Impact of Service Orientation on Organizational Performance

THESIS

Submitted in partial fulfillment

of the requirement for the degree of

DOCTOR OF PHILOSOPHY

by

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(2008PHXF015P)

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BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE
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2016

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CERTIFICATE

This is to certify that the thesis entitled **"Impact of Service Orientation on Organizational Performance"** which is submitted for award of Ph.D. Degree of the Institute, embodies original work done by Sanjeev Saxena under my supervision.

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Dedicated to My Parents and Family with Love and Gratitude

This thesis is dedicated to my great father Late Shri Dharam Swaroop Saxena and my loving mother Late Smt. Rajrani for the values I inherited from them and for the sacrifice they made to bring me up. Also, I dedicate this work to my wife Seema Saxena, son Kartik and daughter Kishmish, who were the constant inspirational support throughout this journey and has enabled me to obtain this goal.

ACKNOWLEDGMENTS

I express my gratitude to Prof. V. S. Rao, Vice-Chancellor, BITS, Pilani for giving me the opportunity to pursue Ph.D. and Prof. Sanjay Kumar Verma, Dean, Academic Research Division (Ph.D. Programme), BITS, Pilani for his continuous encouragement and support in carrying out my PhD work smoothly. I thank Dr. Hemant R. Jadhav, Associate Dean, Academic Research Division (Ph.D. Programme), and Dr. Navin Singh, nucleus members of Academic Research Division (Ph.D. Programme), BITS, Pilani for their constant help and advice at all stages of my Ph.D. work. I also thank the other office staff of Academic Research Division (Ph.D. Programme), BITS, Pilani who rendered a lot of help in organizing various forms of paper work related to my Ph.D. progress.

I would like to express my deepest gratitude to my supervisor, Prof. Prashant Mishra, Associate Prof. at IIM, Calcutta for his encouragement, invaluable guidance, and support throughout my study. Without his support and contributions, this thesis would never have been completed. Being one of his students is a real privilege for me.

I would like to thank Prof. D Krishnasundar, Professor at IIM, Banglore, who inspired me to take up this doctoral research, despite having my limitations due to professional and family commitments.

I wish to express my sincere thanks and gratitude to the Doctoral Advisory Committee members Dr Arun Kumar and Dr Leela Rani, who have reviewed my thesis and made valuable suggestions.

I am thankful to Prof. Sangeeta Sharma, Associate Prof. BITS, Pilani for her guidance and support in bringing this thesis to final shape.

Finally, at home front, my great father Late Shri Dharamswaroop Saxena and my loving mother Late Smt. Rajrani and father in law Late Shri J P Saxena, whose unconditional love has been my greatest strength. I would not have been able to complete this study without the understanding, encouragement and patience of my wife Seema Saxena, son Kartik and daughter Kishmish. I feel indebted to all my sisters, and brother in laws, and particularly to my mother in law Smt. Savitri Saxena for their continuous support. I offer sincere thanks to my school and college teachers, whose guidance enabled me to be eligible and capable to take up this doctoral research work.

I thank Mr. Somnath Dey, Personal Assistant for his support. My special thanks to Mr. Suraj Das, whose knowledge and support for data analysis and statistical tools helped to complete this dissertation.

Sanjeev Saxena

SUMMARY

With emergence of new competitors, pressure to take full advantage of potential within the new technologies and due to economic turbulence, product and price are becoming less important. Therefore, organizations are forced to find new ways to differentiate themselves in a buyer-seller relationship and find ways and strategies that ultimately drive organizational performance. Organizations adopt different orientations, in order to improve their performance. Organization Orientation could refer to marketing orientation, service orientation, production orientation, employee orientation or customer orientation. Service orientation is defined as 'the extent to which an organization adopts organizational policy, custom, and procedure aimed at supporting and rewarding service activities with a goal to create and deliver excellent service'. Service orientation is also understood as 'a strategic response to market information which is designed to implement marketing concept within the overall framework of customer oriented services'. A service oriented company (with dimensions like Service leadership, Service vision, Service system and Human resource management) strives to satisfy customers, create and deliver customer value (e.g. service quality and service value) in the market, and increase company performance and profitability.

Given this backdrop, this study has examined the organizational service orientation and its impact on organizational performance in Indian manufacturing, service and hybrid (having characteristics of both service and manufacturing) firms. This research is based on empirical study of 522 firms, covering service and manufacturing sectors from both private and public sector across India. Variations of service orientation scores across organizations have been studied using one way ANOVA.

The service orientation measurement scale for this study is based on modified version of SERV*OR scale by Lytle *et al.* (1998).The scale is reasonably valid and correlates significantly with organizational performance. The modified scale, called i-SERV*OR scale consists of 11 dimensions, being measured through 37 items. 11 dimensions include: Customer Treatment, Employee Empowerment, Service Technology, Service Failure Prevention, Service Vision, Service Standard Communication, Service Failure

Recovery, Service Rewards, Service Leadership, and Service Training and Real time Management Information System. Based on the literature, a separate 5 item scale has been used to measure organizational performance. Both the scales fare well in terms of reliability and predict organizational performance significantly.

One-way ANOVA results give evidence that there is not much difference between service orientation scores between sectors (service, manufacturing and hybrid), but there exists significant variability within the sectors itself. A micro level analysis shows that there is not much difference in service orientation of the public and the private enterprises in service sector but public sector scores much less in case of manufacturing sector. Within service sector, service orientation scores for the telecom services are found higher than IT, financial service and insurance firms.

Results of linear regression reveal that the association between organization performance and service orientation was positive and significant for the three sets of industries. Service orientation as measured by i-SERV*OR scale explain variance in organizational performance to the extent of about 57% in service, 59% in manufacturing and 63% in hybrid sector respectively.

For all the three sectors, it is found that service firms which provide extended services like services supporting customers (SSC) and those manufacturing firms which provide services supporting products (SSP) perform better than those firms which do not provide such services and product support.

In case of the service sector, Service Orientation parameters such as, customer treatment, service technology, service vision, service standard communication, service failure recovery, service leadership and Management Information system (MIS), have very strong association with the five parameters of performance.

In case of manufacturing firms, a high correlation was observed between the Service orientation parameters like service failure prevention, service leadership and service failure recovery and the five parameters of performance.

This study contributes to research in terms of developing modified SERV*OR scale of service orientation, called i- SERV*OR scale This can be used not only for service firms but equally used for manufacturing and hybrid firms. This study has brought out an important additional service orientation dimension on real time Management information system. This is very relevant in the current business environment of Information era. This study provides guidance to practicing managers, as to focus on certain parameters of service orientation as per type of organization in order to improve the organizational performance. This study has certain limitations. Service orientation has a delayed effect on Organizational performance. The data is a snapshot of the phenomenon thus constraining the unfolding of the association in a temporal dimension. Regarding performance parameters, the judgmental measure of respondents viz-a-viz their competitors has been used in this study.

Future research may be carried out in other countries for wider acceptance of i-SERV*OR scale. Comparative study of impact of service orientation viz-a-viz market orientation on organizational performance may be undertaken to understand, which is better predictor of organizational performance in Indian context.

CONTENTS

LIST OF TABLES

LIST OF ABBREVIATIONS

AHP	Analytical Hierarchy Process
ANP	Analytical network process
BSC	Balanced Scorecard
CEO	Chief Executive Officer
CO	Customer Orientation
FDI	Foreign Direct Investment
GVA	Gross Value Addition
HPWS	High-Performance Work Systems
HR	Human Resource
IT	information technology
ITeS	IT enabled services
KM	Knowledge Management
MI	Management Innovations
MIS	Management Information System
MSMEs	Micro, Small. Medium Enterprises
OCB	Organizational Citizenship Behaviors
OLC	Organizational Learning Culture
OSO	Organization service orientation
PM	Performance Management
QFD	Quality Function Deployment
ROA	Return on Asset

ROC	Return on Capital
ROE	Return on Equity
ROI	Return on Investment
SEZs	Special Export processing Zones
SO	Service Orientation
SSC	Service in Support of The Client's Actions
SSP	Services in Support of The Product

Chapter 1

Introduction

1.1 Introduction

This chapter gives an overview of this thesis and explains briefly about the common current business environment within the context of present Indian industry. It covers literature review and development of concepts in brief. Thus, this chapter helps to set the background, bring out research gaps and define research objectives. It also briefly describes the structure of thesis, which follows in next chapters.

1.2 Context of today's business environment – competition and performance

With the emergence of new competitors, pressure to take full advantage of potential within the new technology and due to economic turbulence, product and price are becoming less important. It is very important in businesses to fundamentally understand and satisfy consumer needs in order to succeed in a highly competitive market environment (Keillor *et al.*, 1999). Scholars, having the same opinion suggested that *"sound* marketing" efforts should be practiced to create genuine customer value by providing products and/or services which the customers want so that organizations are needed to be competitive and thus survive in the ever-challenging marketplace. Thus, marketing should be everyone's business throughout an organization for its success (Greyser, 1997; Moorman and Rust, 1999). Therefore, organizations are forced to find new ways to differentiate themselves in a buyer-seller relationship and find ways and strategies that ultimately drive organizational performance. This ever existing challenge continuously drives researchers to study and find out as to what drives performance in current context.

1.3 Types of orientations

Organizations adopt different orientations, in order to improve their performance. Orientation in business covers different dimensions, depending on the purpose it serves. Organization Orientation could refer to marketing orientation, service orientation, production orientation, employee orientation or customer orientation. The marketing strategy literature has presented evidence for a firm's strategic orientation as a market-driven company, which is a significant indicator of its performance, including management's perception of the success of new products (Day, 1990; Slater and Narver, 2000). The marketing concept, including market orientation and service orientation, has been researched a lot within the frameworks of Jaworski and Kohli in (1993) and; Narver and Slater in (1990).

On one side, Service orientation is defined as a strategic response to market information, which is designed to implement marketing concept within the overall framework of customer oriented services' (Lee and Kim, 1999)). On the other side, Market orientation has been defined as two interlinked lines based on the researches. Kohli and Jaworski (1990) defined market orientation as "the organization-wide generation of market intelligence, dissemination of the intelligence across departments and organization-wide responsiveness to it"; while Narver and Slater (1990) defined market orientation as "the organization culture effectively and efficiently creates the necessary behaviors for the formation of superior value for buyers and, thereby, continuous superior performance for the business."

The components of market orientation (customer orientation, competitor orientation, and inter-functional coordination) affects the two core components of organizational innovativeness (technical and administrative) that further affect corporate performance (Han *et al.*, 1998).The perspectives of market orientation include decision making perspectives (Shapiro, 1988), market intelligence perspectives (Kohli and Jaworski, 1990) , culturally based behavioral perspective (Narver and Slater, 1990)), strategic perspectives (Ruekert, 1992) and most importantly, customer orientation perspectives (Deshpande *et al.*, 1993) .

A service oriented company (with dimensions like Service leadership, Service vision, Service system and Human resource management) strives to satisfy customers, create and deliver customer value (e.g. service quality and service value) in the market, and increase company performance and profitability (Heskett *et al.*, 1994; Hennig *et al.*, 2002) . Recent marketing literature identified the role of a company's service orientation in achieving a sustainable competitive advantage. This study focuses on the concept of organizational service orientation and its impact on firm's performance. Though, the Chapter covers the literature review, however to bring out the rationale of the study, these concepts along with current business environment and Indian context has been discussed in brief in this chapter.

1.4 Service Orientation

Service orientation, the relationship and strategy between the company and the customer, is arguably the most important area for a business to study. Goleman (1998) defined service orientation as "anticipating, recognizing and meeting customer needs"; and service orientation, as an important ramification of the marketing concept, is proven to be associated with performance. Service orientation is 'a strategic response to market information which is designed to implement marketing concept within the overall framework of customer oriented services' (Lee and Kim, 1999) .

The interest of service scholars in service orientation dates back to Adair (1972) who is credited to have first used the concept and identified it as an important trait in librarians. Thereafter Hogan *et al.* (1984) worked on the service orientation of hospital staff. The concept received interest during the resurgence of the services and service quality research in the 1980s (Schneider *et al.*, 1980; Grönroos, 1984; Parasuraman *et al.*, 1985) . Earlier investigations observed service orientation as a personality trait (Worth *et al.*, 1972; McBRIDE *et al.*, 1997; Hogan *et al.*, 1984; Chait *et al.*, 2000; O'Connor *et al.*, 2000) . Some other scholars have also considered the construct in terms of employees' attitudes and behaviour exhibited on the job (Dienhart *et al.*, 1992; Johnson *et al.*, 1996; Keillor *et al.*, 1999; Chait *et al.*, 2000) . However, these studies have been based on the sole perspectives of managers or customers.

Over the last decade, most of the studies on service orientation have conceptualized the idea as an organizational culture or corporate strategy (Lytle *et al.*, 1998; Homburg *et al.*, 2002; Pérez-Jiménez and Saura-Calixto, 2005; Lytle and Timmerman, 2006; Urban and Oosthuizen, 2009; Gebauer *et al.*, 2010) .

1.5 Dimensions of service orientation

Dienhart *et al.* (1990) studied managers and employees in a national pizza restaurant chain to examine the concept of service orientation. The factor analysis of nine service orientation items suggested that service orientation consists of three major areas: customer focus, organizational support and service under pressure.

Lytle et al. (1998) identified four Major components of service orientation and developed a scale SERV*OR. These 4 components are:

1. Service leadership consisting of:
    i. Service leadership
    ii. Service vision
2. Service encounter consisting of:
    i. Customer focus
    ii. Employee empowerment
3. Service system consisting of:
    i. Service failure prevention
    ii. Service failure recovery
    iii. Service technology
    iv. Service standard communication
4. Human resource management consisting of:

i. Service training

ii. Service reward.

In the context of management information systems (MIS), Cherbakov et al. (2005) argued that service oriented enterprise is "an enterprise able to deal with the challenges of the emerging business environment". One fundamental difference between the MIS approach and service orientation approach to e-service is focus on the business customers, as opposed to the technology itself. Therefore, real time management information system is also an important dimension of Service Orientation, as it gives flexibility and faster decision making as per customers' changing requirements. This research has used modified SERV*OR scale for measuring organizational service orientation, which includes ten dimensions of SERV*OR (Lytle et al., 1998) framework and one additional dimension of MIS.

1.6 Organizational performance and its measurement

Organizational performance is basically an outcome of successful operation and management and is the means by which an organization grasps its hold in the market. Agarwal *et al.* (2003) defines performance as a two dimensional construct: Objective and Judgmental. The objective and judgmental aspect can be covered by measuring performance in terms of marketing, financial, customer satisfaction and innovation. In research studies various dimensions for measuring performance have been considered e.g. Financial Statements, Gross Margin, Sales per Representative and Return on Asset (ROA), Return on Net Worth, Total Asset Turnover, Average Order Size, Sales per Person, Sales per Employee, Average sales growth, and Inventory turnover.

Conventionally, organizations measured their performance on short-term financial measures, however the balanced scorecard (BSC) approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002) .

Youndt and Snell (2004) were the first to introduce the black box, as to how the HR practices affect organizational performance. The research suggested that firm's HR

practices help increase employees' knowledge and skills (i.e., human capital), facilitate group interaction and knowledge sharing (i.e., social capital), and enable organizations to store knowledge in systems, routines, processes, and cultures (i.e., organizational capital), which, in turn, drive organizational performance. García *et al.* (2012) in the study of 168 Spanish firms revealed that (1) transformational leadership influences organizational performance positively through organizational learning and innovation. Walker *et al.* (2010) stressed at the importance of management innovations (MIs) on organizational performance. The findings indicate that the impact of MI on performance is not direct, but is mediated by performance management (PM). They also asserted that PM positively affects organizational performance. Jiménez and Valle (2011) examine the relationship between innovation and performance and asserts a positive relationship between organizational learning and both performance and innovation.

Based on above literature, organizational performance scale can be measured comprehensively with five measures: market share growth rate, overall performance, cost competitiveness, customer perception, and new product/services/innovative solutions launched.

1.7 Performance and Service orientation

In several studies, the service orientation measure showed steady and substantial correlation with overall job performance, employee satisfaction, customer orientation, and service value, etc. The businesses have to focus on service orientation to differentiate themselves from their competitors. Marketing literature has acknowledged the role of a company's service orientation in achieving a sustainable competitive advantage.

