimates obtained for the structural model relationships or the hypothesized relationships among the constructs. From the path coefficients obtained it can be understood that there is significant relationship between the hypothesized paths. The path coefficients between emotional intelligence and each of the service climate dimensions are fairly strong with more than 0.50 path coefficient. With regard to service climate dimensions and job involvement, the strongest relation was between managerial support and job involvement (path coefficient = 0.36), followed by customer orientation (path coefficient =

0.293) and work facilitation (path coefficient=0.142). The job involvement service behaviour path coefficients is 0.178.

When interpreting the results of a structural model, significance has to be examined as well, which is also indicated below in the table. In this study, the path coefficients of all hypothesized relationships were significant at p value less than or equal to 0.001.

Table 7.20 Path coefficients and p values

	SC_MS	SC_WF	JI	SB	EI	SC_CO
SC_MS					0.544*	
SC_WF					0.598*	
JI	0.364*	0.142**				0.293*
SB	0.15*	0.163*	0.178*			0.432*
EI						
SC_CO					0.703*	

*significant at <0.001 level, ** significant at 0.001 level*

7.5.2 Latent Variable Coefficients

PLS SEM was developed primarily for prediction purpose. There are several estimates provided by WARP PLS as indicators of instrument's reliability, discriminant and predictive validity as also collinearity. Reliability, convergent and discriminant validity have already been discussed in previous sections. For endogenous variables R squared, adjusted R squared & Q squared coefficients are provided. They are indicative of the variance explained and predictive validity with respect to each latent variable. Major latent variable coefficients are shown in Table 7.19.

Table 7.21 Latent Variable Coefficients

Latent variable coefficients	SC_MS	SC_WF	SC_CO	JI	SB	EI
R squared coefficients	0.296	0.358	0.495	0.449	0.602	
Adjusted R squared coefficients	0.294	0.356	0.493	0.444	0.597	
Q squared coefficients	0.308	0.365	0.498	0.453	0.583	

7.5.2.1 R Squared coefficient and Adjusted R squared coefficient

The R squared values or the coefficient of determination speaks about the explained variance of the endogenous constructs in the structural model. As per Cohen (1988), value of above 0.02 for R squared coefficient & adjusted R squared coefficients is acceptable with regard to explanatory power of the endogenous variables. The R squared coefficients for managerial support, work facilitation, customer orientation, job involvement and service behaviour are respectively 0.296, 0.358, 0.495, 0.449 and 0.602. According to Chin (1998), R squared value of 0.67 is considered substantial, 0.33 as moderate and 0.19 as weak. As per the structural model of this study and the R squared results, it can be clearly understood that 60 % of variation in the endogenous construct or the outcome variable of this study- service behaviour, is being explained by the variables emotional intelligence, service climate dimensions (managerial support, work facilitation and customer orientation) and job involvement. As cited by Kock & Lynn (2012), "Adjusted R squared coefficients are equivalent to R squared coefficients, with the key difference that they correct for spurious increases in R squared coefficients due to predictors that add no explanatory value in each latent variable block" (Wooldridge, 1991, pg.66). High R squared values

denote that the explanatory power or variance explained by the exogenous variables is satisfactory and model has substantial predictive validity.

7.5.2.2 Predictive Validity (Q squared coefficient)

Acceptable predictive validity in connection with an endogenous latent variable is indicated by the Q squared coefficient. Q squared coefficients are also known as Stone- Geisser Q squared coefficients named after their principal original proponents (Geissser, 1974; Stone, 1974). The Q squared builds on the blindfolding procedure, which omits a part of the data matrix, model parameters are estimated and predicts the omitted part with estimates computed previously. If the difference between predicted and original values is smaller, the Q squared will be greater, thus signifying the predictive relevance of the structural model.   A value of Q squared coefficients greater than zero is considered acceptable (Hair et al., 1998; Chin, 1998). As per Table 7.21, the endogenous variables of the study have Q squared coefficient within the limits & thus has good predictive validity.

7.5.3 Block Variance Inflation Factor (Multicollinearity Assessment)

Block Variance Inflation Factors are given by PLS for each latent variable that has two or more predictors in a latent variable block. Block VIFs are not shown for latent variables with only one predictor or no predictor. This is a measure of vertical collinearity (Kock & Lynn, 2012). It refers to predictor-predictor collinearity in a latent variable block containing one or more latent variable predictors and one latent variable criterion (Kock & Lynn, 2012). The rule of thumb for no vertical collinearity in a latent variable block is Block VIFs of 3.3 or lower. In the present study also the Block VIFs are below 3.3 and thus vertical collinearity can be ruled out.

Table 7.22 Block Variance Inflation Factors

	SC_MS	SC_WF	JI	SB	EI	SC_CO
SC_MS						
SC_WF						
JI	1.544	1.433				1.887
SB	1.636	1.584	1.984			2.33
EI						
SC_CO						

7.6 Mediation Analysis

The mediation analysis followed the Baron and Kenney (1986) approach for testing mediation. Sobel test statistic was computed to confirm the mediation effect. Baron and Kenney (1986) approach is one of the most widely used procedure to test the effect of a mediator on a relationship between an independent variable and a dependent variable. Baron and Kenney procedure confirms mediating influence when the following conditions are satisfied in a relationship.

a) Independent variable should have significant effect on the mediator variable.

b) Independent variable must significant effect on dependent variable.

c) The mediator should have significant effect on the dependent variable.

d) If, the above conditions hold and are in predicted lines, the effect of independent variable on the dependent variable when the effect of mediator is also controlled should be less than its direct effect on dependent variable.

There is perfect or total mediation when the direct path is non-significant in a mediation model. The path significance of the indirect effect can be computed by Sobel test (Sobel, 1982). The test gives the significance of the indirect effect of independent variable on dependent variable.

7.6.1 Analysis of Mediating Effect of job involvement in Service Climate -Service Behaviour relationship

In the present study, the mediation effect of job involvement on service climate-service behaviour relationship is studied. Service Climate dimensions of Customer Orientation, Managerial Support and Work Facilitation are separately analyzed for this purpose.

a)   Mediation by Job Involvement in the relationship between Customer Orientation and Service Behaviour

Firstly, the mediation effect of Job Involvement on Customer Orientation dimension of Service Climate with Service Behaviour relationship is checked. Table 7.23 gives the path coefficients for analysing the mediation-effect of Job Involvement on the relationship between Customer Orientation and Service Behaviour.

