



Service climate, employee commitment and customer satisfaction

Evidence from the hospitality industry in China

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Abstract

Purpose – This study attempts to contribute to the knowledge of how service climate improves customer satisfaction in the hospitality industry based on evidence from mainland China. It considers different dimensions of service climate separately, including customer orientation, managerial support and work facilitation, and introduces an important mediator – employee commitment – to examine the relationship between service climate and customer satisfaction.

Design/methodology/approach – A theoretical framework is proposed to suggest links among the three dimensions of service climate, employee commitment and customer satisfaction. A structured questionnaire was developed to collect data from employees in the hospitality industry of China. The constructs were measured by using established scales. Structural equation modeling was used to examine the theoretical hypotheses.

Findings – Empirical results indicate that different dimensions of service climate have different effects on customer satisfaction. For instance, customer orientation, as one dimension of service climate, has a direct and positive influence on customer satisfaction, while two other dimensions of service climate, managerial support and work facilitation, have indirect positive influence on customer satisfaction, through improving employee commitment.

Practical implications – The results indicate that managers should create customer orientation in hotels, including clarifying the value of providing customers with high quality service, and developing a system of emphasizing the importance of customer feedback. Meanwhile, managers need to pay attention to two neglected components of service climate, managerial support and work facilitation, rather than focusing on physical infrastructure only.

Originality/value – This paper makes an important empirical contribution by treating various dimensions of service climate separately, and exploring their relationships with customer satisfaction by introducing a mediator, employee commitment. The results indicate that various dimensions of service climate play different roles in improving customer satisfaction. This study contributes to the theories of service climate and customer satisfaction.

Keywords Service climate, Employee commitment, Customer satisfaction, Hospitality industry, China

Paper type Research paper



Introduction

Employees are one of the key elements in the operation of a successful hospitality business, and are even the main drivers of competitive advantages in the hotel industry. Having the right employees can greatly enhance the likelihood of success for any firms (Davidson, 2003; Karatepe *et al.*, 2009). A common theme in service marketing literature is that organizations must create and maintain a climate for encouraging employees to effectively deliver excellent service. Therefore, creating an effective service climate is the first priority for most hotels.

Current research indicates that service climate has a positive impact on service quality perceived by customers and employees (Johnson, 1996; Liao and Chuang, 2004; Schneider *et al.*, 1998), and on customer satisfaction (Davidson *et al.*, 2002; Schneider and Bowen, 1993). However, the following questions still have not been answered in the existing literature.

- (1) Why and how service climate has a positive effect on customer satisfaction? Most researchers have examined the direct relationship between service climate and customer satisfaction. However, it is difficult to illustrate why service climate plays a role of improving customer satisfaction.
- (2) How to create a favorable service climate is still unknown to many managers. Practical suggestions may not have been put forward because most of past research has dealt with service climate at the aggregate level. Thus, it is necessary to separate the various dimensions of service climate, so as to explore its consequences (Shainesh and Sharma, 2003).
- (3) Most previous studies (e.g. Johnson, 1996) explore the relationship between service climate and its consequences, such as service quality, by regression analysis or correlational analysis. However, these methods may not be able to demonstrate the recursive relationship among variables.
- (4) Hotels studied in previous research are mainly located in western countries like Australia and New Zealand.

Actually, because of its rapid economic growth, and the growing number of tourists, China is regarded as a fertile land for the hospitality industry; that is why this industry is now attracting more attention from academics. In addition, one of the key human resource challenges facing China's hotel industry is the high staff turnover rate (Zhang and Wu, 2004). Therefore it is very important for Chinese managers to understand employee attitudes and behaviors.

In order to deal with the previous research gaps, this study aims at exploring the relationships among various dimensions of service climate, employees' commitment and customer satisfaction based on data from the hospitality industry in China. Our contribution focuses on the following aspects. First, a mediator – employee commitment – may be introduced to explain the indirect relationship between service climate and customer satisfaction. Second, our research makes one of the first empirical efforts to segregate various dimensions of service climate to examine its effects, which is suggested by Shainesh and Sharma (2003). Third, structural equation modeling is used to explore the recursive relationships among service climate, employee commitment and customer satisfaction, which helps overcome limitations of regression and correlational analysis. Finally, empirical evidence from China

enriches knowledge about service climate and evolving hotel management practices both in China and in developed western countries.