Most of the available literature on the service orientation concept suggest that a customer-focused service orientation may have a positive impact on service performance (Schneider *et al.*, 1980; Hogan *et al.*, 1984; Deshpande *et al.*, 1993; Cran, 1994; Lytle *et al.*, 1998) . There is increasing support for the notion that employees' service performance is one of the key factors with which organizations can gain competitive advantage (Parasuraman *et al.*, 1985; Heskett *et al.*, 1994; Zeithaml and Bitner, 2000; Chung and Schneider, 2002).

A vast majority of the attention paid to the consequences of service orientation has concentrated on its relationship with business performance (Lytle *et al.*, 1998; Lynn *et al.*, 2000; Homburg *et al.*, 2002; DiMascio, 2010) .

Homburg *et al.* (2002) conducted an empirical study of clothing and furniture retailers in both the United States and Germany. This study provides evidence for the conceptualization of a service-oriented business strategy. The authors find that the investigated antecedents account for some variance of a service-oriented business strategy, which in turn positively affects company performance in the market and thereby profitability.

Yoon *et al.* (2007) found at hospitals in Korea that organizational service orientation had a positive effect on both employee satisfaction, and service value perceived by hospital staff and service value as well as employee's customer orientation were found to exert a positive influence on the medical firm's performance. Wu *et al.* (2008) empirically demonstrated in Taiwan that Service orientation positively impacts consumer perceptions of employee service performance. Liang *et al.* (2010) analyzed the dyadic data collected from financial service companies in China and showed that service orientation positively affects employee service performance.The rationale as to why a firm should be service oriented evolves from this discussion in the sense that more an organization is inclined towards service orientation, the possibility of having higher performance increases significantly. It is found that most of the researchers are limited to study the impact of service orientation on the organizational performance in service organizations.

1.8 Impact of Service Orientation on Performance of manufacturing firms

Though most of the studies are based on the service sector, later there were similar studies conducted also for the manufacturing sector. Antioco *et al.* (2008) undertook an empirical study of 137 manufacturing firms in Netherland, Denmark, and Belgium. The study assessed the effect of organizational parameters on the implementation of service business orientation and validates the important distinction of services in support of the client’s actions (SSC) and services in support of the product (SSP) and the study revealed

presence of association between service orientation and organizational performance for the manufacturing sector.

Voigt *et al.* (2012) studied the effects of Market and Service-Orientation for the Success of Solution Providers in the German manufacturing sector and argued that in the manufacturing industry, Service-orientation has to be integrated into this concept because of the growing importance especially for so-called solution providers with a focus on product/service combinations.

Shin *et al.* (2013) emphasize on service orientation as means of product differentiation along with the efficacy of customer marketing relationship strategies like loyalty programs, preferential treatment, and financial reward packages.

From above it is seen that very few studies consider manufacturing firms for study of service orientation as compared to lot of interest in study of service organizations.

1.9 Indian business environment

India is among the fastest growing economy of the World, with Gross Domestic Product (GDP) growing steadily at 7.3% (2014-15), which is higher than that of the other developing economies. The country also went for integration with the global economy to usher in the global competition which was expected to bring efficient manufacturing and thus economic growth. As a result, the corporate landscape witnessed major changes in terms of competition from both imports and multinationals in the domestic markets (Dangayach and Deshmukh, 2001).

1.10 Indian service sector

India's economic policies have undergone substantial revision driven by the Service sector, and this sector began to grow up. Studies showed that liberalization and reforms are one of the important factors contributing to the growth of services sector in India (Chanda, 2002; Gordon and Gupta, 2003; Banga and Goldar, 2004; Jain and Ninan, 2010). With financial growth and rise in per capita income, there is a change in demand pattern from necessary to discretionary consumptions like education and personal and

health care services (McKinsey and Company, 2007) . The high-income elasticity of demand for services has contributed to the high growth of this sector (Bhattacharya and Mitra, 1990; Gordon and Gupta, 2003). Technological development and obtainability of high skilled manpower have led to the growth of services like information technology (IT), and IT-enabled services (ITeS) (Chanda, 2002). Developed countries outsource its services to the developing countries like India leading to a rise in demand for services from the developing market (Bhagwati, 1984; Hansda, 2001; Gordon and Gupta, 2003). High government spending on certain services like community, social and personal services has also led to high growth of services (Ansari, 1995) . This is the second largest employer afterward agriculture. India's trade in services have improved over time and services accounts for the largest share in India's foreign direct investment (FDI) inflows and outflows. The excerpts from the Economic Survey 2015 clearly showed that the service sector has recorded double-digit growth in Gross Value Addition (GVA).

Table 1: Growth in GVA at Constant (2011-12) Basic Prices (percent)

Growth in GVA at Constant (2011-12) Basic Prices (percent)			
	2012-13	2013-14	2014-15
Agriculture, forestry, and fishery	1.2	3.7	1.1
Industry	2.3	4.5	5.9
Services	8.0	9.1	10.6

Source: Economic Survey 2015

The customers are now open to newer global media which improved their information availability (Sarin and Barrows, 2005) . Popli and Rizvi (2015) found that Service orientation is strongly correlated with employee engagement, and employee engagement is a strong predictor of service orientation, in the specific context of the private service sector organizations in India. This study indicated that the Indian service organizations need to focus on employee engagement, as the same way they have to focus on customers .This will leads to the differential advantage to organizations. However, the Indian service industries, which have not been very customer and service oriented in past due to

their legacy in a protected and licensed economy, are now facing the challenge of reorienting.

1.11 Indian Manufacturing sector

The performance of manufacturing activities plays a essential role in determining an economy's progress and development. The Indian Planners being well aware of the importance of this sector which led to the foundation of installation and operation of heavy industries as early as from the beginning of second Five Year Plan. However, Indian manufacturing firms were faced with the problem of "Industrial sickness" along with structural bottlenecks and a plethora of pessimism related to the operational environment. Many Indian public sector undertakings (PSU's) turned sick and operated at huge losses. Eventually, post Liberalization, an attempt has been made to restructure the manufacturing units. Industrial licensing was abolished, to incentivize private participation, the Monopolistic and Restrictive Trade Practices Act was abolished, and a bunch of incentives initiating from tax cuts to the creation of Special Export-processing Zones (SEZs) was introduced to attract private investment.

Transition faced by the Indian Manufacturing over the last two decades has created marks of environmental challenges for the indigenous organizations viz. competitive intensity, market dynamism, and highly demanding customers (Singh, 2003; Aggarwal and Singh, 2004; Chaitanya, 2005) . Thus a need has emerged for Indian manufacturing firms to orient themselves towards customer and market, in line with global Organizations. A bulk of firms have resorted to market orientation and other business practices like customer focused and service oriented, that are employed in developed economies, with a view to gather and retain foreign customers (Gopalakrishna and Subramanian, 2004; Singh, 2003)

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Gopalakrishna and Subramanian (2004) brought out empirical support across five performance measures - growth in overall revenue, return on capital, the success of new

products/services, ability to retain customers, and success in controlling expenses. Another study by Shergill and Nargundkar (2005) across diverse types of industries had found a reasonably robust relationship between market orientation and performance.

Though Market orientation has been established in the context of Indian Industries, there has been a growing consensus that even the manufacturing industries have to focus on providing better and extended services beyond conventional product focus like product installation, product servicing, maintenance and financial services. In this situation, the present study aims to study the applicability of the concept of service orientation in Indian manufacturing firms, which is predominantly being used for service industry presently. The study examines the presence of Service Orientation in the service industry viz-a-viz the manufacturing industries and then aims to identify its linkage with Organizational Performance.

Thus, the tough competition to gain market share has created an impressing need for the Indian service and manufacturing Industries to become not only customer focused but re-orient towards for market and service, in line with global competitors. This is must to improve their performance and expand their global market share. However, much research is needed to be undertaken in this direction.

1.12 Research gaps

It is observed from the available literature that most of the research studies are based on organizational service orientation and how it affects organizational performance have been undertaken in the context of US, Europe and few in Chinese and Korean Service industries. Further, most of the studies have used SERV*OR scale to measure organizational service orientation for service Industries in above countries. Base on above literature review, following prominent gaps are identified:

1. Not much research has been undertaken to test the applicability of SERV*OR scale to manufacturing organizations or to develop different and/or modified scale applicable to manufacturing firms.

2. It is also not attempted to develop a common scale for measurement of organizational service orientation for all types of organizations i.e. service, manufacturing, and hybrid (having characteristics of both service and manufacturing). This is important in today's context of manufacturing industry which needs to shift from a product-centric view to a service-dominant perspective.

3. Further, barring the above mentioned limited studies, there is not much literature available on how organizational service orientation affects organization performance in Indian service and manufacturing firms.

1.13 Rationale for the study

The advent of globalizations and openness of the Indian economy has created the stage for the Indian firms to mark its presence globally. The policies of the Government are encouraging 'Make in India' initiatives, aimed at creating a positive atmosphere and enhanced business sentiments. It can be concluded that along with global competition, the Indian firms need to be market driven. In order to improve organizational performance in globally competitive environment, Indian firms should be service oriented to capture a share in global markets through enhanced business performance. Based on the above considerations, the present study aims to analyze the impact of service orientation in the Indian context for the service and manufacturing sector.

This study attempts to identify the dimensions of organization's service orientation and its resultant impact on its performance on various parameters. Thus this study aims, at first, a developing measure of service orientation of the organization and then through empirical data it attempts to measure the impact of service orientation on organization's performance (including operational, financial and marketing performance parameters). The study would also attempt to examine the impact of the nature of the organization (i.e., whether it is a manufacturing or service business firm) on its service orientation and its link to business performance.

1.14 Research Objectives

To address the above mentioned research gaps and based on rationale of the study brought out above, the main objectives of this study are as given below:

1. To identify dimensions of organizational service orientation in manufacturing, service and hybrid organizations.
2. To measure impact of service orientation on organizational performance as measured by financial, operational and marketing parameters.
3. To examine the extent of similarity or difference between the service orientation and organizational performance relationship in manufacturing, service and hybrid firms.

1.15 Organization of the Thesis

This chapter introduces the entire research to the reader. This chapter brings out the present context of changing the economic environment and globalization of Indian economy and its impact on the Indian organizations. It highlights the need for Indian firms to re-orient to become service oriented to improve organizational performance. This chapter thus brings out the research gaps and defines research objectives.

The Chapter 2, gives a snapshot of relevant literature. This Chapter covers literature on the two major concepts- Organizational service orientation and organizational performance.

Chapter 3 covers the methodology followed for this research. The entire sampling plan is discussed. The chapter also provides methodology for data collection, the validity, and other construct-related issues. This chapter also discusses the statistical tools and techniques used for analysis of the collected.

In Chapter 4, a detailed analysis of the data is covered. After the statistical analysis, the results are reported.

Chapter 5 summarizes and discusses the results.

Chapter 6 covers conclusions, implications, and limitations of this research. It also presents the scope of future research.

1.16 Chapter Summary

This chapter brings out in brief the current business context with specific reference to Indian Service and manufacturing industries and it is highlighted that how competition and technological developments are forcing organizations to find ways to improve their performance by adopting various business orientations like Organizational Service orientation.

Marketing literature has acknowledged the role of a company's service orientation in achieving a sustainable competitive advantage. Brief literature on service orientation, its dimensions and organizational performance has been covered. Research gaps have been identified and rationale of this study, research objectives and research questions are brought out. The organization of this study, which follows in next chapters, has been discussed. Next chapter covers literature review in detail.

Chapter 2

Review of Literature

2.1 Introduction

In this chapter, the theoretical foundations of the fundamental concepts, that are being covered during the course of this study, shall be discussed in detail. Detailed literature available on two main concepts – 1. Organizational Service Orientation and 2. Organizational Performance have been studied and compiled. Available literature on dimensions and measurement of service orientation and organizational performance have been covered. The impact of service orientation on organizational performance has been brought out. Research studies on service orientation in Indian context have been highlighted.

2.2 Service Orientation

2.2.1 Historical Background and development of concept of service orientation

The interest of service scholars in service orientation dates back to Worth *et al.* (1972), who is credited to have first used the concept and identified it as an important trait in librarians. One of the first studies exploring the service orientation concept was carried out by Parkington and Schneider (1979), who investigated simultaneously employees' perceptions of organizational service orientation and individual employee service orientation: The authors defined organizational service orientation as 'the philosophy implied by (or attributed by others to) the policies, procedures and goals of management'. Thereafter Hogan *et al.* (1984) worked on the service orientation of hospital staff.

In the research literature, there have been terms used that seem similar to the construct of service orientation, yet they are conceptually different from it. The term 'service orientation' has been generally construed to be an organizational trait concerned primarily with the prevailing attitude toward service demand, execution, and procedure so as to

deliver an excellent service (Bowen and Schneider, 1988; Schneider, 1990; Winch and Schneider, 1993; Johnson, 1996). For instance, Dienhart *et al.* (1992) viewed service orientation as one of the key elements of organizational characteristics responsible for creating a culture which stimulates employees' actions and rewards the delivery of high quality service.

The service orientation concept received interest during the resurgence of the services and service quality research in the 1980s (Schneider *et al.*, 1980; Grönroos, 1984; Parasuraman *et al.*, 1985). Earlier investigations perceived service orientation as a personality trait ((Worth *et al.*, 1972; Hogan *et al.*, 1984; McBRIDE *et al.*, 1997; Chait *et al.*, 2000; O'Connor *et al.*, 2000). Some other scholars have also conceived the construct in terms of employees' attitudes and behavior exhibited on the job (Dienhart *et al.*, 1992; Johnson, 1996; Keillor *et al.* ,1999; Chait, Carraher and Buckley, 2000).

Over the last decade, most of the studies on service orientation have conceptualized the construct as an organizational culture or corporate strategy (Lytle *et al.*, 1998; Homburg, *et al.*, 2002; Pérez-Jiménez and SauraCalixto, 2005; Timmerman, 2006; Urban and Oosthuizen, 2009; Gebauer *et al.*, 2010;).

Despite the strategic importance of examining this service orientation discrepancy, the majority of studies either focused on the exploration of employees' perceptions of organizational service orientation (Johnson, 1996; Lytle *et al.*, 1998) or on individual service orientation (Cran, 1994; Hogan *et al.*, 1984).

Lytle (1994) defined Service orientation as 'a collection of organizational activities undertaken by service firms designed to secure the creation and delivery of excellent services in strategic response to market information'. This definition reflects the importance to any service firm of providing excellent service, which occurs only when the firm enjoys sustainable competitive advantage through the creation of superior services and delivery of customer satisfaction. (Lytle *et al.*, 1998) also offered another definition of service orientation as 'the extent to which an organization adopts organizational policy, custom, and procedure aimed at supporting and rewarding service activities with a goal to create and deliver excellent service'.

On a similar note, Lee and Kim (1999) defined service orientation as 'a strategic response to market information which is designed to implement marketing concept within the overall framework of customer oriented services'. Based on the above definitions, it can be argued that a service-oriented organization puts a strategic emphasis on providing an excellent service in the belief that doing so will enable the organization to promote its value as perceived by both customer and employee and to secure customer satisfaction, which will, in turn, result in competitive advantage and higher performance. The term customer orientation is often used interchangeably with service orientation, but it is important to note that while customer orientation (in sales) is mainly concerned with meeting customer needs during a transaction, service orientation goes “beyond the limits of the dyadic sales encounter, to provide the customer with additional information and assistance even after the sales encounter (Keillor *et al.*, 1999).

As a corporate culture, service orientation refers to the norms, beliefs, values and behaviors of an organization that influence employee performance. This measure of service orientation focuses on what the management of an organization considers as important for high-quality service to be delivered (Chung and Schneider, 2002). Service orientation as a corporate strategy is viewed as the extent to which an organization competes on service (Homburg, *et al.*, 2002).