Table 7.23 Path coefficients with Job involvement (in SC_CO and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_CO -> SB (With JI)	0.56	p<0.01	
JI -> SB	0.26	p<0.01	0.57
SC_CO -> JI	0.59	p<0.01	

The Table 7.24 gives the path coefficients and significance for the model without the mediator job involvement.

Table 7.24 Path coefficients without Job involvement (in SC_CO and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_CO -> SB	0.73	p<0.01	0.53

The model with job involvement had an R^2 of 0.57 and without job involvement had an R^2 value of 0.53. It can be seen from the Tables 7.23 and 7.24 that all conditions for establishing mediation are met. Therefore, as per Baron and Kenney (1986) approach, there exists a mediational influence of Job involvement in the relationship between Customer Orientation and Service Behaviour. Now, using Sobel test the significance of the mediating effect can be found. Sobel test statistic is 4.813 which is significant at *p<.05* (i.e., greater than 1.96 for significance at *p<.05*). Therefore, partial mediation of job involvement is statistically significant.

b) **Mediation by Job Involvement in the relationship between Managerial Support and Service Behaviour**

The mediation effect of Job Involvement on Managerial Support dimension of service climate- service behaviour relation was analyzed using the same approach. The Table 7.25 gives path coefficient and R^2 values. All values are significant at p<0.01. Taking Table 7.25 and Table 7.26 together, it can be understood that all the conditions of mediation are met. Thus it is concluded that there is a mediation effect of job involvement in managerial support-service behaviour relationship.

Table 7.25 Path coefficients with Job involvement (in SC_MS and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_MS -> SB (With JI)	0.30	p<0.01	0.45
JI -> SB	0.46	p<0.01	
SC_MS -> JI	0.59	P<0.01	

Table 7.26 Path coefficients without Job involvement (in SC_MS and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_MS -> SB	0.56	p<0.01	0.31

Therefore, as per Baron and Kenney (1986) approach, there exists a mediational influence of Job involvement in the relationship between Managerial Support and Service Behaviour. Now, using Sobel test the significance of the mediating effect can be found. Sobel test statistic is 3.58 which is significant at *p*<.05 (i.e., greater than 1.96 for significance at *p<05*). Therefore, partial mediation of job involvement is statistically significant.

c) Mediation by Job Involvement in the relationship between Work Facilitation and Service Behaviour

Finally, Mediation effect of Job Involvement in the relationship between Service climate dimension of Work facilitation and Service Behaviour was tested. It can be understood from the Table 7.27 and Table 7.28 that all conditions of Barron & Kenny (1986) hold and are in the predicted direction. Hence job involvement mediates the relationship between Work Facilitation and Service Behaviour.

Table 7.27 Path coefficients with Job involvement (in SC_WF and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_WF -> SB (With JI)	0.33	p<0.01	0.57
JI -> SB	0.46	p<0.01	
SC_WF -> JI	0.44	P<0.01	

Table 7.28 Path coefficients without Job involvement (in SC_WF and SB relationship)

Paths	Path Coefficient	Sig.	R^2
SC_WF -> SB	0.56	p<0.01	0.53

Using Sobel test the significance of the mediating effect can be found. Sobel test statistic is 5.51 which is significant at $p<.05$ (i.e., greater than 1.96 for significance at $p<05$). Therefore, partial mediation of job involvement is statistically significant.

7.7 Model Fit Indices

The analysis using WARP PLS yields several model fit and quality indices. The interpretation of these indices depends on the goal of SEM analysis. It is of great significance if one tests for "whether one model has a better fit with original data than another" (Kock & Lynn, 2012, pg. 50). Several criteria are recommended for each of these indices. The important ones among them are discussed in detail in the section following:

Table 7.29 Model Fit Indices

Indices	Values	P value	Decision Rule
Average Path coefficient	0.357	p<0.001	
Average R-squared	0.44	p<0.001	
Average adjusted R squared	0.437	p<0.001	
Average full collinearity VIF (AFVIF)	1.797	-	acceptable if <= 5, ideally <= 3.3
Tenenhaus GoF (GoF)	0.468	-	small >= 0.1, medium >= 0.25, large >= 0.36
Sympson's paradox ratio (SPR)	1	-	acceptable if >= 0.7, ideally = 1

7.7.1 Average Path coefficient

The average path coefficient in this study is 0.357 at p less than 0.001. According to Kock (2015), the p value of Average Path Co-efficient (APC), Average R- Squared (ARS) and Adjusted Average R Squared (AARS) should be equal to or less than 0.05 to be significant.

7.7.2 Average R Squared & Average Adjusted R Squared (ARS & AARS)

Average R Squared is 0.44 at p less than 0.001. Average Adjusted R Squared is 0.437 at p value of $p<0.001$. The AARS is generally lower than the ARS for a given model. This happens because they are values adjusted for spurious increases in R-squared coefficients due to predictors that add no explanatory value in each latent variable block. The model of this study has good predictive validity.

7.7.3 Average Full Collinearity VIF (AFVIF)

Average Full Collinearity VIF is 1.797. Full Collinearity VIF represents multicollinearity. This index "adds to a comprehensive assessment of a model's overall predictive and explanatory quality" (Kock & Lynn, 2012, pg.51). The VIFs are calculated based on a full collinearity test (Kock & Lynn, 2012) and enables vertical & lateral collinearity check. This allows for a collinearity check involving all latent variables in a model. A rule of thumb for existence of no multicollinearity and common method bias is full collinearity VIFs of 3.3 or lower (Kock, 2015). In this study, it is within the permissible limit and hence the model is free from issues of multicollinearity. This is an accepted test for Common Method Bias.

7.7.4 Tenenhaus GoF (GoF)

Tenenhaus Goodness of Fit (GoF) for the model in this study with service behaviour as the dependent variable is 0.468. Tenenhaus GoF is a measure of explanatory power of the model. It is calculated as the square root of the product between average communality index and the Average R Squared. The proposed threshold for GoF is equal to or greater than 0.10, 0.25 & 0.36 for small, medium & large fit (Wetzels, Odekerken-Schröder & Van Oppen, 2009). For the present study, the Tenenhaus GoF is 0.468 indicating a large fit.