In the following section, the hospitality industry in China is introduced briefly. Next, theory and hypotheses are developed. Then it presents the research methodology, and the results of the study. Next it makes a discussion of the results and indicates the theoretical contributions of the study. Finally it provides the practical suggestions.

Overview of hospitality industry in China

From a research perspective, the hospitality industry in China offers a unique opportunity for understanding the relationships among various dimensions of service climate, employees' commitment, and customer satisfaction. China's dynamic economic growth has attracted business and investment interest from around the world over the past decade. By the year 2020, China will become the world's number one tourist destination, with annual arrivals of 130 million (WTO, 1999). The tourism industry is one of the most important sources of China's foreign currency earnings, and its development has been actively encouraged by the Chinese government since 1978. The hotel industry's development was, therefore, considered as a very important part of China's tourism development strategy, since it not only generates most of the tourism revenue, but also contributes significantly to employment.

In 1980, China had only 203 hotels with 31,788 rooms suitable for accommodating foreigners. Growth has been rapid and China had 13,583 star hotels at the end of 2007 (please see Figure 1).

Although the development has taken place at a fast pace during the past few years in China, tourists often complain that service quality of hotels in China is still poor, regardless of the improved infrastructure of hotels. For example, a number of tourists remain dissatisfied and complain about high food and beverage prices, poor communication ability of personnel and slow speed of responding to customers' needs in Chinese hotels. High quality service has become essential to survival, and many

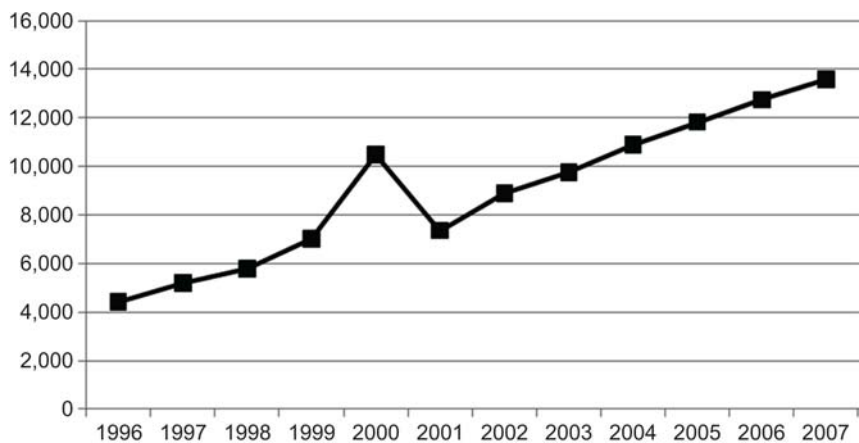


Figure 1.
Number of star hotels in
China from 1996 to 2007

Source: Data collected from China Statistics Yearbook, China Travel Statistics, from 1997 to 2008

hospitality organizations are attempting to implement various service quality management schemes (Kandampully, 2006).

Theory and hypotheses

Service climate

Service climate may be defined as employees' perceptions of organizational policies, practices and procedures, which promote a climate that expects and rewards customer service. 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). In this light, 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, service climate rests on perceptions of individual employees, which influence individuals' behavior (Bagozzi, 1992).

Schneider and Bowen (1993) argued that service climate may include some practices which encourage offering high quality service and creating supportive conditions, such as efforts toward removing obstacles to work, and other HR policies. In addition, Shainesh and Sharma (2003) suggested other facets of service climate, including customer orientation, managerial practices and customer feedback.