Rust and Kannan (2003) point out, "e-service orientation is all about taking advantage of the electronic environment and the technology advancements to stay competitive, nimble, and customer-focused in a turbulent business landscape". In the context of management information systems (MIS), Cherbakov *et al.* (2005) broadly defines a service oriented enterprise as "an enterprise able to deal with the challenges of the emerging business environment". One fundamental difference between the MIS approach and service orientation approach to e-service is focus on the business customers, as opposed to the technology itself.

In addition, service orientation in delivery, based on the current conceptualization, is broader as it covers both internal and external service interactions (Frimpong and Wilson, 2012).

Thus, it is observed that service orientation has been viewed from a wide angled view i.i. from individual employee service orientation to 'the philosophy implied by (or attributed by others to) the policies, procedures and goals of management', as one of the key elements of organizational characteristics responsible for creating a culture, beliefs, values and behaviors of an organization that influence employee performance and also as 'a strategic response to market information'. Recent researchers see service orientation as, "e-service orientation is all about taking advantage of the electronic environment and the technology advancements to stay competitive, nimble, and customer-focused in a turbulent business landscape" (Rust and Kannan, 2003). In the context of management information systems (MIS), Cherbakov *et al.* (2005) broadly defines a service oriented enterprise as "an enterprise able to deal with the challenges of the emerging business environment".

2.2.2 Perspectives of Service Orientation

Service orientation construct has been studied with wide variety of organizational perspectives. It is argued that the interaction between employees and customers is influenced positively by the internal processes and systems that are invisible to the customers (Langeard *et al.*, 1981; Gronroos, 1990). Also it highlighted that internal services management practices and procedures are important for a positive service delivery to customers as they have an impact on how employees perceive the service orientation of the organization (Schneider and Bowen, 1985). Further, there is the notion that the service encounter is dependent on the attitudes and behavior of customer facing staff, a concept that has been defined as individual service orientation (Hogan *et al.*, 1984).

Over the last two decades, governmental cost-cutting on the one hand and growing public pressure on the other, have led to the need to continuously improve, or modernize, the efficiency and effectiveness of public services (Doolin *et al.*, 2002; Frumkin *et al.*, 2004). Consequently, management concepts such as service orientation, which have their origins in the private sector, have gained increasing importance in public sector settings (Griffiths *et al.*, 2001; McNulty, 2004; Paarlberg, 2007). Misalignment between organizational and individual service orientation may have negative consequences for

service delivery outcomes, as organizations might not be able to reach their full potential: (1) if employees' service orientation is higher than they perceive that of the organization, employees may not feel supported in delivering services of a good standard to citizens, which in turn may be linked to negative employee and customer outcomes; (2) on the other hand, if employees' service orientation is lower than their perceptions of organizational service orientation, it might prove difficult to translate organizational service improvement objectives into action as employees may have no motivation to provide the best service possible.

Caemmerer and Wilson (2011) explored the nature, antecedents and consequences of a potential service orientation discrepancy in a UK public sector setting. This study suggests that similar to the private sector, public sector employees perceive a discrepancy between their own service orientation and that of the organization and the antecedents for this discrepancy differ from the private sector: employees' commitment to help communities contrasts with modernizing Government efforts to drive efficiency while neglecting effectiveness and also emphasizing the development of tailored and proactive services may reduce the service orientation discrepancy and thus improve service performance and job satisfaction.

Thus from the above literature, it is seen that service orientation construct influences wide variety of organizational perspectives and is applicable in all contexts of private, public and governmental context.

2.2.3 Service Orientation and Human Resource Management

The importance of human resource management practices and their relationship to service quality has received much attention. Service training and service rewards practices are two components of human resource management. Factors, such as rendering service with a smile, thanking a customer, and being courteous are examples of basic skills which influence customer satisfaction. An important element of service quality is the link between employee compensation / reward and service performance (Roach, 1991; Schlesinger and Heskett, 1991; Berry, 1994; Heskett *et al.*, 1994; Bowen and Schneider, 1988). Service-related employee behavior is said to result from conspicuous and specific

compensation reward practices and programs (O'Connor and Shewchuk, 1995; Joseph, 1996; Hartline and Ferrell, 1996);.

Ployhart *et al.* (2009) tested several key predictions in strategic human resource management (SHRM) and resource-based theory providing critical tests of resource based theory by demonstrating that changes in the flow of unit service orientation relate to changes in objective unit effectiveness over time. The idea that crops up is that, human resource management plays a critical role in determining the level of service orientation of an organization. The idea of a well presentable modest employee in the frontline speaks a lot about an organization, which acts as a sugary coating and helps in developing the image of an organization.

Thus, human resource is an important constituent and factor that influence Service orientation of Organization. Thus it is an important dimension to measure service orientation.

2.2.4 Service orientation as competitive advantage

Recent marketing literature has acknowledged the role of a company's service orientation in achieving a sustainable competitive advantage. This service orientation, the relationship and strategy between the company and the customer, is arguably the most important area for a business to study. Over the last decade, it has become crucial for businesses to fundamentally understand and satisfy consumer needs in order to succeed in a highly competitive market environment (Keillor *et al.*, 1999). These new considerations, while extended in scope, clarify several points about service orientation. As a result, its antecedents and consequences have been widely studied (Kelley, 1992; Homburg, *et al.*, 2002; Lytle and Timmerman, 2006; Marinova *et al.*, 2008).

The impact of service orientation may be viewed as a roadblock that businesses must navigate in order to reduce negative effects generated from interaction with consumers. A vast majority of the attention paid to the consequences of service orientation has concentrated on its relationship with business performance (Lynn *et al.*, 2000; Homburg, *et al.*, 2002; Di Mascio, 2010). However, relatively little academic research has focused on the role of service orientation in influencing employees and customer response.

Moreover, the research is scant in addressing other possible consequences, such as the effect of service orientation on the operational level of employees (Wua *et al.*, 2008).

Recent developments have given heightened importance to employees as important channels to deliver service to customers that will reduce the negative impact. The Albrecht (1988) "service triangle" indicates the tripartite relationship among the service organization, the service provider, and the customers. In the meantime, service organizations have begun to consider the roles their employees should play in achieving a sustainable competitive advantage (Asif and Sargeant, 2000). If employees are part of a solid service culture and receive management support for delivering improved customer service, this has a positive impact and influences the structuring of how an organization pursues service orientation. One which favors excellent service quality can lead to employee behavior and attitudes which, in turn, creates higher value and a better result. In addition, the experience will lead to increased consumer loyalty and positive word-of-mouth.

Focusing on the service triangle, the idealistic state exists when there are positive relationships between the service organization-service provider, service organization-consumer, and service provider-consumer. It represents a balanced triad and the optimal state in which the consumer has no need cognitively to distort, reevaluate, or behaviorally withdraw from the situation. When an organization maintains positive relationships with both the provider and the consumer, several desirable outcomes are likely. Employees will experience increased levels of motivation, satisfaction, and commitment and decreased levels of intent to withdraw from the organization (De-Man *et al.*, 2002). There will be a reduction in the gap between consumer expectations and actual service quality, and consumers will be more loyal and will have higher repurchase intentions, as compared to when positive relations do not exist among all three parties (Barroso -Castro *et al.*, 2005). As a result, market orientation theory (Kohli and Jaworski, 1993; Day, 1994;; Slater and Narver, J., 1994; Wright *et al.*, 1997; Barroso Castro *et al.*, 2005;) indicates that firms with superior service strategy or facilitation should have superior customer knowledge, excellent service performance and should be able to develop offerings that better satisfy the needs and wants of target customers.

The rationale as to why a firm should strive to be service oriented evolves clearly from the above discussion that more an organization is inclined towards service orientation the possibility of having higher performance increases significantly.

2.3 Dimensions of service orientation

Lytle *et al.* (1998) identified four components of service orientation - 1) Service leadership, 2) Service encounter, 3) Service system, and 4) Human resource management.

Dienhart *et al.* (1990) studied managers and employees in a national pizza restaurant chain to examine the concept of service orientation. The factor analysis of nine service orientation items suggested that service orientation consists of three dimensions: customer focus, organizational support and service under pressure.

Literature on various dimensions of service orientation has been studied and summarized below:

Leadership is the most critical and integral ingredient necessary for creating and maintaining an effective and positive service orientation Servant-leadership and service vision are the foundational elements of leadership within the service orientation model (Lytle *et al.*, 1998). Managers' attitudes and behaviors (knowingly or unknowingly) continuously and directly shape an organization's service climate (Albrecht and Zemke, 1985; Berry *et al.*, 1994; Bowen and Schneider, 1988);

2.3.1 Servant leadership

Servant-leadership incorporates the ideals of empowerment, total quality, team building, and participatory management, and the service ethic into a leadership philosophy. The servant leadership concept is complex in nature in view of the different definitions presented by different disciplines; the religious point of view, the psychological aspect and the management aspect as well.

Being just a service-oriented person, in the traditional notion of servant-hood, does not qualify one as a servant leader. Hall (1991) has observed that "Doing menial chores does

not necessarily indicate a servant leader. Instead a servant leader is one who invests himself or herself in enabling others, in helping them be and do their best."

According to Kouzes and Posner (1993), “Leaders we admire do not place themselves at the center; they place others there. They do not seek the attention of people; they give it to others. They do not focus on satisfying their own aims and desires; they look for ways to respond to the needs and interests of their constituents. They are not self-centered; they concentrate on the constituent.... Leaders serve a purpose and the people who have made it possible for them to lead.... In serving a purpose, leaders strengthen credibility by demonstrating that they are not in it for themselves; instead, they have the interests of the institution, department or team and its constituents at heart. Being a servant may not be what many leaders had in mind where they choose to take responsibility for the vision and direction of their organization or team, but serving others is the most glorious and rewarding of all leadership tasks.”

Servant leadership is a very important aspect in determining the levels of service orientation of an organization. In fact, it is this aspect which defines the value, sets the mark and is instrumental in the operation and positioning of an organization.

Spears (1998) incorporated ten major attributes of servant leadership. These included: Listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the growth of people; and building community. However, Spears (1998) stated, “these ten characteristics of servant leadership are by no means exhaustive”. Barbuto and Wheeler (2006) later, attempted to develop a scale which can explain servant leadership. The authors developed 11 sub scale items, viz. calling, listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, growth, and community building .with the help of data from 80 leaders and 388 raters, the study revealed produced five servant leadership factors—altruistic calling, emotional healing, persuasive mapping, wisdom, and organizational stewardship—with significant relations to transformational leadership, leader-member exchange, extra effort, satisfaction, and organizational effectiveness.

2.3.2 Service Vision

Literature is encrypted with describing service vision as a "top-down" approach which is necessary to instill widespread aspirations of providing quality service among organizational members (Albrecht and Zemke, 1985; Heskett, 1986, 1987). Service leaders who consistently communicate a service vision for the organization reinforce the importance of service quality and customer satisfaction in creating superior value for the organization. It forms a basis for appropriate organizational service behavior within the organization. He further defines two different views of strategic service vision, one that consists of identification of a target market segment, development of a service concept to address targeted customers' needs, codification of an operating strategy to support the service concept, and design of a service delivery system to support the operating strategy, the "externally oriented strategic service vision". The other, targeting important groups of employees as well as customers; the "internally oriented strategic service vision".

Partovi (2001) presented an analytical method "Strategic service vision". The model based on based on quality function deployment (QFD), and benchmarking, starts with two matrices in series to relate market segments, service concepts, and various processes, as rows and columns of interconnected QFD matrices. Further, analytical hierarchy process (AHP) was used to determine the intensity of the relationship between the row and column variables of each matrix. While analytical network process (ANP) an extension of AHP was used to determine the intensity of synergy effects among column variables. Finally to in order to tune the operation and develop precision, benchmarking was employed.

2.3.3 Customer Treatment

Service treatment is service quality. The definition, meaning, and evaluation of service quality exist in the mind of the customer. Flow customers are treated directly impacts their perceptions of service performance and customer satisfaction. Thus, organizations must consistently engage in practices enacting the golden rule during service encounters to create positive customer perceptions of service performance thereby enhancing customer satisfaction, loyalty, and organizational performance (Lytle *et al.*, 1998)

Parkington and Schneider (1979) researched on the relationship between employees and customers in service organizations with data from 142 employees and 968 customers from 28 branches of a bank. Significant relationships were reported between branch employees' perceptions of organizational human resources practices and branch customers' attitudes about service. Employee attitudes and customer attitudes were related to their own and one another's turnover intentions.

Pérez-Jiménez and Saura-Calixto (2005) investigated the link between customer orientation (CO), service orientation (SO) and job satisfaction (JS). The study revealed that CO produced a mediated effects, through SO, on overall JS. The mediator role was identified as human resources management practice, service systems practice and service leadership practice. In addition, to this finding a positive association was revealed between SO practices and CO.

Lytle and Timmerman (2006) attempted to empirically validate service orientation as a socially constructed variable. The data indicated that organizational service orientation in banking is positively correlated with employee commitment, longevity, and *esprit de corps*, consumer products performance, service quality image, and banking profitability.

2.3.4 Employee Empowerment

Employee employment is very difficult to define, in the sense that it is a multi-dimensional concept. The beginnings of the concept of employee empowerment can be found in several places. The socio-technical approach (Lewin, 1951) combined two aspects of work in a systemic manner. The idea of job enrichment emerged which focused on increasing control and decision-making in one’s work (Herzberg and Mausner, 1959). The literature on job autonomy, (Hackman and Oldham, 1976; Hackman and Oldham, 1980) addresses another component of what is today referred to employee empowerment.

Kanter (1977) defined empowerment as giving power to people who are at a disadvantaged spot in the organization. She sees a continuum of power from powerlessness to empowered. In lines with this tradition (Block, 1987; Sullivan *et al.*, 1996) also focused on the role of the manager in empowering employees.

Empowered employees have the responsibility and authority to meet customer's needs as quickly and effectively as possible. By allowing contact employees to make these decisions, the manager relinquishes control over many aspects of the service delivery process. Empowerment is thought to be necessary because contact employees need the flexibility to make on the-spot decisions to completely satisfy customers. Advocates of empowerment claim that employee will be more responsive as service providers, have higher levels of productivity, deal with customer complaints more quickly, be better motivated, and provide higher levels of service quality (Lytle *et al.*, 1998).

It must be noted that employee empowerment seldom happen in organizations naturally. It requires changing the disempowering structures, moreover changing leadership alone may not lead to an empowered organization. Both the leadership component and the individual component will have an impact but they will not be a successful as they could be in order to have an empowered organization with empowered employees.

2.3.5 Service Failure Prevention

The hearts of service system are practices that function to prevent service failures and systems which function effectively to customer complaints or service failures. Service quality is determined by service failure prevention and recovery (Berry *et al.*, 1994; Kelley and Davis, 1994).If an organization fails to prevent and/or resolve customer problems, they have in fact disappointed the customer twice: once for the initial failure and twice for failing to correct what had gone wrong in the first place.

2.3.6 Service Failure Recovery

When immediate and planned responsiveness to service failure occurs, organizations are able to retain up to 95 percent of their dis-satisfied customers (Albrecht and Zemke, 1985). Additionally, these system-driven processes and procedures are shown to be closely related to customer perceptions of organizational service passion which is posited to be related to service performance. It has also been proven that the process and procedures related to service failure prevention and recovery has been closely related to customer's perception of organization service passion, which is further related to performance of an organization.

2.3.7 Service technology

Critical to creation of an outstanding service delivery, is the utilization of "cutting edge" technology (Bowen *et al.*, 1989; Zeithaml *et al.*, 1996; Heskett *et al.*, 1997). Customer's outlooks and hopes are smoothened by the applicability of cutting edge technology, for example (1) Sophisticated purchasing and inventory control system are very critical in addressing the customer's desire of low price; (2) comprehensive data base management techniques are instrumental in addressing customer's desire for personal recognition (3) customer desires for access to round the clock service, is often addressed by IVR (Interactive voice response) system and toll free helplines. In short utilization of technology in provision of services is very critical to an organization's success (Lytle *et al.*, 1998).

Jensen (2007) provided a contributory research in the context of Indian Economy which hinted that with use of technology (mobile phones) in Kerala, the fishing industry has provided the consumers and the producers with an enormous boost.

Within the context of self-service technology it has also been argued by Johnson *et al.* (2008) that the effects of the consumer technology paradoxes on customer satisfaction are mediated by consumer performance ambiguity and consumer trust in technology.