7.7.5 Sympson's Paradox Ratio (SPR)

The SPR index refers to the extent to which a model is free from Sympson's Paradox Instances which is a causality problem, indicating that a hypothesized path is either implausible or reversed (Pearl, 2009). An instance of Sympson's Paradox occurs when a path coefficient and a correlation arises associated with a pair of linked variables having different signs. The ideal value is 1. Sympson's Paradox Ratio (SPR) is 1. Hence the model is free from Sympson's Paradox.

7.8   Summary of the results of   Hypotheses testing

Table 7.30 summarizes the results of all the hypotheses formulated for the study. It shows the results of hypotheses testing related to the latent variables in the conceptual model, mediation effect of Job Involvement and those related to personal and occupational factors and the outcome variable of the study- Service Behaviour.

Table 7.30 Summary of the results of Hypotheses testing

Hypothesis No.	Path coefficient	P value	Result	Remarks
H 1: EI->CO	0.70	p<0.01	√	Figure 7.4 and Table 7.20
H 2: EI->MS	0.54	p<0.01	√	
H 3: EI->WF	0.60	p<0.01	√	
H 4: CO->SB	0.43	p<0.01	√	
H 5: MS->SB	0.15	p<0.01	√	
H 6: WF->SB	0.16	p<0.01	√	
H 7: CO->JI	0.29	p<0.01	√	
H 8: MS->JI	0.36	p<0.01	√	
H 9: WF->JI	0.14	p=0.01	√	
H 10: JI->SB	0.18	p<0.01	√	
Results of Mediation Analysis				
H 11	Mediation of Job Involvement in customer orientation-service behaviour relationship		√	Table 7.23 and Table 7.24
H 12	Mediation of Job involvement in managerial support-service behaviour relationship		√	Table 7.25 and Table 7.26
H 13	Mediation of Job involvement in work facilitation-service behaviour relationship		√	Table 7.27 and Table 7.28
Hypotheses related to personal and occupational factors				
H 14	Age and Service Behaviour		×	Table 7.1
H 15	Gender and Service Behaviour		√	Table 7.2
H 16	Educational Qualification and Service Behaviour		√	Table 7.3
H 17	Income and Service Behaviour		×	Table 7.4
H 18	Experience and Service Behaviour		×	Table 7.5
H 19	Bank Type and Service Behaviour		√	Table 7.6

7.9 Conclusion

This chapter dealt with tests of hypotheses and analysis of conceptual model. The hypotheses related to the study variables were tested using PLS—SEM. Using various coefficients and parameters the proposed model was tested using the data collected and it was supported. Model fit indices, assessment of multicollinearity and Common Method Bias are given. Multicollinearity and Common Method Bias were ruled out based on the statistical reports obtained. Results of ANOVA to examine the influence of demographic variables on service behaviour are also presented.

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Chapter **8**

DISCUSSION OF FINDINGS

This chapter gives the major findings of the study. It begins with restatement of the hypotheses of the study. The study findings are based on data analysis and interpretation. A detailed discussion of findings with respect to the constructs under study is made. Results of Mediation Analysis is also given. It is followed by discussion related to the outcome variable- service behaviour and personal and occupational factors like age, gender, educational qualification, income, experience and bank type.

8.1   Overview for Discussion

The objective of the present study was to understand employee service behaviour and to examine its relation with emotional intelligence, service climate and job involvement. The study was done in banking context and included both public sector and private sector. Data was collected using questionnaire and analysis was done using statistical

techniques like Correlation analysis, ANOVA and Structural Equation Modelling. Thirteen hypotheses were stated related to conceptual model of the study. Six other hypotheses were related to their personal and occupational factors. The hypotheses for the study were:

H1: Emotional Intelligence has a positive impact on Customer Orientation.

H2: Emotional Intelligence has a positive impact on Managerial Support.

H3: Emotional Intelligence has a positive impact on Work Facilitation.

H4: Customer Orientation directly and positively affects Service Behaviour.

H5: Managerial Support directly and positively affects Service Behaviour.

H6: Work facilitation directly and positively affects Service Behaviour.

H7 Customer Orientation directly and positively affects Job Involvement.

H8 Managerial Support directly and positively affect Job Involvement.

H9 Work facilitation directly and positively affects Job Involvement.

H10 Job involvement positively impact Service Behaviour

H11: Job involvement mediates the relation between Customer Orientation and Service Behaviour

H12: Job Involvement mediates the relation between Managerial Support and Service Behaviour

H13: Job involvement mediates the relation between Work facilitation and Service Behaviour

H14: There is a difference in Service Behaviour of employees with respect to age.

H15: There is a difference in Service Behaviour of employees with respect to gender.

H16: There is a difference in Service Behaviour of employees with respect to educational qualification.

H17: There is a difference in Service Behaviour of employees with respect to income.

H18: There is a difference in Service Behaviour of employees with respect to experience.

H19: There is a difference in Service Behaviour of employees with respect to bank type as public or private.

8.2 Major findings of the study

The major findings of the study are given briefly in this section. The findings of the study with respect to the hypotheses are given here. These findings emerged from the analysis of the data collected for the study purpose:

1) Emotional Intelligence has a significant positive impact on Customer Orientation.

2) Emotional Intelligence has a significant impact on Managerial Support.

3) Emotional Intelligence directly and positively affect Work Facilitation.

4) Customer Orientation has a positive and direct impact on Service Behaviour.

5) Managerial Support directly and positively impact Service Behaviour.

6) Work Facilitation has a direct and positive effect on Service Behaviour.

7) Customer Orientation directly and positively impact Job Involvement.

8) Managerial Support has a significant impact on Job Involvement.

9) Work Facilitation significantly and positively affect Job Involvement.

10) Job Involvement positively impact Service Behaviour.

11) Job Involvement partially mediates the relationship between Customer Orientation and Service Behaviour.

12) Job Involvement has a partially mediating effect on the relationship between Managerial Support and Service Behaviour

13) Job Involvement partially mediates the relationship between Work Facilitation and Service Behaviour.

14) There is no difference in service behaviour with respect to age of the frontline bank employees in Kerala

15) Service behaviour shows variations with respect to gender as male or female.

16) There is difference in employee service behaviour as regards qualification of employees as pre degree, diploma, graduate and post graduate.

17) Service behaviour does not show variation with respect to income of the employees.