Customer feedback may be considered as one aspect of customer orientation. So service climate is proposed to have three major components in this study, including customer orientation, managerial support and work facilitation. According to the definition of Day (1994), customer orientation means placing a high priority on customer interests, generating and using information about customers, and creating systems to act on such information, which includes the component of customer feedback suggested by Shainesh and Sharma (2003). Managerial support means actions taken by an employee's immediate manager in a manner that supports and rewards delivery of quality service. Work facilitation means all working conditions that support delivery of quality service, such as general HR practices, guidance, and cooperation among workmates. The three components are both correlated with and independent of each other (see Figure 2). Customer orientation is the basic component of service climate which determines the direction and guideline of service, and managerial support and work facilitation are the two "wheels" of the carriage, to realize quality service.

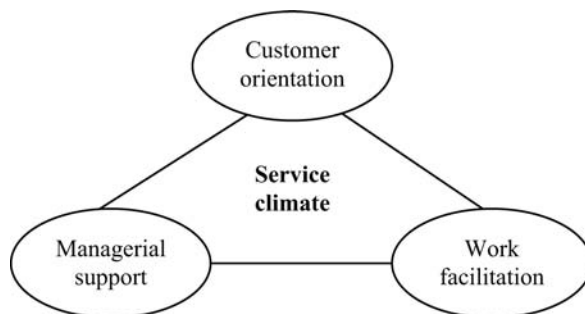


Figure 2.
Components of service
climate

Service climate and customer satisfaction

Based on the previous definition, two aspects of customer orientation may have a direct influence on customer satisfaction. One aspect can be called value-based customer orientation, which emphasizes the degree to which an organization emphasizes meeting customers' needs for service quality. The other can be called action-based customer orientation, which focuses on use of feedback from customers.

From the perspective of value-based customer orientation, hotels emphasize meeting customers' expectation of service quality. In Chinese hotels, there are some slogans on the walls so that they may be seen by customers easily. The examples of these slogans are: "Customers are always right", and "Customers are our God", which is to make customers believe they are important to the hotels. Moreover, the culture of a customer-oriented organization positions the employees to better understand the needs and wants of its customers. When employees believe that the organization emphasizes customer service, they are likely to respond by investing more time and energy in providing quality service to the customers so that overall customer satisfaction may be achieved (Kilic and Dursun, 2007).

In case of action-based customer orientation, customer feedback is often asked for by hotels. Customer orientation may improve organizational performance by providing greater value to customers through improved service delivery (Slater and Narver, 1999). In the rooms of most Chinese hotels, there is an evaluation questionnaire on the desk, which is expected to be filled-in by customers when they leave. Room cards provide one way of reflecting customers' comments and they show the customer orientation of hotels, though room cards are not always a valid source of customer information.

In addition, customers cannot experience managerial support and work facilitation directly; so these factors are not related to customer satisfaction significantly. Thus, it proposes the following hypothesis:

- H1.* Customer orientation has a significant positive effect on customer satisfaction.

Service climate and employee commitment

Although the relationship between service climate and customer satisfaction appears to be a robust finding in the literature (Schneider *et al.*, 2000), it is proposed that this relationship may not have been appropriately conceptualized solely as a direct effect. Liao and Chuang (2004) argued that some behaviors of service deliverers must intervene between the service climate they experience and the satisfaction that customers experience. Due to labour-intensive characteristics of the hospitality industry, many hotel and hospitality companies try to understand the motivations of their employees (Davidson, 2003; Papis, 2006). Hence, employee commitment may be the important intervening variable between them (Silva, 2006).

Employee commitment is defined as the psychological attachment felt by a person for the organization. Committed individuals believe in, and accept, organizational goals and values. They want to remain in the organization and commit themselves to provide quality service on behalf of the organization (Chen, 2007). Climate determines how individuals behave, as it influences how they think and feel about their environment (Salancik and Pfeffer, 1978). In particular, employees rely on cues from their

surrounding work environment to interpret events, develop appropriate attitudes and behaviors, and the consequences (Salancik and Pfeffer, 1978).

In a service climate, employees understand that superior service is expected, desired, and rewarded. Therefore, they are more likely to provide good service (Liao and Chuang, 2004). Customer orientation, one component of service climate, is argued to lead to a sense of pride in belonging to an organization in which all departments and individuals work toward the common goal of satisfying customers. Accomplishment of this objective is posited to result in employees sharing a feeling of valuable contribution, a sense of belonging, and commitment to the organization (Chen, 2007).