2.3.8 Service Standard Communication

Standards of internal service quality are an important antecedent to customer satisfaction. For effective working of a service system it is a mandated clause that all members of the organization must be aware of service standards or benchmarks of the respective organizations. Congruity to a set of standard is more likely to be met if the standards are understood by every employee of the organization (Parasuraman *et al.*, 1991; Berry *et al.*, 1994). Successful communication of these standards maximizes internal benchmark achievement and minimizes service failures. They also strengthen the firm's ability to recover from such failures. Snyder and Morris (1984) identified five independent objective measures of overall organization performance (i.e., number of clients served, cost of operation) as correlates of 4 perceived communication variables (adequacy of information, information exchange, supervisor communication, and performance

feedback) among 12 district organizations within a federally funded social services system. The results indicated that 2 perceived communication variables, the quality of supervisory communication and information exchange within the peer workgroup, were strongly related to critical revenue and workload measures of overall organization performance.

2.3.9 Service Training

An organizational service orientation would involve a focus on service-oriented human resource management throughout the organization, a model of service orientation must include measures of service training and service rewards practices (Lytle *et al.*, 1998). A plethora of researches has established the importance of importance of human relations skills in employees who come in direct contact with customers (Schneider and Bowen, 1985; Albrecht and Zemke, 1985; Joseph, 1996; Johnson, 1996). Factors such as being courteous, addressing customers with a smile, thanking a customer influence customer satisfaction. Employee contact skills such as courtesy, attitude or helpfulness (Joseph, 1996) are instrumental in provision of quality services to customers. Advanced quality-based team training, problem-solving training, inter-personal skills training must be imparted to employees, as Schlesinger and Heskett (1991) suggested that value investment in people is equally important as value investment in machines; the authors further advocated for specific investment in service skill training so as to make employees empowered to meet complex demands of customers.

Sharma (2014) conducted a study in the context of the Indian economy to compare the importance and performance of managerial training in India, with an identified notion that service training impacts performance of organizations positively. The study revealed that the Indian origin organizations lag in terms of importance given to training and functions as compared to the multinational companies. Further, the study revealed that the service sector organizations have an edge over the manufacturing organizations.

2.3.10 Service reward

An important element of service quality is the link between employee compensation/reward and service performance (Schneider and Bowen, 1985; Roach,

1991; Berry *et al.*, 1994). Specific compensation and rewards have found to been linked with service-related employee behavior (O'Connor and Shewchuk, 1995; Joseph, 1996; Hartline and Ferrell, 1996;). Works of Winch and Schneider (1993) also acknowledges the importance of service rewards and compensation. Macaulay and Cook (2001) stated that linking rewards to customer satisfaction and taking account of the needs of internal customers, has a critical role in motivating groups and individuals to keep the energy focused on customer; which in effect improves performance.

Park *et al.* (2013) further provided with a finding that depending on the reward type and its timing, long-term orientation has a moderating effect on customer loyalty, in the restaurant industry.

Yap *et al.* (2009) conducted a study to explore the effects of different reward programs on in-role and extra-role behavior; and to investigate whether specific reward programs can be designed to enhance both in-role and extra-role behavior simultaneously. Following semi-structured in depth interview, the study revealed that certain reward programs , specifically individual and group financial incentives motivated sales associates to engage in both in-role and extra-role behavior simultaneously. The study also revealed that compared to formal recognition programs, informal reward programs (individual financial incentives, individual social recognition and group social recognition) appeared to be more effective in motivating sales associates to enhance their in-role and extra-role performance.

Oliveira and Roth (2012) devised a measurement model of Service Orientation argues that firms having five combinative competencies: service climate; market focus; process management; HR policies; and balanced MS will be more predisposed to deliver outstanding services than those without this bundle.

The dimensions discussed in this section resemble the heart and soul of the concept of service orientation, these dimension are the key ingredients which provides us with a micro level understanding of the service orientation concept. The dimensions basically speak of the key areas which influence service orientation.

2.4 Measuring service orientation

The major breakthrough in measurement of the extent of service orientation can be credited to Lytle *et al.* (1998) for the development of the SERV*OR scale. They adopted two fundamental positions to define Organization's Service Orientation (OSO). First, OSO as a dimension of an organization's overall climate) .Second, OSO as a measure by soliciting employee's perceptions, beliefs, and opinions (Schneider and Bowen, 1993; Schneider *et al.*, 1996). Their study speaks of service orientation being dependent on Service leadership practices, service encounter practices, human resource management practices and service systems practices.

Service leadership practices comprises of service leadership and service vision. Leadership is, most likely, the critical and integral ingredient necessary for creating and maintaining an effective and positive service orientation (Schneider, 1990; Kotter and Heskett, 1992; Heskett *et al.*, 1997). Whereas a "top-down" service vision is important and necessary to instil widespread aspirations of providing quality service among organizational members (Albrecht and Zemke, 1985; Heskett, 1986; Heskett *et al.*, 1997).

Service encounter basically means "employee interaction with customer". They are importantwithin the service orientation paradigm because often brief encounters with customers form the basis of important customer service quality evaluations (Parasuraman *et al.*, 1988; Zeithaml *et al.*, 1996) Two important dimensions within service within the service orientation model are measures of actual customer treatment practices and measures of employee empowerment. How customers are treated directly impacts their perceptions of service performance and customer satisfaction (Bitner *et al.*, 1990; Berry *et al.*, 1994; Schneider *et al.*, 1992). Thus, organizations must consistently engage in practices enacting the "golden rule" during service encounters to create positive customer perceptions of service performance thereby enhancing customer satisfaction. Empowered employees have the responsibility and authority to meet customers' needs as quickly and effectively as possible. Empowerment refers to a situation in which the manager gives employees the discretion to make day-to-day decisions about job-related activities (Conger and Kanungo, 1988; Bowen and Lawler, 1992;). They form an integral part of service encounter.

An organizational service orientation requires service systems that include (1) service failure prevention and recovery practices (2) service standards communication practices, and (3) high levels of service technology adaptation. At the heart of a service system are practices that (1) function to pro-actively prevent service failures and (2) function to respond effectively to customer complaints or service failures. Service failure prevention and recovery are important determinants of service quality (Berry *et al.*, 1994; Kelley and Davis, 1994; Johnston, 1994). The utilization of *"cutting-edge"* technology is critical to creating a service system for the delivery of outstanding service quality (Bowen *et al.*, 1989; Jones and Sasser, 1995; O'Connor and Shewchuk, 1995; Zeithaml *et al.*, 1996; Sasser *et al.*, 1997). In order for the service system to work effectively, service standards or benchmarks must be understood by all members of the organization (Bowen *et al.*, 1989; Chase and Bowen, 1991; Treacy and Wiersema, 1993; Hallowell *et al.*, 1996; Heskett, 1986; Joseph, 1996).

A wide set of dimensions covering operational, behavioural, and technological aspect has been employed to measure service orientation by researchers, but the major breakthrough was achieved by Lytle *et al.* (1998), in their path breaking research which provided us the SERV*OR scale. With recent technological advancements and application of communication, internet and e-commerce other dimensions/ constituents like Management Information system (MIS), e-services and delivery etc. have also become relevant.

2.5 Service Orientation and Organizational Performance

2.5.1 Organizational Performance

An organized group of people with a particular objective/s is what constitutes an organization. Organizational performance relates to the functioning of such group of people and is basically an outcome of how successfully an organized group of people with a particular purpose perform a function. It can be treated as an end of successful operation and management, and can also be referred as means by which an organization grasps its hold in the market.

The organizational Performance literature dates back to Stephenson *et al.* (1979). The study based on inputs from the American Surgical Trade Association Organization aimed at analyzing the Salesperson's Authority in setting Product Prices and Profitability. The study used a questionnaire data on the variables- Financial Statements, Gross Margin, Sales per Representative and Return on Asset (ROA).

2.5.2 Components/ Parameters of Organizational Performance

Frazier and Howell (1983) developed a questionnaire study with an expanded set of components viz. ROA, Return on Net Worth, Total Asset Turnover, Average Order Size, Sales per Person, Sales per employee, Average sales growth, and Inventory turnover. With these components, they defined a Strategic Group to assess their impact on Organizational Performance.

A study relating Product Quality and Cost Position in Marketplace was undertaken by Phillips *et al.* (1983), where the key factors predicting Performance were ROI and Key Informant Reporting.

Kalleberg and Moody (1994) examined the relationships between indicators of high performance work organizations and measures of organizational performance. Their study revealed that human resource policies and practices that are observed in high-performing organizations enhance organization performance.

2.5.3 Relationship of Performance with other organizational measures

Varadarajan (1988) studied the relationship between Product Diversity and Performance on 10 large industries listed in the Fortune 500 listing. The performance data was tabulated over a span of 5 years and the key variables were ROE, ROC (profit), Sales growth, EPS (growth) and Forbes's 36thanuual report on American Industry, 1987.

Narver and Slater (1990) studied the relationship between Organizational Market Orientation and Performance with inputs from 113 strategic business units (SBU's) of one Forest Products Company. Management perception and ROA were the chief variables defining performance for the questionnaire study.

Kohli and Jaworski (1993) presented a study on antecedents and consequences of Market Orientation on 222 SBU's from 115 companies. They tabulated Organizational Performance on the basis of a judgmental performance (judgmental relative to competitors) and objective measure (dollar share of market and ROE).

Thomas *et al.* (1993) further investigated the strategic "sense making" processes of scanning, interpretation, and action and how those activities are linked to organizational performance, using path analyses on data from 156 hospitals. The study provided insights into relationships between cognition and action, and also dealt with the links between the fundamental processes of strategic "sense making" and organizational performance outcomes.

Park and Shaw (2013) conducted a meta-analysis of the relationship between turnover rates and organizational performance. They aimed at (a) determining the magnitude of the relationship and (b) test organization-, context-, and methods-related moderators of the relationship. The study revealed that the relationship between total turnover rates and organizational performance is significant and negative. In addition, the relationship is more negative for voluntary and reduction-in-force turnover than for involuntary turnover. In sample-level regressions, the strength of the turnover rates–organizational performance relationship significantly varied across different average levels of total and voluntary turnover rates, which suggested a potential curvilinear relationship.

Performance measures have also been studied with specific context of Green manufacturing. A total of 12 performance measures of green manufacturing with their 66 items/variables have been developed from Indian manufacturing perspective by Dixon *et al.* (2013) which include: top management commitment, knowledge management, employee training, green product and process design, employee empowerment, environmental health and safety, suppliers and materials management, production planning and control, quality, cost, customer environment performance requirement, customer responsiveness and company growth. Literature supports the fact that performance of an organization is linked with objective measures (say, turnover rates and ROI) and subjective measures (like strategic decision making). This brings out that an

organization's performance not only depends on objective realities, but also on subjective measures which has the capability to organize and structure the strategic moves of a firm.

2.5.4 Performance and Human Resource

Macduffie (1995) studied the effect on organizational performance due to HR policies. using a unique international data set from a 1989–90 survey of 62 automotive assembly plants, the author tests whether innovative HR practices affect performance not individually but as interrelated elements in an internally consistent HR "bundle" or system; and that these HR bundles contribute most to assembly plant productivity and quality when they are integrated with manufacturing policies under the "organizational logic" of a flexible production system.

Murphy *et al.* (1996), conducted a study dealt with the relationships between performance variables and explained the extent to which dimensions of performance exist.

Floyd and Wooldridge (1997) studied the relationship between middle manager's formal position, their strategic influence and organizational performance. Further the study revealed that organizational performance depend on 1) whether the overall pattern of upward influence is conducive to shifts in the network centrality of individual managers and (2) whether the pattern of downward influence is consistent with an appropriate balance between the organization's need for control and flexibility. Podsakoff *et al.* (1997) validated an empirical research on the impact of organizational citizenship behaviors (OCB's) on organizations performance.

Rogers and Wright (1998) describes the variety of measures used in empirical research linking human resource management and organizational performance. The study further addresses the concept of performance information markets that addresses the challenges posed by Strategic Human Resource Management.

Awamleh and Gardner (1999) examined the effects of vision content, delivery and organizational performance on perceptions of leader charisma and effectiveness. A 2 × 2 × 2 design was employed in which message content (visionary/non-visionary), delivery

(strong/weak), and organizational performance (high/low) were manipulated. The results suggest that strength of delivery is an especially important determinant of perceptions' of leader charisma and effectiveness.

Lesser and Storck (2001) organized a systematic study of the linkage between community outcomes and the underlying social mechanisms that are at work. The study incorporates community as an engine for the development of social capital. The study on seven organizations reveals that the social capital resident in communities of practice leads to behavioral changes, which in turn positively influence business performance.

Youndt *et al.* (2004) were the first to address the black box, as to how the Human resource (HR) practices affect organizational performance. They introduced intellectual capital as a mediating construct between HR configurations and organizational performance, thereby combining research streams in HR and strategic management. By introducing Human Capital as a mediating construct, the authors aimed at deriving a framework, as to how the HR practices of firms affect Organization's Performance. The article suggested that firm's HR practices do not directly increase organizational-level performance; rather they help increase employees' knowledge and skills (i.e., human capital), facilitate group interaction and knowledge sharing (i.e., social capital), and enable organizations to store knowledge in systems, routines, processes, and cultures (i.e., organizational capital), which, in turn, drive organizational performance.

Evans and Mavondo (2002) provided a theoretical framework exemplifying how the internal social structure of the organization can mediate the relationship between high-performance work systems (HPWS) and organizational performance. The authors suggested that HPWS positively influence the internal social structure by facilitating bridging network ties, generalized norms of reciprocity, and shared mental models, role making, and organizational citizenship behavior. HPWS lead to (a) financial performance via administrative efficiency and (b) sustainable performance via flexibility arising from the coordination and exploitation of knowledge resources.

García el at. (2012) analyzed the influence of transformational leadership on organizational performance through the dynamic capabilities of organizational learning

and innovation. The study on 168 Spanish firms confirm the influence, the results reveal that (1) transformational leadership influences organizational performance positively through organizational learning and innovation; (2) organizational learning influences organizational performance positively, both directly and indirectly through organizational innovation; (3) organizational innovation influences organizational performance positively.

Evidences from literature suggest that Human Resource Management has a deep rooted impact on organizational performance. Human Resource Management acts as the facilitator, a link which connects the management of a firm and to its employees. It is a device which shapes the outlook of the firm by shaping and strategically placing the ideas and objectives to its employees. It is a key component which has influence on service delivery and is thus an important determinant of a firm's performance.

2.5.5 Performance and its relation with Organizational Culture and Orientations

Han *et al.* (1998) used banking industry data to examine how the three components of market orientation (customer orientation, competitor orientation, and inter-functional coordination) affects the two core components of organizational innovativeness (technical and administrative) that further affect corporate performance.

Baker and Sinkula (1999) conducted an empirical study on the relationship between market orientation and organizational performance. The study further examines the validity of a positive influence on organizational performance due to the learning orientation of firm. The empirical study supports the notion that higher order learning processes are critical in creating a sustainable competitive advantage in firm.

Evans and Mavondo (2002) re-conceptualized the concept of psychic distance and empirically tested the operationalization and further investigated the relationship between psychic distance and organizational performance. The study revealed that psychic distance, as a summary construct, explains a significant proportion of the variance in financial performance and strategic effectiveness. The result also supported the paradox where psychic distance has a positive relationship with organizational performance.

Agarwal *et al.* (2003) defines performance as a two dimensional construct. One, the objective performance which involves the financial or market based measures such as capacity utilization, profitability and market share. The other is the judgmental performance, which involves customer and employee based measures such as service quality, customer satisfaction and employee satisfaction. The study examines the relationship between market orientation and performance with data from 201 international hotels and reveals that there is positive association between market orientation and both the measures of performance, the objective measure and the judgmental measure too. The objective and judgmental aspect can be covered up by measuring performance in terms of marketing, financial, customer satisfaction and innovation.