18) Service behaviour does not show variation with respect to experience of the employees.

19) Frontline bank employees of private sector banks exhibit higher service behaviour than such employees in public sector banks as per the present study.

8.3   Discussion of Results

The major findings of the study are discussed in detail in this section. A comparison with earlier findings is done, considering the presumptions based on which hypotheses were formulated.

8.3.1 Emotional Intelligence & Service Climate

The relationship between Emotional Intelligence and Service Climate was studied in terms of its dimensions as Customer Orientation, Managerial Support & Work Facilitation. There were studies explaining the relationship between EI and service climate, however studies explaining specific relation between EI and specific dimensions of service climate were not found in the literature. Empirical studies relating these constructs were also rarely found. Separate hypotheses were formed to explore these major dimensions of service climate to get deeper understanding of the relationship between the constructs.

There are lot of challenges faced by employees in frontline. This is very much evident in banking sector also. Much thrust is given to customer focused strategy. The increasing customer expertise and their market knowledge demands more effort, especially from the side of customer contact employees. This is especially true in banking sector, where customer relation and its management has long lasting effect on banking business. In this context, EI was presumed to be a variable that can make positive results in service encounters in banking sector and the same is proved during the data analysis of frontline employees in banking sector as per this study.

The present study has empirically brought out a positive relationship between emotional intelligence and employee perception of service climate. The findings of the study confirm the need for development of EI among frontline employees for enhancing their service climate perception

Emotional intelligence is the ability to perceive emotions, to assess and generate emotions so as to assist thought, understand emotions and emotional knowledge, and to effectively regulate emotion so as to promote emotional and intellectual growth (Mayer & Salovey,1997). Thus awareness and regulation of one's own emotions are important dimensions of EI. In addition, the employees need to understand and recognize how a customer feels at any time during his interaction with the employee. This will add emotional value to their job. By developing EI, individuals can become more productive and successful at what they do. Individuals have different personalities, wants, needs and ways of showing their emotions. To succeed in different situations, requires tact,

shrewdness and flexibility in management of emotions of oneself and the prospective customer.

Delcourt, Gremler, Riel & Bergelen (2013) found that emotionally competent employees are likely to succeed in building rapport and with their customers, which results in customer satisfaction and loyalty. They further suggest that managers of high contact services should therefore pay attention to emotional competence, when hiring new employees and promote training and development in such competencies. Emotions play a very important role in the customer employee interaction. In some cases, feelings take on monetary worth because emotional displays influence the customers' future behavioural intentions like return intent and word of mouth (Fox, 2001).

A study by Beigi and Shirmohammadi (2011) showed that training service employees in EI led to enhanced personal and interpersonal competencies of employees and such training resulted in higher levels of perceived service quality among customers. Customers demand flexibility and customization in service encounter. Successful customization requires that frontline employees actively recognize customer emotions and orient their behaviour accordingly. This is more likely in case of employees with higher emotional intelligence. The findings of this study are also indicative of this.

There are many attributes in a service encounter that actually a bank customer will look at, including the tangibles like the core product and servicescapes. These attributes are not under the control of the employee. Employees can only control the service experience of the customers by

the way they deliver the service. The effectiveness of the service encounter is thought to be contingent on the emotions expressed by customer contact employees (Czepiel, Solomon, & Surprenant, 1985). Thus, what is most under their control is the emotions they express to the customers during the service encounter. In line with this argument the present study tested the hypotheses relating emotional intelligence of employees with customer orientation, managerial support and work facilitation. A detailed discussion of the results of the study with respect to Emotional intelligence and service climate dimensions is given here.

Firstly, Emotional Intelligence and Customer Orientation dimension of Service Climate is discussed. The study results found that EI significantly influence customer Orientation. This finding is in line with Brown, Mowen & Donovan (2002). The authors report that emotional instability of service workers reduces their customer orientation. The inconsistency of emotion may be associated with weakened ability and/or motivation to serve customers well. It will also result in fluctuating desire to serve the customers. It means that if the frontline employees have higher EI, they will have deeper insights into customer emotions and in that way customer' needs, wants and priorities can be sensed by the employees. This is because high emotional intelligence indicates appraisal of emotion of oneself, others emotion appraisal, regulation of emotions and understanding of emotions. As customer orientation is related to the emphasis that banks give to customers, customers interest being of utmost importance, customers being informed of the changes that affect them, responding to their feedbacks etc., frontline employees with

high EI will be better equipped with understanding customer emotions and respond to it.

Organizations are social systems and organizational members interact with one another as also customers. These interactions involve and invoke emotions that underlie human behaviour. Thus in service industries, it is particularly important that individuals develop their ability to understand and manage their own emotions and others emotions. Employees with high EI will be able to respond appropriately than employees with low EI, which is because of their ability to shift easily from negative to positive moods. Since they are equipped with the ability to understand, regulate and alter affective reactions of others (Salovey & Mayer, 1990), employees with higher EI are better prepared to perceive the need for help (Abraham, 1999). Rozell, Pettijohn and Parker (2004) found that a sales person's customer orientation is significantly related to his emotional intelligence. Employees with high EI are able to comprehend organizational norms and rules and show high levels of sensitivity toward informal behavioural expectations in their work place, toward their customers.

Secondly, Emotional intelligence and Managerial Support dimension of Service Climate is discussed. As per this study, Emotional intelligence of employees had a significant positive impact on the employee perceptions of Managerial support as felt by the employees. Managerial support here implies the support that the employee gets from his immediate manager, when it comes to service. It includes the perception of employees as to how supportive the manager is towards the employees'

ideas to improve his service to customer, encouragement, guidance and commitment to their activities related to customer service. According to Kallas (2010), for employees with higher emotional intelligence competency, the activities going on at work seemed to be more positive. In that sense, employees with higher EI are likely to perceive the support from managers and immediate supervisors in a positive manner. Employees in that case are likely to understand the need of the organization and respond to the requirement of superior service. Individuals who have negative emotions tend to interpret situations in a negative manner and are likely to accentuate negative aspects of most situations (Watson and Clark, 1984). James (2004) states EI as a person's ability that help him to use emotion as a guiding tool for interpersonal effectiveness in his or her social environment. They tend to create a win-win relationship and outcome for themselves and others while interacting with members of a social environment. Cole, Bruch & Vogel (2006) reports that employee's positive or negative emotions is an important determinant of the perceived supervisor support. Linking these studies, the present finding is an eye opener since it has given evidence to the fact that higher EI results in better perception of managerial support in the work setting as felt by the employee.