Organizational support, as perceived by employees, strongly influences their commitment (Eisenberger *et al.*, 1986; Gu and Siu, 2009). Based on a case of a large Australian university, Joiner and Bakalis (2006) suggested that organizational support might come from managers and co-workers, role clarity, and access to resources, which have the same meaning as managerial support and work facilitation in this study. Employees are more likely to feel an obligation to return the supportive behavior in terms of commitment. For example, Mottaz's (1988) study of 1,385 employees from various occupations found that employees who perceived a friendly and supportive relationship with their co-workers and supervisors had a strong, positive commitment to their respective organizations. Also, Asree *et al.* (2010) found that leadership competency and organizational culture were important factors for improving employees' responsiveness to their customers. Thus, it tends to consider employee commitment as a direct consequence of service climate and proposes the following hypotheses:

- H2.* Customer orientation has a significant positive effect on employee commitment.
- H3.* Managerial support has a significant positive effect on employee commitment.
- H4.* Work facilitation has a significant positive effect on employee commitment.

Employee commitment and customer satisfaction

Commitment has been found to be causally-related with employee performance in previous literature (Chen *et al.*, 2002). Employee commitment serves as a psychological bond that encourages individuals to act in ways that are consistent with the interests of the organization. For instance, Farh *et al.* (1998) found that employee commitment was positively related to sales performance.

Commitment to the organization can be beneficial to customer satisfaction in two ways. On the one hand, employees generally being committed to their organizations deliver high quality service to customers (Boshoff and Tait, 1996). On the other hand, committed employees are satisfied with their work and this feeling of satisfaction gets transmitted to customers (Ulrich *et al.*, 1991). Thus, it proposes the following hypothesis:

- H5.* Employee commitment has a significant positive effect on customer satisfaction.

Methodology

Sample

Guangdong hospitality industry was selected as the sample because of its quick development and large scale. For example, there are more than 8,000 hotels in Guangdong province, in which more than 1,100 are star hotels. Furthermore, the Guangdong hotel industry association was established in May 2006, and the second author was the individual member of this association, which is a benefit for collecting data. There 30 star hotels (including three star and four star hotels) and their branches located in the cities of Shenzhen, Shunde and Dongguan will participate in the research. Between October and December 2007, the 300 questionnaires with cover letter were distributed to these sample hotels and quota sampling was used to collect a roughly equal number in these hotels. Then these questionnaires randomly were distributed to the employees in these sample hotels. The total number of questionnaires received was 230, but 14 were eliminated because of missing data.

Four items were included at the end of the survey to elicit demographic information (e.g. age, gender, educational level, and job position) from the employees. Table I shows the characteristics of the sample employees.

Table I demonstrates that the average age of sample was 25.3 years. A total of 123 employees were in the positions of directly contacting with customers, such as frontline employees carrying the luggage, handling guest registration, welcoming the customers, or answering questions from customers in the hall, and 93 employees were in the positions of indirectly contacting with customers, such as employees working for marketing department. Although employees in the marketing department do not directly interact with customers every day, they should understand the needs of customers so that they may take effective marketing strategies to attract customers and make them satisfied.

| | Number | Percentage |
|-----------------------------------|--------|------------|
| <i>Gender</i> | | |
| Female | 106 | 49.1 |
| Male | 110 | 50.9 |
| <i>Age</i> | | |
| Age < 22 | 71 | 32.9 |
| 22 ≤ age ≤ 26 | 85 | 39.3 |
| Age > 26 | 60 | 27.8 |
| Average age | 25.3 | |
| <i>Education</i> | | |
| Primary | 108 | 50.0 |
| High school | 73 | 33.8 |
| Undergraduate | 35 | 16.2 |
| <i>Job position</i> | | |
| Contact with customers directly | 123 | 56.9 |
| Contact with customers indirectly | 93 | 43.1 |
| Total | 216 | 100 |

Table I.
The characteristics of the sample employees

Measurements

The survey used a seven-point Likert-type scale (1 = strongly disagree, 7 = strongly agree) for measuring customer orientation, managerial support, work facilitation, employee commitment and customer satisfaction. Table II specifies the items used in each variable measurement.