Combs *et al.* (2006) used meta-analysis to estimate the effect size and test whether effects are larger for (a) high performance work practices (HPWP) systems versus individual practices (b) operational versus financial performance measures, and (c) manufacturing versus service organizations. The study estimated that organizations can increase their performance by 20% of a standardized unit for each unit increase in HPWP use. The authors also explained the wide variance in effect sizes among studies, further they asserted that not only does a focus on HPWP systems improve effect sizes, but the context also matters.

Škerlavaj *et al.* (2007) developed the concept of organizational learning culture (OLC) and defined it as a set of norms and values about the functioning of an organization. They argued that OLC should support systematic, in-depth approaches aimed at achieving higher-level organizational learning. Within the competing values framework OLC covers some aspects of all four different types of cultures: group, developmental, hierarchical, and rational. They used data from 203 Slovenian companies employing more than 50 people. The results showed that OLC has a positive direct impact on all three aspects of non-financial performance (performance from the employee, customer, and supplier perspectives). The study further revealed that organizational learning culture has a positive but indirect effect on financial performance.

Sharma and Gadenne (2008) investigated the impact of quality management practices on three measures of organizational performance comprising customer satisfaction, improved competitive position and overall business performance. Their study on Australian firms revealed that in improving overall marketing and business performance, holistic approach to quality management by concentrating on Top Management Philosophy, Measurement and Open Organization, Marketing Process Improvement and Employee Training is essential.

Zack *et al.* (2009) threw some light on the relationship between knowledge management (KM) practices and performance outcomes. Based on literature, the authors aggregated 12 KM practices whose performance impact was assessed via a survey of business organizations. Their study revealed that KM practices were directly linked to Organizational Performance, which in turn was linked to financial performance. There was no direct relationship found between KM practices and Organizational Performance.

Walker *et al.* (2010) stressed at the importance of management innovations (MIs) on organizational performance. The authors tried to assess the influence of MI on organizational performance both directly and indirectly through performance management (PM). PM is an important organizational process characteristic arising from public management reform and in itself influences performance. The findings indicate that the impact of MI on performance is not direct, but is mediated by PM. They also asserted that PM positively affects organizational performance.

Jiménez and Sanz (2011) examines the relationship between innovation and performance and asserts a positive relationship between organizational learning and both performance and innovation. The article asserts this outcome based on inputs from 451 Spanish Firms. The authors propose that the variables, organization learning and innovation contribute positively to business performance.

The importance of service innovation lies in the fact that a major source of competitive advantage for high-tech firms cultivating the ability to use knowledge gleaned from customers, competitors, and their own coordination capabilities to create meaningful and distinctive services. Service innovation has evolved over time in accordance with

consumer demands. Gronroos (1990) defines service innovation as the new service product, the new procedure for producing or delivering a service. The study revealed that service innovation exert a significant impact on product or/and process innovation performance in these high-tech firms. Managers must recognize that a failure to include service innovation will present an incomplete picture of the determinants of innovation performance. This study provides us with the additional dimension to measure performance in terms of innovation performance e.g. new products/services/ innovative solutions offered, in addition to financial and operational performance parameters.

2.6 Organizational Performance-the concept of Balance Score Card

Robert Kaplan and David Norton presented the concept of Balanced Score Card. It began with the assumption that an exclusive reliance on financial measures in a management system was causing organizations to do the wrong or short term things, as financial measures are lag indicators and are the consequences of past actions (Kaplan and Norton, 2001).. The "comprehensive" nature of the balanced score-card is demonstrated by the four interlinking perspectives:

- **Financial perspective:** Properly designed financial perspective performance measures can enhance management planning, control and decision making. Moreover, they can serve to remind executives that any changes they seek to make – for instance in service quality – will only ultimately benefit their company if they lead to improvements in the overall "bottom-line" view of their organization.

- **Customer perspective**: The customer perspective represents a significant area of concern for managers in the hotel sector and indicates a need for performance measures which can adequately reflect such important customer oriented factors as the quality of services provided and the increasing incidence of non-financial competition between companies.

- **Internal perspective**: Management need to decide which operations, processes, competences and skills their organizations must excel at if customer demands are

to be met adequately. Moreover, it is essential that such internal measures relate to those areas which are most likely to have the greatest impact on customer satisfaction.

- **Innovation and learning perspective**: If organizations are to be successful and remain successful – they must continually make improvements both to their existing services and to their operations and processes, as well as developing and introducing new ones. It is only by this continual process of improvement and innovation that companies can grow.

Many companies fail to understand the importance of balanced approach to Performance Management. While financial performance measures are important for strategic decisions, day-to-day control of manufacturing and distribution operations is better handled with nonfinancial measures (Maskell 1989).

Exclusive dependence on financial indicators promotes short-term behavior that sacrificed long-term value creation for short-term performance. The Balanced Scorecard approach not only retained measures of financial performance, but supplemented them with the lead indicators, of future financial performance (Brown, 2000). Thus all of the objectives and measures on a Balanced Scorecard – financial and non-financial – should be derived from the organization's vision and strategy. The Balanced Scorecard soon became a tool for managing strategy – a tool for dealing with the 90 percent failure rate (Kaplan and Norton, 2001). Hoque and James (2000) examined the relationship between organization size, product life-cycle stage, market position, balanced scorecard (BSC) usage and organizational performance. The authors used financial and nonfinancial measures, the balanced score card encompasses four dimensions of performance: customers, financial (or shareholders), learning and growth, and internal aspects. The study based on a 66 Australian manufacturing companies reveals that the larger firms make more use of BSC and in addition to that the forms have a higher proportion of new products. The study also revealed that higher use of BSC is associated with improved performance.

Traditionally, organizations measured their performance on short-term financial measures; however, the balanced scorecard approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002). This broader focus brings in a longer term, strategic dimension to the business, by not only looking at the short-term financial performance, but also how the organization is going about delivering the results, and checking on the overall "strategic health" of the organization. By also focusing on these non-financial dimensions, the organization can assess its performance in building key capabilities, required in terms of its strategy to survive and prosper into the future. This is particularly relevant to companies seeking longer-term superior returns, embarking on new strategies or under competitive threat, where the lack of these organizational capabilities will threaten the organization's longer-term sustainability (Hagood and Friedman, 2002). At the highest level within an organization the strategy will define the specific performance measures and standards required in each of these non-financial areas. This process requires the leadership to define in very specific terms the "definition of success" in each of these non-financial areas, together with their relative importance weightings, to enable employees to embrace these requirements in their day to day activities. Once this is completed for the organization as a unit, these measures are transferred to individuals throughout the organization, by creating individual "Balanced Scorecards".

The purpose of the balanced scorecard is to guide, control and challenges an entire organization towards realizing a shared conception of the future. Within the perspectives the vision is expressed as a number of more specific objectives. Measures and targets are set and the organization then puts in place action plans to meet the set targets. Will strategic planning and the balanced scorecard bring our customers true happiness? Livingston (2000).

Chavan (2009) concluded that the balanced scorecard approach may require some substantial changes in culture within the organization. She emphasized that as culture changes and develops to accept the new approach and members of the organization will mature within the new culture, the organization will find new things to measure, new

goals in different areas, to make the balanced scorecard even more balanced and effective in supporting a growing and viable organization. Different organizations have quite different needs, market areas, people, products and services, and will need significantly different balanced scorecards.

Thus we observe that traditionally, organizations measured their performance on short-term financial measures; however, the balanced scorecard (BSC) approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002). As brought out above, many studies support that higher use of BSC is associated with improved performance. Further Literature is available regarding the fact that performance of an organization is linked with objective measures (say, turnover rates and ROI) and subjective measures (like strategic decision making). These studies provide the guideline that an organization's performance not only depends on objective measures, but also on subjective measures which have the capability to organize and structure the strategic moves of a firm.

2.7 Performance and Service orientation

The importance of service orientation has been highlighted in the sense that, organizational performance seems to be determined by service orientation. A plethora of studies have emerged which provide the link between service orientation and organizational performance. A service oriented company will strive to satisfy customers, create and deliver customer value (e.g. service quality and service value) in the market, and increase company performance and profitability (Sassser *et al.*, 1997; Hennig-Thurau *et al.*, 2002).

Most of the available literature on the service orientation concept suggest that a customer-focused service orientation may have a positive impact on service performance (e.g. Schneider *et al.*, 1980; Hogan *et al.*, 1984; Deshpande *et al.*, 1993; Cran, 1994;; Lytle *et al.*, 1998). There is growing support for the notion that employees' service performance is one of the key factors with which organizations can gain competitive advantage (Parasuraman *et al.*, 1985; Heskett and Schlesinger, 1994; Zeithaml, 2000).

In doctoral research, Lytle (1994) demonstrated that basic organizational values are related to market-orientation and service-orientation and market-orientation and service-orientation are positively related to organizational performance. Service-orientation is positively related to a unit's ROA, its consumer banking performance, and its service quality image. The fundamental managerial implication is that performance and strategic advantage can be directly influenced by both market and service-orientation *and* the values that relate to those orientations.

Homburg *et al.* (2002) conducted an empirical study of clothing and furniture retailers in both the United States and Germany. This study provides evidence for the conceptualization of a service-oriented business strategy. The authors find that the investigated antecedents account for some variance of a service-oriented business strategy, which in turn positively affects company performance in the market and thereby profitability.

Yoon *et al.* (2007) examined how an organization service orientation had an effect on its performance at hospitals in Korea. They found that organizational service orientation had a positive effect on both employee satisfaction and service value perceived by hospital staff and service value as well as employee's customer orientation were found to exert positive influence on the medical firm's performance.

Wu *et al.* (2008) empirically demonstrated in Taiwan that Service orientation positively impacts consumer perceptions of employee service performance. Liang *et al.* (2010) analyzed the dyadic data collected from financial service companies in China and showed that service orientation positively affects employee service performance.

Service innovation was first defined by Vandermerwe and Rada (1989), who defined it as a process of creating value by adding services to product offering. Insights on organization strategy type and performance were provided by McKee *et al.* (1989), the study covered 333 banks and performance data was incorporated through management perception, ROA, Return on Equity (ROE), Change in Market Share.

Evidences from literature suggest that service orientation impacts the organizational performance. The rational as to why a firm should focus on service oriented structure is highlighted in this section.

2.7.1 Impact of Service Orientation on Performance of manufacturing firms

Though most of the studies are based on the service sector, off late similar studies were also conducted for the manufacturing sector also. Antioco *et al.* (2008) undertook an empirical study of 137 manufacturing firms in Netherland, Denmark, and Belgium. The study assessed the effect of organizational parameters on the implementation of service business orientation and validates the important distinction of service in support of the client's actions (SSC) and services in support of the product (SSP) and the studies revealed presence of some association between service orientation and organizational performance for the manufacturing sector.

Voigt *et al.* (2012) studied the effects of Market and Service-Orientation on the Success of Solution Providers in the German Manufacturing Sector and argued that in the manufacturing industry individualization in regard of a combination of products and services offers a huge differentiation factor and there is the need for a shift from a product-centric view towards a service-dominant perspective. Service-orientation has to be integrated in the concept, because of the growing importance especially for so-called solution provides with a focus on product/service-combinations.

A study by Shin and Ellinger (2013) emphasize on service orientation as means of product differentiation the efficacy of customer marketing relationship strategies like loyalty programs, preferential treatment, and financial reward packages.

With the advent of globalization and fierce competition, service delivery has become an increasingly important aspect even for the manufacturing firms. The manufacturing firms are usually interpreted as firms which deal with materialistic products, but with increased competition they also resort to proving service such as product installation, product servicing and product re furbishing, helpline numbers and portals. The advent of these services for the manufacturing firms a niche is created which provides us with the hint

that service orientation has impact on manufacturing firms too, and the literature further supports this statement.

2.8 Service orientation: The Indian Context

India is among the fastest growing economy of the World. Indian Gross Domestic Product (GDP) has been growing steadily at 7.3% (2014-15) which is higher than that of the other developing economies. Service sector has been a major contributor to India's GDP and growth (Bhattacharya and Mitra, 1990). It is the second largest employer after agriculture. India's trade in services have increased overtime and services accounts for the largest share in India's foreign direct investment (FDI) inflows and outflows. In India, growth in Industrial sector has been linked to the liberalization and reforms of the 1990s. In the first three decades (1950s to 1970s) after India's independence in 1947, GDP grew at an average decadal growth rate of less than four per cent. India was largely an agrarian economy. The share of services sector was small and a large number of services were government monopolies. Services sector started to grow in the mid-1980s but growth accelerated in the 1990s when India initiated a series of economic reforms after the country faced a severe balance of payment crisis. Reforms in the services sector were a part of the overall reform process, which led to privatization, removal of FDI restrictions and streamlining of the approval procedures, among others.

India's economic policies have undergone substantial revision driven by the Service sector, and this sector began to open up. Studies show that liberalization and reforms is one of the important factors contributing to the growth of services sector in India (Chanda, 2002; Gordon and Gupta, 2003, Banga and Goldar, 2004; Jain and Ninan, 2010). With economic growth and rise in per capita income, there is a change in demand pattern from necessary to discretionary consumptions like education and personal and health care services (McKinsey and Company, 2007). High income elasticity of demand for services has contributed to the high growth of this sector (Bhattacharya and Mitra, 1990; Gordon and Gupta, 2003).Technological progress and availability of high skilled manpower has led to growth of services like information technology (IT) and IT enabled services (ITeS) (Chanda, 2002). Developed countries outsource its services to developing

countries like India leading to a rise in demand for services from the developing market (Bhagwati 1984, Hansda, 2001; Gordon and Gupta, 2003). High government expenditure on certain services like community, social and personal services has also led to high growth of services (Ansari 1995). It is the second largest employer after agriculture. India's trade in services have increased overtime and services accounts for the largest share in India's foreign direct investment (FDI) inflows and outflows. The excerpts from the Economic Survey 2015 clearly show that the service sector has recorded double digit growth in Gross Value Addition (GVA) and has been a consistent performer in the last decade.

At a macro-level, the service sector in India is it is still evolving. In his study of new product development in an Indian bio-technological industry setting, Desiraju and Moorthy (1997) also cited a few studies that have dealt with client orientation and have found some positive relation with performance measures. Popli and Rizvi (2015) concluded that management style of leaders has a significant impact on individual (organizational commitment (OC) and job satisfaction), group (group cohesiveness) and organization (financial performance) as a whole. Singh (2003) infers that Indian firms have become more market oriented in the liberalized economy. The study by Gopalakrishna and Subramanian (2004) got empirical support across all the five performance measures - growth in overall revenue, return on capital, success of new products/services, ability to retain customers, and success in controlling expenses. Another study across diverse types of industries had found a reasonably robust relationship between market orientation and performance (Shergill and Nargundkar, 2005). The Indian manufacturing firms are looking towards technology for improving their competitive position through marketing actions (Mohan and Krishnaswamy, 2006).

Popli and Rizvi (2015) recently undertook a study of managers in specific context of the private service sector organizations in India to explore the relationship between leadership, employee engagement and service orientation. This study in Indian context highlights that Service orientation is found to be strongly correlated to employee engagement and employee engagement is a strong predictor of service orientation. This

study indicates that Indian service organizations need to focus on employee engagement as much as they focus on customers leading to the differential advantage to organizations.

Barring these studies, there is not much literature available on how organizational service orientation affects organization performance in Indian industries. But the advent of globalizations and openness of the Indian economy has created the stage for the Indian firms to mark its presence to the world. Given this backdrop, the Indian firms have been evolving over time, the policies of the Government in encouraging Indian firms through 'Make in India' initiatives to become global players. These evidences are sufficient to conclude that in lines with global competition, the Indian firms must be service oriented to enjoy a share in global markets through enhanced business performance.

2.9 Chapter Summary

This chapter traces and reviews Literature available in detail with regard to two important concepts covered in this dissertation i.e. 1.Organizational Service Orientation and 2. Organizational Performance.

Service orientation has been viewed from a wide angled view from individual employee service orientation to a strategic response to market information'. In the context of management information systems (MIS), Cherbakov el al. (2005) broadly defines a service oriented enterprise as "an enterprise able to deal with the challenges of the emerging business environment".

Lytle *et al.* (1998) identified four Major components of service orientation and developed a scale SERV*OR this research has used modified SERV*OR scale for measuring organizational service orientation, which includes ten dimensions of SERV*OR (Lytle *et al*, 1998) framework and one additional dimension of MIS.