Nextly, Emotional Intelligence and Work Facilitation dimension of Service Climate is discussed. Emotional intelligence was found to have a significant impact on Work facilitation. It is likely that emotional intelligence makes a difference in the way employees perceive the level of work facilitation in the organization. Not all employees in the organization identify and recognize work facilitation in the same manner.

Employees with higher EI are more prone to understand this arrangement inbuilt in the organization for better service and retort towards its intention. Employees themselves are part of this facilitation process. It is equally important that positive work facilitation be felt by the employees and each employee be a contributory to that work facilitation to other workmates. In that sense, understanding the emotions of workmates, regulating the emotions and management of emotions will aid in better perception of work facilitation by the employees. Emotional intelligence is about emotional adjustment and a lack of negative affect (Salvaggio, Schneider, Nishii, Mayer & Lyon, 2007), which may be positively related to an ability to consistently face emotionally stressful situations. This will also contribute to a positive work facilitation perception by the employees.

8.3.2 Service climate and Service Behaviour

It is widely accepted that service culture has a direct effect on service behaviour (Zerbe, Dobne & Harel, 1998). Hypotheses were tested relating customer orientation, managerial support and work facilitation dimensions of service climate with employee service behaviour. The study results with respect to these constructs are discussed here.

Customer Orientation was found to significantly influence service behaviour. The importance of orienting a company's activities towards the customer has been known since very long. It means that the whole organization should focus on the customer and customer be the focus for planning and strategic decisions. Here customer orientation is studied as a part of service climate and includes set of beliefs which place customer

interest at prime, generating & using information about customers & creating systems to act on such information. Customer Orientation emphasizes meeting customer needs for improving service. In Services Marketing literature, it is called value based customer orientation (He, Li & Lai, 2011). The culture of customer oriented organization positions the employees to better understand the needs of customers. Climate is nothing but the manifestation or observable part of culture. When employees feel that high service to customers is valued in the organization, they are likely to respond by investing more time and energy in such activities. In line with the findings of the present study, Bettencourt, Brown and Mackenzie (2005) observes that customer orientation has impact on service behaviours of employees.

Managerial Support was found to have a significant positive impact on employee service behaviour. This finding that managerial support is significant in directing the service behaviour of employees reinforces the role that managers play in establishing the service focus of banks. If employees are part of an organization with strong service culture, and have the management support to provide better service, employees are likely to do so. There can be varying situations that an employee will have to deal in different service encounters with different customers. Each customer is different and the demands of each customer vary from time to time. Without the right support structures within the organization and guidance from management, potentially stressful work environment can take a negative toll on employees. However, by supporting and recognizing for superior service, managers can create environments in

which meeting customer demands is facilitated, supported, and encouraged. In particular, managers need to make it clear to their subordinates that customer service is a priority (Schneider et al., 1998). Explicitly, it can be done by recognizing and rewarding employees who provide good service, ensuring that employees have the autonomy to make service- related decisions, and by clearing roadblocks to providing excellent service. Frontline employees are likely to gain confidence in their ability to serve customers through repeated observation of their manager's favorable treatment of themselves. This will be reflected in their service behaviors as a consequence of fair interpersonal leadership behaviours.

Work facilitation was found to have a positive impact on employee service behaviour. Meeting customer service standards places numerous demands upon employees. Service employees need knowledge and access to information to help solve customer problems (Berry, Parasuraman, & Zeithaml, 1994). Environments change the emphases that employees perceive with respect to service delivery. For example, managers should facilitate work of the employee by complete service booklets, so that they know how to deal with each situation. Similarly, mutual co-operation and communication among employees should be encouraged. A job well done should be appreciated and in that way positive service behaviour can be affirmed. The present study proves that work facilitation will positively impact in employee service behaviour.

8.3.3 Service climate and Job Involvement

When frontline employees perceive that the organization emphasizes customer service, they are likely to respond by investing more time and

energy toward the same. Service climate-job involvement relation was assessed in detail with dimensions of service climate as customer orientation, managerial support and work facilitation. As already discussed in the literature job involvement is perceived as a reflection of work experiences (Cohen, 1999) and the present study also found strong positive relation between all the dimensions of service climate and job involvement. Detailed discussion of the relation dimension-wise is presented in the following paragraphs.

A strong positive relation was found between customer orientation and job involvement. This is in conjuncture with study by (Pettijohn, Pettijohn & Taylor, 2002) in which the level of customer orientation was significantly related to the interest and commitment shown by sales people. In line with this, the present study indicate that if the perception of customer orientation within the bank is perceived as high, it is likely to be reflected in the level of involvement of employees with respect to their job.

Managerial support dimension in the present study was strongly correlated with job involvement. As managerial practices support employees in their actions with respect to service and their ideas for a better service is encouraged, this will naturally motivate them to be more involved. Management's good intention and desires will not mean anything if it is not perceived as such by the employees. For the same reason, taking an employee's perspective of the managerial practices is very important and the same has been attempted in this study. Also this support exert an influence in the minds of the employees as they feel fairly treated and are energized to work harder for the support given.

Job involvement was affected by the level of work facilitation felt by the employees, as per the findings of the study. If the job roles are clear, and required manuals are available, rewards and recognitions are given for a job well done, it will result in more involvement in work.

8.3.4 Job Involvement and Service Behaviour

For highly involved employees, their jobs seem inexorably connected with their very identities, interests and life goals, and are crucially important (Mudrack, 2004). Job involved individuals believe that personal and organizational goals are compatible (Chay and Aryee, 1999) and they invest more time in desirable behaviours. Here service behaviour was measured as in role, extra role and ability in terms of knowledge and skill for the performance of the service role. The significant positive correlation can be justified on the above grounds.

8.3.5 Mediating role of Job Involvement in Service climate- Service Behaviour relationship

Mediating role of job involvement in service climate was tested separately with each dimension of service climate. The results show that there is a partial mediating effect of job involvement between the service climate and service behaviour. This finding is similar to the study by Dimitriades (2007), according to which job involvement was found to be partially mediating the service climate - service behaviour relationship. it implies that service climate generates perceptions among frontline employees concerning the practices, procedures and processes that are supported with regard to customer service and influence their willingness

to "work harder and smarter" (that is, their identification/involvement with their job) and making them eager to engage in superior service behaviours.