Customer satisfaction in this study was captured through an aggregate level of measurement capturing consumers' overall satisfaction with service, which "may be a more accurate measure of customer satisfaction" (Szymanski and Henard, 2001, p. 20).

The data of customer satisfaction was collected from employees in this study. This was one of possible ways, particularly for a service industry like the hotel industry, where customer feedback may be difficult to gather, particularly in an unbiased form

| | SFL |
|--|-------|
| <i>Customer orientation:</i> Cronbach $\alpha = 0.77$ | |
| My hotel has clear ideas about customers and their needs | 0.668 |
| High quality service is emphasized as the best way to keep customers in my hotel | 0.781 |
| My hotel defines its products/services from customers' perspectives | 0.724 |
| My business does a good job of keeping customers informed of changes, which affect them | 0.787 |
| We are informed about external customer evaluations of the quality of service delivered by my business | 0.799 |
| My hotel always responds to the customers' feedback and suggestions quickly | 0.742 |
| <i>Managerial support:</i> Cronbach $\alpha = 0.75$ | |
| My direct manager supports me when I come up with new ideas on how to improve customer service | 0.674 |
| My direct manager encourages me to deliver high quality service | 0.811 |
| My manager is responsive to my requests for help or guidance | 0.727 |
| My manager is very committed to improving the quality of our area's work and service. | 0.786 |
| <i>Work facilitation:</i> Cronbach $\alpha = 0.72$ | |
| I receive adequate support from workmates to do my job well | 0.747 |
| If I perform job well, I receive appropriate recognition and reward | 0.770 |
| I have the manuals and resource materials I need to provide services | 0.727 |
| I have access to the product and policy information when I need them to do my work in my business | 0.714 |
| <i>Employee commitment:</i> Cronbach $\alpha = 0.82$ | |
| I feel as though my future is intimately linked to that of this organization | 0.856 |
| I would be happy to make personal sacrifices if it were important for the business unit's well-being | 0.868 |
| I feel a sense of commitment to our company | 0.777 |
| I am proud to tell others that I am part of this organization | 0.749 |
| <i>Customer satisfaction:</i> Cronbach $\alpha = 0.88$ | |
| I think that my customers are satisfied with my service generally | 0.891 |
| I think that my customers are provided with high quality service | 0.912 |
| I think that my customers feel pleased in our hotel. | 0.882 |
| Model fit: $\chi^2/df = 1.794$, GFI = 0.903, AGFI = 0.864, RMSEA = 0.061, TLI = 0.925, CFI = 0.940 | |

Note: SFL = standardized factor loading

Table II.
Variables measured in
the research

(Davidson, 2003). Some research has shown that employee perceptions of customer satisfaction are a very good proxy for actual customer satisfaction (Davidson, 2003). For example, Schneider and Bowen (1993) gathered data from both customers and employees of bank branches. They found a strong correlation between customer attitudes about service quality and branch employees' perceptions of the quality of service customers received.

The scale of customer orientation, which included six items, was adapted from Day (1994) and Shainesh and Sharma (2003). Alpha coefficient for this scale was 0.77 in this study. The scale of managerial support was designed to measure the relationship between an employee and his direct manager and it was adapted from Foley and Hang (2005), which included four items. Alpha coefficient for this scale was 0.75 in this study. The scale of work facilitation, which included four items, was adapted from Shainesh and Sharma (2003). Alpha coefficient for this scale was 0.72 in this study. The scale of employee commitment was adapted from Peterson (2004), which included four items. Alpha coefficient for this scale was 0.82 in this study.