Traditionally, organizations measured their performance on short-term financial measures; however the balanced scorecard (BSC) approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002). Many studies have revealed that higher use of BSC is associated with improved performance. Agarwal *et al.* (2003) defines

performance as a two dimensional construct: Objective and Judgmental. This study has considered 5 measures of performance in terms of marketing, financial, customer satisfaction and innovation.

It is observed from the available literature that most of the research studies on Organizational Service Orientation and how it affects organizational performance have been undertaken in context of US, Europe and few in Chinese and Korean Service industries. Barring the limited studies, there is not much literature available on how organizational service orientation affects organization performance in Indian service and Manufacturing firms. Based on available literature, research gaps and research objectives in mind, 5 research questions have been considered for study in this research, as brought out in Chapter 3. Chapter 3, covers methodology and analytical tools used in this study.

Chapter 3

Methodology

3.1 Introduction

The important aspect of this study is its research design and empirical research methodology. This chapter covers the research design and, sampling method, data collection, scale development process and data analysis.

3.2 Research Design Overview

From the previous studies, it is observed that most of the research studies focused on organizational service orientation and how it affects organizational performance in the context of US, Europe and few in Chinese and Korean Service industries. Further, most of the studies have used SERV*OR scale to measure organizational service orientation for service industries in above countries. Not much research has been undertaken to test the applicability of SERV*OR scale to manufacturing Organizations or to develop different and/or modified scale applicable to manufacturing firms. These research gaps indicated the need to undertake research to bridge these gaps and provide a rationale for this research.

The present study aims to analyze the impact of Service Orientation in the Indian context for the Service sector and also for the manufacturing sector. This study also attempts to identify the dimensions of organization's service orientation and its resultant impact on its performance on various parameters. The present study thus aims, at first, developing a measure for service orientation of the organization and then through empirical data it would attempt to develop a framework for measuring the impact of service orientation on organization's performance on different parameters (including operational, financial and marketing performance parameters). The study also attempts to examine the impact of

service orientation based on the nature of the organization (i.e., whether it is a manufacturing or service business firm) and its influence on business performance.

The service orientation measurement scale for this study is based on modified version of SERV*OR scale by Lytle *et al.* (1998).The scale is reasonably valid and correlates significantly with organizational performance. The modified scale, called i-SERV*OR scale consists of 11 dimensions, being measured through 37 items. Based on the literature, a separate 5 item scale has been used to measure organizational performance. Both the scales fare well in terms of reliability and predict organizational performance significantly.

The study has followed snowball sampling and quota sampling methods to fulfill its objectives. The snowball sampling technique is a non-probability sampling technique. Since an understanding of Organization level policies, strategies like Service orientation and Performance of a firm is pre-requisite for this study, respondents are expected to be middle to senior managers and CEOs. In order to reduce the common method bias in having single respondents, surveys are conducted on more than one manager in these firms (Homburg and Stock, 2004; Wei and Lau, 2008). The responses received were entered into a statistical software program, SPSS version 22 to test the relationship between the different sets of variables.

3.3 Research Questions

By analyzing previous studies as brought out in literature review in Chapter 2 and considering research gaps, following research questions are formulated for this study:

1. Is there any difference between the levels of service orientation across the three set of industries i.e. Service, manufacturing, and hybrid (having features of both service and manufacturing) firms?

2. Does service orientation have any impact on organizational performance for the Service, manufacturing, and hybrid sector respectively?

3. Do organizations that provide extended services such as supporting of the client's actions (SSC) in the service sector, perform better than those who do not provide such service?

4. Do organizations that provide extended services such as supporting of the client's actions (SSC) and services in support of the product (SSP) in the manufacturing sector and the hybrid sector, perform better than those who do not provide such services?

5. How the dimensions/components of organizational service orientation affect the organizational performance?

3.4 Sampling Method

The samples to be tested were taken from a population of service and manufacturing companies located in India. The names of companies were obtained from the directory of the Bombay Stock Exchange the Intern*et al*so proved helpful in identifying the population. Sample was selected based on snowball sampling and quota sampling techniques.

3.5 Data Collection Procedure

The sampling frame consisted of 2000 subjects. These names of companies were obtained from the directory of the Bombay Stock Exchange and through secondary researches over the internet. The survey was conducted without using any survey website, but a survey questionnaire along with cover letter explaining the nature and purpose of the research study (Appendix B) were sent out by e-mail and by courier, on receiving clear verbal assurance to that intent. The face-to-face surveys are more effective (Wei and Lau, 2008) since probability of getting missing data is much lower in such cases. For that approached Chief operating officer (CEOs) and senior level managers after fixing an appointment and were requested to get the responses filled from their senior managers. A follow-up letter was sent to the members of the planned sample, who did not respond within four weeks after the first mailing. Then again a second follow-up letter and a

telephone call was made one week after the second mailing. Total 584 subjects returned the questionnaire. The completed and valid questionnaires were entered into the SPSS database for further analysis.

3.6 Research Instrument

A 37 items instrument was used to conduct the survey based on modified version of SERV*OR scale. The SERV*OR scale had been designed and used in prior studies by other researchers. Further, a 5 item scale was used to measure Organizational Performance. Both the scales used in the study are 5-point Likert scales, with the anchors being 1=poor and 5= excellent. The data was then loaded into the SPSS databases and saved forfurther analysis.

3.6.1 Scale Development Procedure

Various scale development methodologies were considered like Churchill (1979), David and Anderson (1988) and Rossiter (2002). Methodology of Churchill (1979) is widely used traditional model for doing applied research, as it suggests 4 steps with one time cross sectional data and indicates whether one or more isolated traits are being captured by the measures as well as quality with which traits are being assessed. The precaution to be kept in mind is to plan data collection and analysis more carefully to contribute to improved marketing measures. David and Anderson (1988) suggested a two-step approach, wherein measurement model is developed first from full structural equations model that simultaneously models measurement and structural relations. Hence, the assessment of uni-dimensionality provided by a confirmatory factor analysis represents but a first step in the establishment of meaning for the estimated factors. However, this model is not much used by researchers due to technical reasons. Rossiter (2002) developed a methodology C-OAR-SE, which offers a theoretical and procedural solution to the problem of developing scale to measure marketing concepts. This method needs open-ended interviews to contribute to the concept definition. A panel of several of experts must then ratify the object attributes and rate entity classifications. Keeping in view these requirements of Rossiter (2002) and considering that this study is empirical in nature, Churchill (1979)’s model is followed in this research.

At First based on Literature available, dimensions of service orientation were shortlisted as per guidelines developed by Churchill (1979). 37+ items were derived from the literature. Each item was selected for its appropriateness, uniqueness, and ability to convey to informants (Churchill, 1979). The invitation was extended to ten experts, covering various manufacturing, service and academic fields. However, five experts finally participated. A questionnaire was developed and administered to five expert judges for purification of scale items. Industry background of experts who participated is given in Table below:

Table 2: Composition of expert group

No. of Experts	**Industry**
1	Coal India Limited- Power sector
1	Haldia Petrochemicals Ltd. – Petrochemicals
1	TCS Ltd. - IT and Consulting
1	ICICI Bank - Financial Services
1	IIM, Calcutta – Academics

Within the questionnaire, the concept of organizational service-orientation was described. Each dimension within the domain was described, and each judge was asked to agree or disagree with how well each item measured the construct under consideration by responding to a five-point Likert-type scale. Based on recommendations from the expert group these items were categorized into 11 dimensions of Service Orientation. It was observed that 10 dimensions were similar to that of SERV*OR scale Lytle *et al.* (1998). One dimension was related to Management Information System (MIS) (Cherbakov el at, 2005). Thus, as per the recommendation from expert group, it was suggested that 35 items to measure 10 dimensions as per SERV*OR scale suggested by Lytle *et al.* (1998) and additional 2 items related to real-time management information system may be included in the survey Questionnaire to measure Organizational Service Orientation. Thus, survey Questionnaire includes 37 items to reflect 11 Dimensions. This scale, henceforth, is termed as i- SERV*OR scale.

These final 11 Dimensions of Organizational Service Orientation are listed below:

Table 3: Dimensions and items of i-SERV*OR scale

S. No.	Dimension	No. of items to measure the Dimension
1	Customer Treatment	4
2	Employee Empowerment	2
3	Service Technology	3
4	Service Failure Prevention	3
5	Service Vision	3
6	Service Standard Communication	5
7	Service Failure Recovery	4
8	Service Rewards	2
9	Service Leadership	6
10	Service Training	3
11	Real time MIS	2

Other than i-SERV*OR scale, a separate scale was developed to measure organizational performance. Along with the process followed for development of i-SERV*OR scale to measure organizational Service Orientation, the items of the organization performance scale were first identified based on available literature. These performance measures were deliberated by above mentioned expert Group. Conventionally, organizations measured their performance on short-term financial measures; however, the balanced scorecard (BSC) approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002). Performance as a two-dimensional construct: Objective and Judgmental (Agarwal *et al.*, 2003) can be covered by measuring performance in terms of marketing, financial, customer satisfaction, and innovation. Based on the recommendations from expert group five (5) items were identified to represent overall organizational performance. The scale

captures parameters like market share growth rate, overall performance, cost competitiveness, customer perception, and new product/services/innovative solutions; all measuring the ratings numbered 1 to 5, with 1 being attributed as "poor" and 5 as "excellent". Further, since this research aims to cover wide variety and type of organizations, measuring absolute performance parameters may not make any sense. Therefore the questions were asked in survey in terms of performance in last three years with respect to competitors. The following questions were asked in order to incorporate the organization performance scale.

Table 4: Items of Organization Performance scale

S. No	Items
1	Market Share Growth Rate in last 3 years of your company in comparison to
2	Overall Profitability of your company viz-a-viz competitors
3	Cost Competitiveness of your product/ service viz-a-viz competitors
4	Customer Perception of your products/ services in marketplace viz-a-viz
5	Performance in terms of New Products/Services/ Innovative Solutions

Both the scales were subject to pre-testing in the form of a pilot survey. And based on the results of the pilot survey, the questionnaire was marked ready for the final survey. Both the scales used in the study are 5-point Likert scales, with 1=poor and 5= excellent.

Additional items were added in survey question to study the association between extended services in support of the client's actions (SSC) and services in support of the product (SSP)and organizational performance especially for the manufacturing firms in Indian context, as suggested by Antico *et al* (2008). List of services supporting products (SSP) (12) and services supporting clients' actions (SSC) (8) are given below:

Table 5: List of Services

Services Supporting Products (SSP)	Services Supporting Clients' Actions (SSC)
Product documentation Product	Financing services
Transportation/delivery Product	Management of spare parts
Installation Helpdesk/call center	Process-oriented training (quality-driven including technology)
Product inspection/diagnosis Product	Business-oriented training (financially driven/management training)
Repair/spare parts Product upgrades	Process-oriented consulting (quality-driven including technology)
Product refurbishing Product	Business-oriented consulting (financially driven/management consulting)
Recycling/machine brokering	Managing the maintenance function
Preventive maintenance Condition	Fully managing product-related operations (complete outsourcing and ownership of product by vendor)
Monitoring Process-oriented	
Engineering (testing, optimizing and simulating)	

The final survey instrument used is enclosed in Appendix B. The reliability construct was carried out separately for the service sector, the manufacturing sector and the hybrid sector. The reliability analysis revealed that all the items of the scale have converged with the respective constructs satisfactorily and with a high degree of accuracy.

3.6.2 Measures of Reliability and Validity

A pretest expert group was chosen to examine the original and modified survey. The participants' comments from the questionnaire were used to determine whether observable modifications had a relevant impact on each of the items in the survey instrument. The expert group completed the questionnaire and provided feedback regarding any difficulties, ambiguities, or additional problems they experienced. The feedback was taken into consideration, and the instrument was modified accordingly. A Cronbach Alpha was computed after the completion of the data collection process. Cronbach's alpha can range from 0.0 to 1.0 and shows the reliability of scale items. An alpha coefficient close to 1.0 indicates that the items are measuring similar dimensions of a construct. Nunnally and Berstein (1994) suggested that a Cronbach's alpha coefficient greater than .70 is reasonably reliable. However, based on Churchill's recommendations, a minimum score of 0.50 was established to eliminate those items that do not share a common core among the set.

3.6.3 Content Validity:

The previous section described the steps, which should be followed to produce a reliable and valid measure. Validity refers to how effective the instrument was in measuring what it was supposed to measure.

To resolve this issue and establish the validity of the instrument, the measure was submitted to a 5 member panel. The members of this group were requested to comment on the clarity of the items and their relevance to the industry of Internet and application service providers and web hosting services. Changes were made to the wording of the items and some explanations were added to help clarify the constructs based on their comments and suggestions.

For every category, the panel of experts was then asked following five questions.

1. How does the set of questions under this category measure the dimension that is intended to measure?

2. Does this set of questions capture the domain of the stated dimension?

3. Would you recommend changes to the wording so that it would improve the clarity of the question?

4. Would you delete any of the questions for lack of clarity or relevance to the domain of the dimension stated? and,

5. Would you add new questions that would capture the domain of the construct being tested?

The results of this exercise appear in Appendix A. After analysis and consideration of the comments, which resulted from the face and content validity assessment, the proper modifications were made to the sets of questions. The process resulted in a questionnaire with a total of 37 items meant to measure service orientation and 5 items meant to measure organizational performance. The resulting questionnaire appears in Appendix B.

3.6.5 Response Rate:

2000 questionnaires were dispatched on line and off line, to medium and large industries. The questionnaires covered the service sector, manufacturing sector representing both private and public sector undertakings. Only 522 valid responses were received to proceed with the study. The response rate for which was calculated to be around 28%.

3.7 Data Analysis Methods

The final factors were obtained after the items were accepted thorough revision and recommendation from the expert group.

The study has been designed to find the impact of service orientation on organizational performance in the context of the Indian Economy. Independent sample t testing, One way ANOVA, correlation and regression frameworks have been employed in the study. The Statistical Package for Social Sector (SPSS) version 22 and MS excel has been used to analyze the given data. Analysis of Variance and Multiple Regression Analysis were conducted to test the research questions. One way ANOVA was conducted to determine the difference in service orientation across the service industry, the manufacturing industry and the “hybrid” industry. It assumes the null Research questions that the

variance (or variation) of service orientation scores across the three group of industries are same. The analysis of variability within the individual group and variability among the group reveal that there is not much difference between service orientation scores between groups (service, manufacturing and hybrid), but there exists significant variability within the groups itself. This result gives us a clear idea of the applicability of i-SERV*OR scale across the three sets of industries in the Indian context. The industries covered in the questionnaire survey were classified into two groups (public and private) for the service industry and the manufacturing industry respectively. Further, the service industry was also categorized into six major groups namely healthcare services, logistics and e-commerce services, financial services and insurance, IT services, telecom services and other services (comprising of education services, construction services, food processing services). An independent sample t test has been performed to check the within group variation of the i-SERV*OR scores in the service industry. Further, one-way ANOVA has been used to understand the difference between levels of service orientation across the six subgroups (health care services, logistics and e-commerce services, financial services and insurance, IT services, telecom services and other services). Alike the service sector, the industries in the manufacturing sector were classified into two groups, public and private and an independent sample t test was performed to check for any difference between the two groups. These steps are concerned with Research Questions 1.

The next step of the analysis aimed at analysing the causal association of service orientation with the performance of the organization. For this purpose, multiple regression frameworks were used to regress the performance parameter on the 11 dimensions of the modified SERV*OR scale. The study revealed some striking results, in the sense that quality association (R square= 0.57, in the service industry) was found between the explained variable and the explanatory variable in the service industry, in the Indian context. For the manufacturing organizations, the association strengthened marginally (R square = 0.59), the association was maximum for the industries in the "hybrid" segment (R square 0.63).