8.3.6 Age, experience, income

The present study has brought out no significant variation in Service Behaviour with respect to age, experience and income. These were separately tested and it was found that employee service behaviour does not vary with age, experience or income. Mor-Barak (1995) reports that aging workers are more likely to contribute to work performances and they consider it as their professional heritage in the organization. Desmette & Gaillard (2008) observes that older people will gradually withdraw themselves from the work context, and instead shift their priorities to seeking fulfillment in the private life sphere. Thus the finding with respect to age and employee's work performance is mixed. The present study could not establish variation in service behaviour with respect to age. Taking the findings from present study related to age and experience relating to Service Behaviour, it may be concluded that mere passage of time in one's life will not develop service behaviour.

According to Chen (2016), income was found to have significant explanatory power on employee's service behavioural intention. However no association could be established with respect to income and service behaviour in the present study. One possible explanation for this discrepancy may lie in the nature of samples studied. Possibly, it might not be mere income that influence employee service behaviour, there can be intervening factors that works between income and service behaviour.

8.3.7 Gender, Educational Qualification and Bank Type

Analysis of the present study shows that there is significant difference in employee service behaviour with respect to gender, educational qualification and bank type.

The finding with respect to gender is similar to Mathies and Burford (2011), in which data was collected from 876 frontline employees and it was found that males and female differ in their service skills. Males have a more functional, outcome-oriented interpretation of customer service, whereas females focus more on the actual service interaction and emotional outcomes. This is in contrast to the study findings of Kim, McCahon, and Miller (2003) who claimed that there is no significant gender impact on service orientation of employees (as cited by Petrović, Jovanović, Marković, Armenski, & Marković (2014).

The level of educational qualification was found to influence service behaviour. Similar reports have been made by Clark-Rayner & Harcourt (2000), wherein the authors remarked that performance in a job is more likely to be better for highly educated employees.

With regard to variation in service behaviour with respect to bank type as public and private, the present study showed significant differences. It is comparable with study by Gudep and Elango (2006) that focused on the quality of services among private, public and foreign banks in India. The analysis revealed that the foreign and private sector banks were serving the customers better than public sector banks. They observe that this is an indication of the variation in customer service

delivery aspects among various bank types (as cited by Dhar and Kushwah, 2009). Similarly Akhilesh and Vinay (2015) reports that new generation private sector banks and foreign banks enjoy a lead with regard to serving customers, when compared to public sector banks.

8.4 Conclusion

This chapter gives the major findings of the study. A detailed discussion with respect to each finding is made. It also compares with findings of related studies done previously in the area.

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Chapter **9**

RESEARCH SUMMARY, IMPLICATION & CONCLUSION

In this chapter summary of research and theoretical and managerial implications of the study are discussed. Further the chapter discusses further scope for research with respect to these constructs of the study. Conclusion of the research is given at the end of the chapter.

9.1 Summary of Research

Service is very important in the banking sector. Especially in the banking sector, as financial products are undifferentiated products and banks should strive for a difference in terms of service. In that context, the role of frontline employees is very critical. Customers interact with the employees and they equate employees as the representation of the organization itself. It is in this background that the employee service behaviour of frontline bank employees is examined.

The present study is an effort to explain the relationships between Service Behaviour (SB), Emotional Intelligence (EI), dimensions of Service Climate (SC) and Job Involvement (JI) in banking context. It tries to bring empirical support for the role of EI, the three SC dimensions as Customer Orientation, Managerial Support & Work Facilitation and JI in Service Behaviour in the domain of frontline bank employees. The major objectives of the study were as follows:

1) To explain the relationship between Emotional Intelligence and service climate in terms of Managerial Support, Customer Orientation and Work Facilitation .

2) To establish the linkage between service climate (managerial support, customer orientation and work facilitation) and job involvement.

3) To empirically test a model linking Emotional Intelligence, Service Climate, Job Involvement and Service Behaviour.

4) To study the mediating role of job involvement in service climate dimensions and service behaviour.

5) To study any difference in employee perception of service behaviour by virtue of bank type as public or private.

6) To study whether employee service behaviour vary based on age, gender, educational qualification, income and experience

A sample of 528 frontline bank employees from various public and private sector banks in Kerala were drawn for the study purpose. The data

has been collected using previously tested and validated instruments. Hypotheses were formulated based on the study objectives and literature review. The hypotheses were tested using appropriate statistical techniques. Factor Analysis was employed to check the factor validity and reliability of the measurement scales in the study context. Hypotheses related to the constructs in the conceptual framework of the study were tested using PLS-SEM. For testing the hypotheses related to personal and occupational factors and its influence on employee service behaviour, ANOVA or independent sample t test was employed. The major findings of the study are as shown below:

1) Emotional Intelligence of employees contributed to employee perception of service climate dimensions. All the three dimensions of service climate as customer orientation, managerial support and work facilitation were enhanced with higher levels of emotional intelligence.

2) Positive linkages were found among the study variables- EI, service climate dimensions, job involvement and service behaviour.

3) Model linking service behaviour to emotional intelligence, service climate dimensions of customer orientation, managerial support & work facilitation and job involvement was supported and had an acceptable model fit.

4) Job involvement had the role of mediator in the relationship between service climate dimensions and service behaviour. Although mediation analysis using Baron & Kenny approach

yielded positive results with all the three dimensions of service climate, it was only in terms of partial mediation.

5) Service behaviour of frontline bank employees showed variations with repect to bank type. Frontline bank employees in private sector exhibited higher service behaviour compared to public sector as per this study.

6) As regards age, experience and income, there was no significant influence on service behaviour of employees. However gender and educational qualification had significant influence on employee service behaviour.