Validation of measures

Before testing our conceptual model, several reliability and validity issues need to be addressed. First, the reliability of scales was measured by Cronbach's alpha. In our study, all values of Cronbach's alpha ranged from 0.72 to 0.88 (see Table II). Usually, Cronbach of 0.7 or above was considered to be the criteria for internal consistency of the established scales (Bagozzi and Yi, 1988). Second, since most of the constructs were well-established in existing literature, the scales could be considered to possess content validity. Third, confirmatory factor analysis was used to assess the convergent and discriminate validity of the measures with structural equation modeling. The measurement model fit the data satisfactorily ($\chi^2/df = 1.794$, GFI = 0.903, AGFI = 0.864, RMSEA = 0.061, TLI = 0.925, CFI = 0.940), and all factor loadings were highly significant ($p < 0.001$), which indicated the unidimensionality of the measures (Anderson and Gerbing, 1988). Then it assessed the discriminate validity of all the five latent constructs (see Table III). Discriminate validity was determined by ascertaining whether a given measure correlated very highly with another measure, from which it should differ (Campbell, 1960). Using partial least squares, discriminate validity can be assessed by comparing the AVE (Average Variance Extracted) to the squared correlation between the constructs (Fornell and Larcker, 1981). Taken together, the results showed that the measures in this study possessed adequate reliability and validity.

| | Composite reliability | 1 | 2 | 3 | 4 | 5 |
|-----------------------|-----------------------|---------|---------|---------|---------|-------|
| Customer orientation | 0.912 | 0.752 | | | | |
| Managerial support | 0.740 | 0.298** | 0.751 | | | |
| Work facilitation | 0.862 | 0.186** | 0.572** | 0.740 | | |
| Employee commitment | 0.936 | 0.260** | 0.548** | 0.477** | 0.814 | |
| Customer satisfaction | 0.928 | 0.265** | 0.471** | 0.452** | 0.419** | 0.895 |

Table III.
Discriminate validity

Note: ** $p = 0.01$. The number in the cells of diagonal lines is the square root of AVE

Data analysis

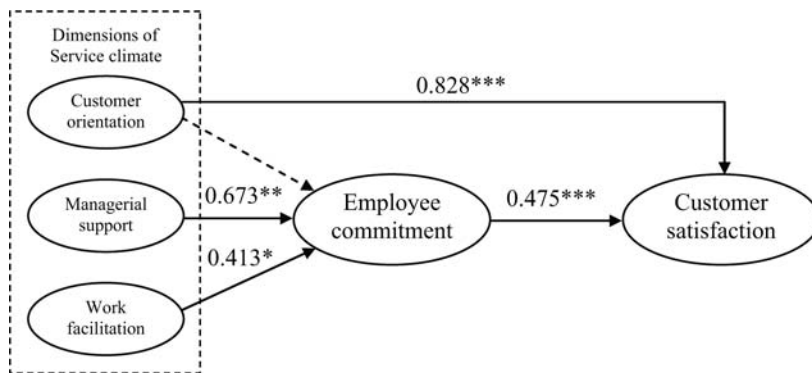
To test the research hypotheses, structural equation modeling was performed using AMOS software (version 4.0). Compared with conventional analytical techniques in the literature on service climate, such as regression analysis and correlation analysis, structural equation modeling (SEM) has the following advantages (Anderson and Gerbing, 1988). First, it can estimate relationships among latent constructs indicated by observed variables. Second, it can measure recursive relationship between constructs. Third, it can allow for correlations among measurement errors.

It used several goodness-of-fit indices, including Chi-Square statistics divided by the degree of freedom (χ^2/df), Goodness-of-fit Index (GFI), Adjusted Goodness-of-fit Index (AGFI), Comparative Fit Index (CFI), Tucker-Lewis (TLI), and Root Mean Square Error of Approximation (RMSEA). In detail, χ^2/df was recommended to be less than 3; the values of GFI and AGFI, and of CFI and TLI, were recommended to be greater than 0.90; and RMSEA was recommended to be up to 0.05 and acceptable up to 0.08.

Results

Overall, the model had a very good fit with the data ($\chi^2/df = 1.835$, GFI = 0.900, AGFI = 0.862, RMSEA = 0.062, TLI = 0.921, CFI = 0.935) and all of the paths were significant at the level of 0.01, except the path from customer orientation to employee commitment. Figure 3 was drawn on the basis of the results of structural equation modeling by AMOS 4.0.