3.8 Final Study Population and Sampling Profile

Since an understanding of Organization level policies, strategies like Service Orientation and Performance of a firm is pre-requisite for this study, the respondents are expected to be middle to senior managers and in some instances the CEOs. The population for the final study was selected mainly from the listed companies at the Bombay Stock Exchange of India and medium firms(having investment above 10 Crore rupees), from a directory of MSMEs (Micro, small. Medium Enterprises) Government of India, 2014. In order to reduce the common method bias in having single respondents, we conducted surveys on more than one manager in these firms (Homburg and Stock, 2004; Wei and Lau, 2008).From a geographical perspective, this research has not limited the study to any city or region. All business firms in India have structure and functions like operations/ manufacturing, marketing and Finance are eligible for selection in this study.

3.9 Data Collection

This study has resorted to snowball sampling and quota sampling methods to fulfill its objectives. The snowball sampling technique is a non-probability sampling technique. Here the sample group is said to grow like a rolling snowball. This sampling technique is helpful in hidden populations which are difficult to access. In order to cover a considerable amount of heterogeneity, the specific quotas were created to encompass as much variability as possible in the sample. First the quota sampling, a population is divided into mutually exclusive sub-groups; the second step makes the technique non-probability sampling. The combination of these two methods of sampling turned out fruitful to serve the purpose of the study.

The data collection method involved the submission of the first email, requesting the subject's participation in the survey. It involved the compliance of the second e-mail with a declaration that would link subject to the questionnaire's web-site. As the following procedure, a telephone call was made to each one of the non-respondents. Subsequently,

the another telephone call was made to non-respondents, within a week of having made the first call. This procedure described did not increase responses.

3.10 Population Demographics

The tables below give a brief outline of the population demographics.

Table 6: Survey responses

Surveys sent	Responses received
2000	585

Out of 585 responses received, 522 valid acceptable responses were used in the study.

Table 7: Profile of the Respondent Firms

	No of responses		
Firms	**Service Firms***	**Manufacturing Firms#**	**Hybrid Firms$**
Public sector	18	76	13
Private sector	199	161	56
Total	217	237	69

*Firms having majority revenues from service

Firms having majority revenues from manufacturing;

$ Firms having revenues from both services and manufacturing

The table clearly suggests that a large number of responses were from the private enterprises, whereas the responses from the public sector enterprises have been low as compared to the former. However, the response of public sector enterprises has been highest in the case of manufacturing firms, which is followed by the service firms and then the hybrid firms.

Table 8: Break up of respondents in Service Firms

Sectors	No of responses
Healthcare	16
Logistics and E-commerce	11
Financial Services and Insurance	64
IT	50
Telecom	13
Others*	62
Total	216

* Consisting of education services, food processing services, marketing services and power utilities.

In the service sector, the maximum number of responses were recorded from the firms providing Financial Services and Insurance, which was followed by the IT service providers, and then by the Healthcare service providers. The group comprising of "Others" has not been segregated further due to lack of significant no of responses.

3.11 Reliability Analysis

As indicated previously, a test of the reliability of the instrument would be performed upon completion of the data collection process. A Cronbach Alpha was run on the total survey instrument. A reliable instrument should have an R-value above the 0.5 level as indicated by Churchill (1979). The closer to 1.0 the score gets, the more reliable the instrument is. However, based on Churchill's recommendations, a minimum score of 0.50 was considered to eliminate those items that do not share a common core among the set. Excerpts of reliability measure from the pilot survey are provided below while the detailed Cronbach Alpha scores for the 522 observations appear in Chapter 4.

Table 9: Reliability statistics-Pilot survey

	No. of items	Cronbach's Alpha	No. of observations
i-SERV*OR scale	11	0.52	50
Performance scale	5	0.75	50

3.12 Chapter Summary

This chapter presented research overview of the study and described the methods used to perform the analysis. The service orientation measurement scale for this study is based on modified version of widely accepted SERV*OR scale by Lytle *et al.* (1998).The scale is reasonably valid and correlates significantly with organizational performance. The modified scale, called i-SERV*OR scale consists of 11 dimensions, being measured through 37 items. Based on literature, a separate 5 item scale has been used to measure organizational performance. Both the scales fare well in terms of reliability and predict organizational performance significantly.

2000 questionnaires dispatched and after excluding with a near constant level of standard deviation, 522 valid responses were considered to proceed with the study. The reliability measures were computed and analysis of Variance and Multiple Regression Analysis were conducted to test the research questions. One-way ANOVA was conducted to determine the difference in service orientation across the service industry, the manufacturing industry and the hybrid industry.

For analysing the causal association of service orientation with the performance of the organization multiple regression framework was used to regress the performance parameter on the 11 dimensions of i-SERV*OR scale. The results and findings will be presented in Chapter 4.

Chapter 4

Results

4.1 Introduction

The previous chapter outlined the theoretical framework, research design, methodology, and research questions employed in implementing this study. The main purpose of this chapter is to discuss the statistical findings of this study by providing an analysis of the data and results of the analysis. The first section provides a description of the sample used in the study and describes the process of segregation of data. The second section describes the reliability measures of the survey instruments; Cronbach's alpha has been used for the purpose of the study. The descriptive statistics including the mean and standard deviation are covered in the third section. Finally the results of research questions tests are described in detail. Analysis of Variance and Multiple Regression Analysis are conducted to test the research questions. One-way ANOVA is conducted to determine the difference in service orientation across different types of industries.

4.2 Description of sample

Wide variety of firms including Automobile, Bank and Financial services, Cement, Ceramics and Abrasives, Chemicals, Electrical and Electronics, Heavy Engineering and Equipment, Industrial Construction, IT and Software, Metals and Steel, Petroleum, Petrochem and Plastics and other services etc. are covered through the questionnaire survey. Around 2000 questionnaires dispatched to medium and large industries. The questionnaires were randomized along the cross-sectional unit of industries over space to capture the real scenario. The questionnaires covered the service sector, manufacturing sector and the both from the private and public sector undertakings. The responses were examined and those with a near constant level of standard deviation were excluded so as to engulf chunk of the variation of the organizations. Thus 522 valid responses were considered to proceed with the study.

4.3 Reliability of Survey Instruments

A reliability analysis was performed to investigate the internal consistency of the survey instruments used in this study. Cronbach's alpha coefficients were calculated to examine the reliability of the scales. Cronbach's alpha can range from 0.0 to 1.0 and show the internal consistency between items within a scale. An alpha coefficient close to 1.0 indicates that the items are measuring similar dimensions of a construct. Normally, Cronbach's alpha coefficient greater than .70 is reasonably reliable, however, an alpha coefficient for a scale with less than six items can be much smaller (.60 or higher) and still be acceptable (Nunnally and Berstein, 1994). Therefore, a Cronbach's alpha around .60 was considered to be acceptable for this study. The tables below reveal the level of reliability for the service sector, the manufacturing sector and the "hybrid" group of industries which exhibit characteristics of manufacturing and service.

Table 10: Reliability of Survey Instruments in Service Industry

Service Industry			
Instrument	**Factor**	**No of Items**	**Cronbach's Alpha**
Service Orientation	Customer Treatment	4	0.78
	Employee Empowerment	2	0.57
	Service Technology	3	0.83
	Service Failure Prevention	3	0.69
	Service Vision	3	0.69
	Service Standard Communication	5	0.76
	Service Failure Recovery	4	0.77
	Service Rewards	2	0.58
	Management Information System	2	0.75
	Service Leadership	6	0.87
	Service Training	3	0.87
Modified SERV*OR Scale		37	0.90
Organization Performance		5	0.93

Table 11: Reliability of Survey Instruments in Manufacturing Industries

Manufacturing Industry			
Instrument	**Factor**	**No of Items**	**Cronbach's Alpha**
Service Orientation	Customer Treatment	4	0.79
	Employee Empowerment	2	0.57
	Service Technology	3	0.84
	Service Failure Prevention	3	0.80
	Service Vision	3	0.79
	Service Standard Communication	5	0.80
	Service Failure Recovery	4	0.79
	Service Rewards	2	0.72
	Management Information System	2	0.83
	Service Leadership	6	0.90
	Service Training	3	0.88
Modified SERV*OR Scale		37	0.89
Organization Performance		5	0.88

Table 12: Reliability of Survey Instruments in "hybrid" Industries

"Hybrid" Industry			
Instrument	**Factor**	**No of Items**	**Cronbach's Alpha**
Service Orientation	Customer Treatment	4	0.79
	Employee Empowerment	2	0.69
	Service Technology	3	0.86
	Service Failure Prevention	3	0.78
	Service Vision	3	0.75
	Service Standard Communication	5	0.84
	Service Failure Recovery	4	0.82
	Service Rewards	2	0.58
	Management Information System	2	0.82
	Service Leadership	6	0.88
	Service Training	3	0.85
i- SERV*OR Scale		37	0.93
Organizational Performance		5	0.96

4.4 Descriptive Statistics of Variables

Descriptive statistics were calculated to show the mean and standard deviation of the variables measured in this study. All the scales were five-point Likert scales (1= strongly disagree and 5= strongly agree). The mean score of service orientation (Mean= 3.77) was highest for the service sector, followed by "hybrid" and then by the manufacturing sector. The score of organizational performance was highest in the "hybrid" sector (Mean=3.71) followed by the manufacturing sector and then by the service sector. The tables below give a brief depiction of the mean scores and the standard deviations associated with each component.

Table 13: Descriptive Statistics of Variables for Service Industry

Service Industry			
Instrument	**Factor**	**Mean**	**Std. Dev.**
Service Orientation	Customer Treatment	4.01	0.66
	Employee Empowerment	3.17	0.97
	Service Technology	3.95	0.76
	Service Failure Prevention	3.90	0.70
	Service Vision	4.05	0.65
	Service Standard Communication	3.73	0.66
	Service Failure Recovery	3.71	0.69
	Service Rewards	3.60	0.81
	Management Information System	3.74	0.76
	Service Leadership	3.88	0.68
	Service Training	3.68	0.87
Overall Scale		3.77	0.54
Organizational Performance		3.24	0.83

Table 14: Descriptive Statistics of Variables for Manufacturing Industry

Manufacturing Industry			
Instrument	**Factor**	**Mean**	**Std. Dev.**
Service Orientation	Customer Treatment	3.84	0.68
	Employee Empowerment	3.10	0.87
	Service Technology	3.62	0.79
	Service Failure Prevention	3.68	0.71
	Service Vision	3.87	0.73
	Service Standard Communication	3.64	0.66
	Service Failure Recovery	3.62	0.67
	Service Rewards	3.50	0.79
	Management Information System	3.73	0.69
	Service Leadership	3.73	0.66
	Service Training	3.52	0.83
Overall Scale		3.62	0.56
Organizational Performance		2.89	0.59

Table 15: Descriptive Statistics of Variables for hybrid Industry

Hybrid Industry			
Instrument	**Factor**	**Mean**	**Std. Dev.**
Service Orientation	Customer Treatment	3.95	0.69
	Employee Empowerment	3.20	0.98
	Service Technology	3.93	0.74
	Service Failure Prevention	3.74	0.75
	Service Vision	3.95	0.66
	Service Standard Communication	3.64	0.75
	Service Failure Recovery	3.53	0.77
	Service Rewards	3.43	0.83
	Management Information System	3.57	0.79
	Service Leadership	3.72	0.64
	Service Training	3.56	0.84
Overall Scale		3.66	0.60
Organizational Performance		3.27	0.96

A comparison between the 11 dimensions of i-SERV*OR, the service orientation score and, organization performance score for the three industrial segments have been carried out. The following section briefs about the performance of the different components of i-SERV*OR and the organization performance scale (Figures are shown in appendix C).

- In the dimension of "customer treatment", service sector leads (Mean =4.01) followed by the "hybrid" sector (Mean=3.95) and then by "manufacturing"(Mean=3.84). The importance and emphasis of customer treatment in service industry has highlighted its importance in industries.

- Average score of the dimension "employee empowerment" in "hybrid" industry is the highest (Mean=3.20) followed by "service" (Mean=3.17) and then by "manufacturing" (mean=3.10). Indian manufacturing industry seems to be lacking in this dimension, the reason to which can be traced to the fact that Indian manufacturing industry is maturing with respect to global industries.

- Service technology has a significant impact in the service sector (mean=3.95) and hybrid sector (Mean =3.93). The reasons being obvious that Indian Service sector being now technology driven, a significant weightage is placed in this aspect. The hybrid sector which is an amalgam of service and manufacturing also exhibits high scores for service technology with obvious implications to that of the service sector.

- Service failure prevention scaled its highest figures for the service sector (Mean=3.90), which is not surprising in the sense that quality emphasis is placed in this aspect for the service sector. Competitive edge of any business is hampered if there are frequent failure and overrun of deadlines, which further accelerates costs. The Indian service sector seems to be aware of this fact, and is very keen in maintaining this edge.

- Figures for service vision recorded a high (with Mean=4.05) for the service sector, followed by the hybrid sector and then by the manufacturing sector. The results are quite natural because having vision, to be precise, planning and having an idea of the future perspectives and scenario is a pivotally important, thus the dimension has no doubt higher values for the service sector, followed by the hybrid sector.

- Service standard communication is a very important dimension of service orientation. The service sector has quite a high score in service standard communication (Mean=3.73), while that of the manufacturing and hybrid sectors are at par with each other. The importance of this dimension can be clearly seen by the fact that, success of business is possible as an outcome of service standard communication, especially in service sector.

- The probability of failure haunts every industrial segment, the result clearly show that the score for service failure recovery are highest for the service sector (Mean=3.71), followed by the manufacturing sector, and then by the hybrid sector.

- Service rewards are nothing but incentives which are necessary to boost productivity. It is not surprising that the value of service rewards have highest figures for the service sector (Mean=3.60).

- Use of real time information in modern competitive business has been given importance over the years. Cut-throat competition and the ever expanding satiety to capture markets has pushed in increased role of information technology and enhanced the role of real time information. The Indian service sector enjoys an edge in the world market, reasons to which can be attributed to the increased use and accessibility of real time information. The manufacturing sector is catching up in this dimension, as thrust is being given in this sector recently.

- Service leadership is very important for a headstrong organization. Even on this dimension, the service sector leads (Mean =3.88), followed by the manufacturing sector which is closely followed by the hybrid sector.

- Training forms an important part in service delivery, it is through learning that an individual learns and implements the ideas in reality. In tandem with theoretical logic, this dimension is highest for the service sector (Mean=3.68), followed by the hybrid sector, and then by the manufacturing sector (Mean =3.52).

- The overall score of service orientation as measured by i-SERV*OR scale shows that the service industry is more service oriented (Mean= 3.77), which is followed by the hybrid industry (Mean= 3.66), further followed by the manufacturing industry (Mean= 3.62).

- The data for organization performance reveals that the hybrid sector has been the best performing sector (Mean= 3.27), which is followed by the service sector (Mean= 3.24), and then by the manufacturing sector (Mean= 2.89). The results can be explained by the fact that the hybrid sector enjoys characteristics of service and manufacturing, which lead to it gaining an edge over the other two industrial segments in performance.

4.5 Tests for Research questions

Analysis of Variance and Multiple Regression Analysis were conducted to test the research questions. One way ANOVA was conducted to determine the difference in service orientation across the service industry, the manufacturing industry and the "hybrid" industry. The one way ANOVA assumes the null Research questions that the variance (or variation) of service orientation scores across the three group of industries are same. The analysis of variability within the individual group and variability among the group reveals that there is not much difference between service orientation scores between groups (service, manufacturing and hybrid), but there exists significant variability within the groups itself. This result gives a clear idea of the applicability of i-SERV*OR scale across the three sets of industries in the Indian context. Further, to analyze the intra group variation between the service and the manufacturing firms, the responses were sorted in two groups, one group consisted of the public sector firms while the other comprised of the private sector firm; and an independent sample t-test was performed to check the difference between the levels of service orientation. This exercise was carried out for the service firms as well as the manufacturing firms. To get a more highlighted view of the variation in the service industry, the respondents were classified in six categories namely healthcare firms, logistics and e-commerce firms, financial services and insurance firms, IT firms, telecom firms and other firms (comprising of education services, construction services, food processing services, and power services).

The next step of the analysis aimed at analysing the causal association of service orientation with the performance of the organization. For this purpose, multiple regression framework was used to regress the performance parameter on the 11 dimensions of the modified SERV*OR scale. The study revealed some striking results, in the sense that quality association (R square= 0.57, in service industry) was found between the explained variable and the explanatory variable in the service industry, in Indian context. For the manufacturing organizations, the association strengthened marginally (R square = 0.59), the association was maximum for the industries in the "hybrid" segment (R square 0.63).