9.2 Implications of the study

In terms of practical relevance of this research, a number of managerial implications may be derived. Understanding the role of emotions at work make it possible to deal with one's own and others' emotions. This understanding will provide clues about how individuals relate their emotions with that of customers. People with high emotional intelligence are able to adjust their own and others emotions to make the best out of a situation. According to Rozell et al. (2006), employees who perceive "best" in situations are likely to show good performance level. In research by Kallas (2010), for employees with high scores in emotional competency, the activities going on at work seemed to be more positive. This means that the ability and skill to manage emotional states is beneficial in order to perceive activities as more positive and internalize the organizational policies. The present study has also indicated the same as high EI was correlated with higher levels of customer orientation,

managerial support and work facilitation. As per Turner & Stets (2005), emotions make culture meaningful and give it power to regulate behaviour and thinking. Climate is the manifestation of culture and therefore it is reasonable to accept that emotions will affect how employees perceive the said dimensions of service climate.

Emotionally intelligent individuals are more aware of their own and others feelings and use emotion at appropriate times (Mayer & Salovey, 1993). It is like a double edged sword. While awareness of emotions is something that can be taken advantage of, at the same time it may often undermine rational selection of optimal courses of action (Leith & Baumeister, 1996). As emotional intelligence means intelligent use of emotions, people with greater emotional intelligence are more capable of selecting the optimal course of action. As EI is described as a learned behaviour (Goleman, 1995, 1998), organizations can try to imbibe EI through training of the employees. In the present study also, as EI was positively and significantly related to customer orientation, managerial support and work facilitation, and that in turn affects employee service behaviour, EI training can be used as a tool to effect employee service behaviour.

An important implication of the study results is that of relating various underlying dimensions of service climate and insights into its relationship with EI, job involvement & service behaviour. Interaction between an employee and customer takes place within the context of an underlying culture. Poor service can therefore be attributed to lack of customer service philosophy within the organization resulting in negative attitude of

employees towards customers. However if the concept of service is embedded in the organizational policies in terms of customer orientation, managerial support and work facilitation for service, it will result in better employee service behaviour. Thus the organization can monitor which aspect of service climate will elicit among employees, the desired behaviour that will encourage service performance. Given that employees are the key to sensing the service climate, organizations may regularly assess employees' perceptions about various aspects of service climate to understand how effectively organizations are implementing the strategy of providing quality service and to what extent a service-quality culture has taken roots among frontline service employees. Schneider, Paul, and White (1998) noted that there is no need to wait for evidence of the market impact of new goals to know whether the goals are effective; goals will not be effective if employees' energies and competencies are not focused on them (as cited by Hong et al., 2013) . As service climate is a more proximal reflection of an organization's philosophy and practices than other outcomes, service climate can be considered as a diagnosis tool to detect any flaws in the organization' service practices that requires an action.

Service climate is correlated with customer's perception of the service rendered by the organization (Anderson, 2006). From a practical point of view it is important for managers to be aware of employees' perceptions about work realities. A positive view of an employee's immediate work environment would build up both discretionary as well as non-discretionary role perceptions. Most of the times, customers are also participants in the service process. Their nature of participation is dynamic and it is not under the control of the organization. The only thing

under the control of the organization is the employee behaviour. Therefore it is vital that managers design their subordinates' work responsibilities in such a manner that they identify the importance of service in their work context.

The findings are in accordance with the Service Profit Chain theory (Heskett, 1986), which is founded on the grounds of "strategic service vision". The SPC emphasizes a conducive environment for employees. The service climate construct in this study can be equated with the 'conducive environment' in SPC. Hong et al. (2013) observed ample scope for integrating service climate in service profit chain and states that it is the missing link in SPC theory. In SPC model, the internal service quality that includes practices adopted to achieve service excellence is an important element for profitability. It states that internal service quality leads to "value" for customers and this value leads to retention and profits for the organization through customer satisfaction and customer loyalty. Present study confirms the fact that service climate is important in the formation of employee service behaviour. And in turn it is widely accepted that employee behaviour especially in the frontline is an important determinant of customer perception of the organization. Stewart (1998) reports that how customers are treated by employees is related to switching of services. Similarly Gerrard and Cunningham (2004) identified incidents related to service provider like unacceptable behavior and attitude or knowledge of staff members among factors that results in switching behaviour by customers. Thus poor performance of the employees and high possibility for switching are major headaches in banking sector, especially with the emergence of many private banks with

wide range of offers and services to attract the customers. In line with findings from this study, organizations can develop appropriate training programmes, which can improve the emotional intelligence of the employees in order to enhance the service behaviour of frontline employees.

The study has relevance in terms of academic and theoretical perspective. Although there are many publications in the area of service climate, empirical studies are very few, and mostly related sectors like restaurants, hospitals and call centres. This study has empirically tested a model relating service climate with emotional intelligence and service behaviour. The findings of the present study can be used for developing new models in the area of employee service behaviour.

9.3   Scope for further Research

As this study is confined to public and private sector banks in Kerala, generalizability is possible only to that extent at least in case of some of the findings. Moreover norms of service delivery and emotions vary across cultures. Further research could consider the cross cultural stability as well as sectoral generalizability of present findings.

In the present study, overall emotional intelligence has been measured and there was no micro analysis on effects of various components of El as self emotion appraisal, others emotion appraisal, regulation of emotion and understanding of emotion. A research attempt deep into relating each of these dimensions with service climate dimensions may give better results that can be effectively used while designing training programmes for enhancing EI.

Customer assessment of employee service wasn't made in the study. A dyadic study with employee perceptions of EI, service climate dimensions, job involvement and relating it with customer evaluation of employee service will give more worthwhile results realted to the relationships among the study constructs. Moreover, this study is cross sectional in nature and longitudinal study can be done to validate the current findings.

9.4 Conclusion

The present study was done with the intention to understand the relationship between EI, service climate dimensions as customer orientation, managerial support & work facilitation, job involvement and employee service behaviour in the banking context. Primary data was collected from frontline bank employees to determine the nature of the relationship between the study constructs. The model proposed based on literature review and related theories was empirically tested. The study establishes that emotional intelligence and service climate are important in service behaviour of employees, which is in support of the basic argument of this research.

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▓▓▓Appendix▓▓▓

Profile of the employee

Kindly respond to the following items in order to provide the background information for the research

Name (Optional)……………………

1) Gender
   - ☐ Female
   - ☐ Male

2) Age ……………

3) Highest qualification held
   - ☐ Pre-degree
   - ☐ Diploma
   - ☐ Graduate
   - ☐ Post graduate

4) Income
   - ☐ Below ₹ 25,000
   - ☐ ₹ 35,001 - ₹ 45,000
   - ☐ ₹ 55,001- ₹ 65000
   - ☐ Above ₹ 75,000
   - ☐ ₹ 25,001 - ₹ 35,000
   - ☐ ₹ 45,001 - ₹ 55,000
   - ☐ ₹ 65,001 - ₹ 75,000

5) Total Experience ……………..