Figure 3 showed that customer orientation had a significant positive influence on customer satisfaction (its standard coefficient was 0.828 with significance level of 0.01), which supported *H1*. Customer orientation had no significant positive influence on employee commitment, which did not support *H2*. At the same time, managerial support had positive effect on employee commitment (its standard coefficient was 0.673 with significance level of 0.05), which supported *H3*. Work facilitation also had positive effect on employee commitment (its standard coefficient was 0.413 with significance level of 0.1), which supported *H4*. In addition, employee commitment had a positive influence on customer satisfaction (its standard coefficient was 0.475 with significance level of 0.01), which supported *H5*.



Notes: **p* = 0.1, ***p* = 0.05, ****p* = 0.01

Figure 3.
The results of SEM

Table IV shows the total effects, direct effects and indirect effects corresponding to Figure 3. As shown in Table IV, customer orientation had a direct positive influence on customer satisfaction, while managerial support and work facilitation had indirect positive influence on customer satisfaction through improving employee commitment.

Discussion

Previous studies have suggested that service climate had significant positive effect on customer satisfaction (Davidson *et al.*, 2002; Schneider and Bowen, 1993). Extending these works, this study has empirically examined how various components of service climate influenced customer satisfaction, by introducing an important mediator – employee commitment.

First of all, our results showed that both managerial support and work facilitation had indirect effects on customer satisfaction by improving employee commitment, rather than having direct influence on customer satisfaction. Our findings were consistent with the results of Iverson and Buttigieg (1999) and McClurg (1999). They proposed that management practices of the employer to assist employees to understand the work role would affect employee commitment. Feedback from managers was essential for letting an employee know what functions he was expected to perform and how well he was performing (Mukherjee and Malhotra, 2006).

Second, our findings did not indicate that customer orientation had significant positive influence on employee commitment, which was inconsistent with the argument of Chen (2007). Why? Customer orientation aims to understand both expressed and latent needs of customers, in order to respond to those needs more effectively (Slater and Narver, 1999), which is an issue at the organizational level. However, Chinese people are more loyal to individuals than to a system or an organization (Cheng *et al.*, 2003). They cannot express their commitment to the organization only because of organizational characteristics such as customer orientation. Hence, a positive relationship between employee perceived customer orientation and employee commitment was not found in this study.

Third, our results demonstrated that managerial support was much more important than work facilitation, when improving employee commitment. This finding may be explained from the perspective of psychological characteristics of Chinese people, and the culture in Chinese firms. In spite of its recent efforts to build legal infrastructure, China remains a society characterized more by rule of man (where individual relationships matter), than rule of law (Chen and Francesco, 2000). Individual managers, rather than formal policy systems, mainly decide the

Table IV.
The total effects, direct effects and indirect effects

| | Direct effect | Indirect effect | Total effect |
|--|---------------|-----------------|--------------|
| Customer orientation → Customer satisfaction | 0.828 | – | 0.828 |
| Managerial support → Employee commitment | 0.673 | – | 0.673 |
| Managerial support → Customer satisfaction | – | 0.320 | 0.320 |
| Work facilitation → Employee commitment | 0.413 | – | 0.413 |
| Work facilitation → Customer satisfaction | – | 0.196 | 0.196 |

performance of employees in Chinese firms. That is to say, managers have great power to influence promotions of employees, based on their subjective evaluations. Therefore, employees are generally focused more on managerial support than work facilitation.

In an effort to probe into the important relationship between various dimensions of service climate and customer satisfaction in China, this article makes several theoretical and empirical contributions as follows. First, the finding that various dimensions of service climate may play different roles in improving customer satisfaction extends the theory of service climate, which is mainly developed at the aggregate level. Also, our results are based on data in context of the Chinese hospitality industry and, therefore, enrich the theory of service climate, which has been developed in western countries. Second, through introducing the mediator-employee commitment, the indirect relationship between service climate and customer satisfaction is explored theoretically. Managerial support and work facilitation have indirect influence on customer satisfaction by improving employee commitment. Meanwhile, this finding also supplements the theory of employee commitment. Although employee commitment and its various forms have been studied extensively, very few studies have examined employee commitment in relation to employee perceptions of an organizational climate for service, and the antecedents of employee commitment based on evidence from China.

Empirically, it treats the three dimensions of service climate one by one, rather than the aggregate level used in previous studies, which may be a necessary practice in the field of service climate (Shainesh and Sharma, 2003). Furthermore, empirical classification helps explain the various roles of service climate in improving customer satisfaction. In addition, although Little and Dean (2006) used correlation and regression analysis to examine the relationship between service climate and customer satisfaction, they suggested that a more comprehensive model using structural equations modeling would be desirable. Responding to their suggestion, our conceptual model was tested by structural equation modeling, to overcome the limitations of their method of analysis.

As is the case with most research, our study has its limitations. First, sample employees were from hotels located in Guangdong province, where the hotel industry developed at a much faster growth rate than in inland areas. It would have been better if our research had included hotels in other regions of China. Second, it did not examine our conceptual model on different ownership patterns of hotels separately, such as SOEs, private hotels and foreign owned hotels, which may produce different results, leading to different conclusions for different types of ownerships. Third, both data of employee commitment and customer satisfaction are collected from employees, which may lead to the problem of same source bias. In order to encourage employees to show their real perception and behavior and reduce the bias, some measures have been taken in this study. For example, a cover letter is attached with the questionnaire, which explains the aim of the research and the importance of their data. Sample employees are guaranteed complete anonymity. However, it is appropriate for collecting data of customer satisfaction from customer, and employee perceptions and behavior from employee separately so as to avoid the same source bias in the future research.

Future research may pursue several directions. First, further research may empirically examine why service climate, may be perceived differently by different employees. For example, what are the effects of different demographic and personal characteristics on employees' perceptions of service climate? Second, employees in various job positions may play different roles in improving customers' satisfaction because they provide different parts of whole service. For example, frontline employees interact with customer and marketing staffs provide favorable promotion strategies and financial staffs provide a convenient pay system. Future research may explore the role of different functions in improving customers' satisfaction. Third, other mediators, besides employee commitment, which influence the relationship between service climate and customer satisfaction, may be introduced. Lastly, the exploration of the dynamic relationships among various dimensions of service climate may be encouraged.

Conclusions

In conclusion, this article provides empirical evidence on the relationships between different dimensions of service climate and customer satisfaction by introducing a mediator, employee commitment. Our findings indicate that customer orientation, as one dimension of service climate, has a direct significant positive influence on customer satisfaction, while, two other dimensions, managerial support and work facilitation, have indirect effect on customer satisfaction, by improving employee commitment. From an academic perspective, this article is an important empirical step in research of service climate because its construct addresses different dimensions of service climate separately. Furthermore, the method of structure equation modeling is introduced, which can examine the recursive and complicated relationship between service climate and customer satisfaction.

From a practitioner's perspective, our research may offer several recommendations to managers of hotels operating in China. First, managers should create a customer orientation in hotels, including clarifying (to the employees) the value of providing customers with high quality service, and developing a system of emphasizing the importance of customer feedback. Kandampully (2006) argues that hotel managements must be aware that in the modern industry, customer needs are more service-oriented than product-oriented. If they are to fulfill customers' needs, hospitality firms must increasingly emphasize service (as opposed to goods) while configuring their total package. Second, managers should provide enough support to their employees. In China, managers' support is not generally available to employees because the hierarchical system is prevalent in Chinese firms. In order to maintain their authority, managers prefer to remain in their offices, rather than communicating with their subordinates, which has a negative effect on behaviors of employees. According to our results, managers should communicate with their employees more often and provide them with help when they face problems. Last but not least, managers should develop ways of work facilitation for their employees. For instance, managers may design complete service booklets so that employees may know how to deal with customers' needs when they face problems. Besides, cooperation and communication among employees should be encouraged.

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