6) Experience in the present bank……………….

7) Bank type

Appendix II

Section A (Emotional Intelligence Scale)

Directions: Please read each statement carefully and circle one response that best represents your opinion with respect to your work role.

Strongly Disagree	-	**1**
Disagree	-	**2**
Neither agree nor disagree	-	**3**
Agree	-	**4**
Strongly Agree	-	**5**

1.	I have good sense of why I have certain feelings most of the time.	1	2	3	4	5
2.	I have good understanding of my own emotions.	1	2	3	4	5
3.	I really understand what I feel.	1	2	3	4	5
4.	I always know whether or not I am happy.	1	2	3	4	5
5.	I always know my friend's emotions from their behavior.	1	2	3	4	5
6.	I am a good observer of other' emotions.	1	2	3	4	5
7.	I'am sensitive to the feelings and emotions of others.	1	2	3	4	5
8.	I have good understanding of the emotions of people around me.	1	2	3	4	5
9.	I always set goals for myself and then try my best to achieve them.	1	2	3	4	5
10.	I always tell myself that I am a competent person.	1	2	3	4	5
11.	I'am a self-motivated person.	1	2	3	4	5
12.	I would always encourage myself to try my best.	1	2	3	4	5
13.	I'am able to control my temper and handle difficulties rationally.	1	2	3	4	5
14.	I' am quite capable of controlling my own emotions.	1	2	3	4	5
15.	I can always calm down quickly when I' am angry.	1	2	3	4	5
16.	I've good control of my own emotions.	1	2	3	4	5

Appendix III

Section B (Service Climate Scale)

Below is a list of statements dealing with your general feelings with respect to the climate for services in your organization. Please rate your agreement or disagreement with each statement below and mark your responses against the appropriate number that indicates your opinion.

Strongly Disagree -1   **Disagree - 2**
Neither agree nor disagree - 3   **Agree -4**   **Strongly Agree -5**

1. My bank has clear ideas about customers and their needs.	1	2	3	4	5
2. High quality service is emphasized as the best way to keep customers in my bank.	1	2	3	4	5
3. My bank defines its products/services from customers' perspectives.	1	2	3	4	5
4. My bank does informs customers ,any changes that affect them.	1	2	3	4	5
5. We are informed about external customer evaluations of the quality of service delivered by the bank.	1	2	3	4	5
6. My bank always responds to the customers' feedback and suggestions quickly.	1	2	3	4	5
7. My manager supports me when I come up with new ideas on how to improve customer service.	1	2	3	4	5
8. My direct manager encourages me to deliver high quality service.	1	2	3	4	5
9. My manager is responsive to my requests for help or guidance.	1	2	3	4	5
10. My manager is very committed to improving the quality of our area's work and service.	1	2	3	4	5
11. I receive adequate support from workmates to do my job well.	1	2	3	4	5
12. If I perform job well, I receive appropriate recognition and reward .	1	2	3	4	5
13. I have the manuals and resource materials I need to provide services .	1	2	3	4	5
14. I have access to the product and policy information when I need them to do my work in my business.	1	2	3	4	5

Section C (Job Involvement Scale)

Directions: Please read each statement carefully and circle one response that best represents your opinion with respect to your work role.

Strongly Disagree	-	1
Disagree	-	**2**
Neither agree nor disagree	-	**3**
Agree	-	**4**
Strongly Agree	-	**5**

1.	My job means a lot more to me than just money.	1	2	3	4	5
2.	The major satisfaction in my life comes from my job	1	2	3	4	5
3.	I 'am really interested in my work.	1	2	3	4	5
4.	I would probably keep working even if I did n't need money	1	2	3	4	5
5.	The most important things that happen to me involve my work.	1	2	3	4	5
6.	I will stay overtime to finish a job even if I'am not paid for it.	1	2	3	4	5
7.	For me the first few hours at work really fly by.	1	2	3	4	5

Appendix V

Section D (Service Behaviour Scale)

Below is a list of statements dealing with your general feelings with respect to your services role in your organization. Please rate your agreement or disagreement with each statement below and mark your responses against the appropriate number that indicates your opinion.

Strongly Disagree - **1**
Disagree - **2**
Neither agree nor disagree - **3**
Agree - **4**
Strongly Agree - **5**

1.	I perform all those tasks for customers that are required of him/ her.	1	2	3	4	5
2.	I help customers with those things which are required of him/ her.	1	2	3	4	5
3.	I fulfill responsibilities to customers as specified in the teller job description.	1	2	3	4	5
4.	I voluntarily assist customers even if it means going beyond job requirements.	1	2	3	4	5
5.	I often go above and beyond the call of duty when serving customers.	1	2	3	4	5
6.	I willingly go out of his/ her way to make a customer satisfied.	1	2	3	4	5
7.	I have enough professional knowledge to accommodate customer's demand at any moment.	1	2	3	4	5
8.	I have enough abilities and skills to supply excellent service.	1	2	3	4	5
9.	I know the importance of excellent service and teamwork.	1	2	3	4	5

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||||| List of Publications and Presentations |||||

Publications

[1] **Service Climate, Job Involvement and Employee Service Behaviour-An Empirical Study in Banking Sector (2017),** *International Journal of Commerce and Management Research*, 3(5), p. 77-84, ISSN: 2455-1627

[2] **The influence of Service climate and Job involvement on Employee Service Behaviour (2014).** Conference Proceedings on Sustainable solutions for e-waste management, ISBN-978-81-923985-6-3

[3] **An Emotional Intelligence Approach to Service Orientation in Banking Sector (2012)**. *International Journal for Social Sciences Tomorrow*, 1(4), 1-7.ISSN:2277-6168

Presentations

[1] **Work Climate and Job involvement as predictors of Service Orientation – An empirical study** at International Conference on Emerging Trends in Finance and Management at MES Asmabi College, Kodungallur on 26, 27th November, 2015.

[2] **Emotional Intelligence Approach to Service Orientation in Banking Sector** at Seventh National Conference on Business Research-2012 at PSG Institute of Management, Coimbatore on 23- 24, November, 2012

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