4.5.1 Research Question (RQ) 1:

Is there any difference between the levels of service orientation across the three set of industries?

The ANOVA results reveal that there exists minor difference in the mean scores of service orientation across the three sets of industries, $F(2,514) = 8.34$, $p<0.05$. The homogeneity test reveals that there is difference between the mean values of service orientation across the three industries. Further, table 3 gives us the idea that there is enough significant variability in the individual segment as seen from the value of sum of squares within groups.

The tables below give a snapshot of the ANOVA results.

Table 16: Descriptive Statistics (RQ1)

Descriptives								
Score								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.0	212	3.355	.6363	.0437	3.269	3.441	2.0	5.0
2.0	237	3.438	.5950	.0387	3.361	3.514	1.4	5.0
3.0	68	3.715	.7381	.0895	3.536	3.893	2.0	5.0
Total	517	3.440	.6412	.0282	3.385	3.495	1.4	5.0

1 - Service sector

2 - Manufacturing sector

3 - Hybrid sector.

Table 17: Test for Homogeneity of Variances (RQ1)

Test of Homogeneity of Variances			
Score			
Levene Statistic	df1	df2	Sig.
4.407	2	514	.013

Table 18: ANOVA results (RQ1)

ANOVA					
Score					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.675	2	3.337	8.348	.000
Within Groups	205.501	514	.400		
Total	212.176	516			

The above analysis of variability within the individual group and variability among the group reveals that there is not much difference between service orientation scores between groups (service, manufacturing and hybrid), but there exists significant variability within the groups itself. To understand this variation, a micro level analysis has been further carried out. The industries covered in the questionnaire survey were classified into two groups (public and private) for the service industry and the manufacturing industry respectively. Further, the service industry was also categorized in six major groups' namely healthcare services, logistics and e-commerce services, financial services and insurance, IT services, telecom services and other services (comprising of education services, construction services, food processing services).

An independent sample t test has been performed to check the within group variation of the i-SERV*OR scores in the service industry.

Table 19: Group Statistics for the service firms (RQ1)

		N	Mean	Std. Deviation	Std. Error Mean
i-Servor	1 (Private)	199	3.7577	.5609	.03976
	2 (Public)	18	3.8046	.3350	.07897

Table 20: Independent Samples Test for the service firms (RQ1)

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
i-Servor	Equal variances assumed	5.304	.022	-.349	215	.728	-.04688	.13452	-.31203	.21825
	Equal variances not assumed			-.530	26.568	.600	-.04688	.08842	-.22844	.13467

The test reveals that there is not much of a difference in i-SERV*OR scores of the public and the private enterprises, the mean level of i-SERV*OR score for the public enterprises are not significantly different from those of the private enterprises.

Further, one way ANOVA has been used to understand the difference between levels of service orientation across the six sub groups (healthcare services, logistics and e-commerce services, financial services and insurance, IT services, telecom services and other services).

Table 21: Descriptives (category wise) for the service firms (RQ1)

	N	Mean	Std. Dev.	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1	16	3.5091	.6247	.1561	3.1762	3.8421	2.8939	5.0000
2	9	3.6624	.5693	.1897	3.2241	4.1000	2.4833	4.2378
3	64	3.7519	.4794	.0599	3.6321	3.8717	1.8303	4.8424
4	50	3.8600	.5109	.0722	3.7148	4.00531	2.34009	4.7075
5	13	4.0631	.6493	.1801	3.6707	4.4555	3.0318	4.9090
6	62	3.7134	.5670	.0720	3.5694	3.8574	1.9621	4.9090
Total	214	3.7630	.5452	.0372	3.6896	3.8365	1.8303	5.0000

Table 22: ANOVA (category wise) for the service firms (RQ1)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.924	5	.585	2.014	.078
Within Groups	60.401	208	.290		
Total	63.326	213			

The ANOVA reveals that there is significant difference between the groups at the 10% level, further it can also be noted that the i-SERV*OR scores for the telecom services are higher than the rest of the categories; this gives the idea that telecom service provides are the most service oriented cluster in our study, this is followed by the IT service providers who are closely followed by the financial service and insurance group.

Alike the service sector, the industries in the manufacturing sector were classified into two groups, public and private and an independent sample t test was performed to check for any difference between the two groups.

Table 23: Group Statistics for the manufacturing firms (RQ1)

		N	Mean	Std. Deviation	Std. Error Mean
i-Servor	1 (Private)	161	3.748146065	.5369559253	.0423180552
	2 (Public)	76	3.354545454	.5270341015	.0604549576

Table 24: Independent Samples Test for the manufacturing firms (RQ1)

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Diff.	Std. Error Diff.	Lower	Upper
i-Servor	Equal variances assumed	.092	.762	5.298	235	.000	.39360	.074291	.247237	.539963
	Equal variances not assumed			5.334	149.6	.000	.39360	.073794	.247787	.539414

The test revels that there is presence of significant difference between the public and the private enterprises in the manufacturing sector. The private enterprises are more service oriented than their public counterparts as seen by the value of i-SERV*OR scores. This is an interesting finding in the sense that it reveals that even manufacturing enterprises, to be precise, the private manufacturing enterprises are inclined towards service orientation on a higher magnitude.

4.5.2 Research Question (RQ) 2:

Does service orientation have any impact on organizational performance for the service, manufacturing and hybrid sectors respectively?

A multiple regression analysis was performed to check the impact of the parameters of service orientation on organizational performance. R square which gives the ratioof the explained sum of squares to total sum of squares has been used to analyze the degree of association of the independent variables (the 11 parameters of the i-SERV*OR scale) on the dependent variable (performance), which is nothing but an average of the five point Likert scale collected across five items, for performance. The model summary for the service sector reveals the value of R square to be 0.57, in other words the i- SERV*OR parameters explained about 57% of the variance in organizational performance, which is quite a bit. The F (11,204) = 24.80, $p<0.05$ gives the idea that the regression model is a good fit of the data. The tables below give a snapshot of the regression results.

Table 25: Model Summary (Service Sector -RQ2)

Model Summary									
Model	R	R^2	Adj. R^2	Std. Error of Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.756[a]	.572	.549	.5542	.572	24.809	11	204	.000
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, Cstmr_trtmnt, Serv_tech, MIS, Serv_fail_rcvry, Serv_vision, Serv_rwrds, Serv_fail_prev, Serv_std_comm, Serv_ldrshp									

Table 26: ANOVA (Service Sector -RQ2)

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	83.807	11	7.619	24.809	.000[a]
	Residual	62.647	204	.307		
	Total	146.453	215			
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, Cstmr_trtmnt, Serv_tech, MIS, Serv_fail_rcvry, Serv_vision, Serv_rwrds, Serv_fail_prev, Serv_std_comm, Serv_ldrshp						
b. Dependent Variable: Avg_perf_all						

Table 27: Coefficients (Service Sector -RQ2)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.228	.280		-4.383	.000
	Cstmr_trtmnt	.236	.082	.189	2.868	.005
	Employee_empwrmnt	.036	.046	.042	.766	.445
	Serv_tech	.273	.065	.253	4.203	.000
	Serv_fail_prev	.076	.087	.065	.873	.384
	Serv_vision	.112	.098	.088	1.135	.258
	Serv_std_comm	-.019	.102	-.015	-.188	.851
	Serv_fail_rcvry	.106	.081	.089	1.308	.192
	Serv_rwrds	.067	.076	.066	.882	.379
	MIS	.137	.072	.127	1.890	.060
	Serv_ldrshp	.092	.109	.076	.844	.399
	Serv_trng	.040	.064	.042	.623	.534
a. Dependent Variable: Avg_perf						

[Avg_perf= Average of performance figures, Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry = Service failure

recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

The results show that the predictors customer treatment (β =0.23, p=0.00), service technology (β =0.27, p=0.00) significantly predicts bulk of the variability in performance. The predictor MIS (β= 0.137, p=0.06) is also significant at 10% level. What is interesting to note is the negative association between performance and service standard communication, though the association is insignificant, it is something to look about because of the negative association.

A multiple regression analysis was performed for the manufacturing sector as well. The value of R square was found to be 0.59 which gives the indication that there exists quality causal association between service orientation and performance. The significant value of the F-statistics, F (11,225) = 29.65, p<0.05 further assigns quality significance of the observed results. The tables below give a snapshot of the results for the manufacturing sector.

Table 28: Model summary(Manufacturing Sector -RQ2)

Model Summary									
Model	R	R^2	Adj. R^2	Std. Error of Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.769[a]	.592	.572	.523	.592	29.659	11	225	.000
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, Serv_tech, Cstmr_trtmnt, IT, Serv_vision, Serv_fail_prev, Serv_rwrds, Serv_fail_rcvry, Serv_ldrshp, Serv_std_comm									

Table 29: ANOVA (Manufacturing Sector -RQ2)

ANOVA[b]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	89.179	11	8.107	29.659	.000[a]
	Residual	61.503	225	.273		
	Total	150.683	236			
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, Serv_tech, Cstmr_trtmnt, MIS, Serv_vision, Serv_fail_prev, Serv_rwrds, Serv_fail_rcvry, Serv_ldrshp, Serv_std_comm						
b. Dependent Variable: Avg_perf						

Table 30: Coefficients (Manufacturing Sector -RQ2)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.824	.238		-3.464	.001
	Cstmr_trtmnt	.060	.070	.051	.863	.389
	Employee_empwrmnt	.117	.049	.128	2.373	.019
	Serv_tech	.131	.060	.129	2.193	.029
	Serv_fail_prev	.132	.073	.118	1.813	.071
	Serv_vision	.079	.075	.072	1.057	.292
	Serv_std_comm	-.014	.102	-.011	-.135	.892
	Serv_fail_rcvry	.244	.092	.206	2.658	.008
	Serv_rwrds	.016	.070	.016	.232	.817
	MIS	.131	.079	.115	1.661	.098
	Serv_ldrshp	.138	.097	.114	1.425	.156
	Serv_trng	.056	.065	.059	.858	.392
a. Dependent Variable: Avg_perf						

[Avg_perf= Average of performance figures, Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry = Service failure

recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

The model indicates that the predictors employee empowerment (β =0.11, p=.01), service technology (β =0.13, p=.02), and service failure recovery (β =0.24, p=.00), significantly predicts performance. Further, service failure prevention (β =0.13, p=.07), and MIS (β =0.13, p=.09), also have a significant predicting capacity (at 10% level).

The hybrid sector consists of industries which have characteristics of those of service and manufacturing. These organizations are a cluster of institutions which provide say services along with the manufacturing goods and vice versa. A similar multiple regression analysis was performed to check the degree of causality between i-SERV*OR scale parameters and performance. The value of R square revealed in this model is quite high (R square = 0.63) with F (11, 57) = 9.03, p<0.05. The tables below give a view of the findings.

Table 31: Model summary (Hybrid Sector -RQ2)

Model Summary									
Model	R	R^2	Adj. R^2	Std. Error of Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.797[a]	.636	.565	.6393	.636	9.037	11	57	.000
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, MIS, Serv_tech, Serv_fail_rcvry, Serv_vision, Serv_rwrds, Cstmr_trtmnt, Serv_fail_prev, Serv_std_comm, Serv_ldrshp									

Table 32: ANOVA (Hybrid Sector -RQ2)

ANOVA[b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.630	11	3.694	9.037	.000[a]
	Residual	23.298	57	.409		
	Total	63.928	68			
a. Predictors: (Constant), Serv_trng, Employee_empwrmnt, MIS, Serv_tech,						

Serv_fail_rcvry, Serv_vision, Serv_rwrds, Cstmr_trtmnt, Serv_fail_prev, Serv_std_comm, Serv_ldrshp
b. Dependent Variable: Avg_perf

Table 33: Coefficients (Hybrid Sector -RQ2)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.522	.557		-2.734	.008
	Cstmr_trtmnt	.096	.201	.068	.475	.637
	Employee_empwrmnt	.118	.120	.120	.984	.329
	Serv_tech	.208	.144	.158	1.449	.153
	Serv_fail_prev	.022	.189	.017	.119	.906
	Serv_vision	.277	.198	.188	1.399	.167
	Serv_std_comm	.012	.193	.009	.062	.951
	Serv_fail_rcvry	.017	.155	.013	.110	.913
	Serv_rwrds	.198	.152	.169	1.301	.199
	MIS	.122	.141	.100	.862	.392
	Serv_ldrshp	.132	.297	.088	.445	.658
	Serv_trng	.094	.172	.082	.549	.585
a. Dependent Variable: Avg_perf						

[Avg_perf= Average of performance figures, Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry = Service failure recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

The results reveal that service technology (β =0.20, p=.15), service vision (β =0.27, p=.16), and service rewards (β =0.19, p=.19), fairly predicts performance. The positive association between these three and predict ant provides a strong conceptual backing.

Further, responses were evaluated from item 38 to item 58 and a score was obtained showing the proportion of individuals who have ticked "yes". The median no of "yes" (response) was evaluated and accordingly two groups were created based on the median scores. One group was created with values above the median score, and the other with values below the score. A **t-test** was performed to assess the difference between the performance levels of the group of organizations above the median, and those below the median level. The test was performed, to analyze the structure of performance at micro level (for each of the components of performance).

The table below give a brief comparison of the beta coefficients for the three sectors.

Table34: Comparison of regression coefficients for the three industries

Service	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	-1.228	0.28	-4	0
Cstmr_trtmnt	0.236	0.082	2.9	0.01
Employee_empwrmnt	0.036	0.046	0.8	0.45
Serv_tech	0.273	0.065	4.2	0
Serv_fail_prev	0.076	0.087	0.9	0.38
Serv_vision	0.112	0.098	1.1	0.26
Serv_std_comm	-0.019	0.102	-0	0.85
Serv_fail_rcvry	0.106	0.081	1.3	0.19
Serv_rwrds	0.067	0.076	0.9	0.38
MIS	0.137	0.072	1.9	0.06
Serv_ldrshp	0.092	0.109	0.8	0.4
Serv_trng	0.04	0.064	0.6	0.53

Manufacturing	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	-0.824	0.238	-3.5	0
Cstmr_trtmnt	0.06	0.07	0.9	0.4
Employee_empwrmnt	0.117	0.049	2.4	0
Serv_tech	0.131	0.06	2.2	0
Serv_fail_prev	0.132	0.073	1.8	0.1
Serv_vision	0.079	0.075	1.1	0.3
Serv_std_comm	-0.014	0.102	-0.1	0.9
Serv_fail_rcvry	0.244	0.092	2.7	0
Serv_rwrds	0.016	0.07	0.2	0.8
MIS	0.131	0.079	1.7	0.1
Serv_ldrshp	0.138	0.097	1.4	0.2
Serv_trng	0.056	0.065	0.9	0.4

Hybrid	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	-1.522	0.557	-2.7	0.008
Cstmr_trtmnt	0.096	0.201	0.48	0.637
Employee_empwrmnt	0.118	0.12	0.98	0.329
Serv_tech	0.208	0.144	1.45	0.153
Serv_fail_prev	0.022	0.189	0.12	0.906
Serv_vision	0.277	0.198	1.4	0.167
Serv_std_comm	0.012	0.193	0.06	0.951
Serv_fail_rcvry	0.017	0.155	0.11	0.913
Serv_rwrds	0.198	0.152	1.3	0.199
MIS	0.122	0.141	0.86	0.392
Serv_ldrshp	0.132	0.297	0.45	0.658
Serv_trng	0.094	0.172	0.55	0.585

4.5.3 Research Question 3 (RQ3):

Do organizations which provide extended services related to support of the client's actions (SSC) in the service sector, perform better than those who do not provide such service?

Two groups were created, the former consisted of those industries which extended services related to support of the client's actions (SSC) in the service sector, while the latter consisted of those who did not provide such service. An independent sample t-test was performed to check the difference in the level of performance for the two sets of industries. The basic findings of the t-test checking for the equality of means are provided below.

Table 35: Descriptive statistics of the groups for the service sector (RQ3)

Descriptive statistics					
	Category	N	Mean	Std. Deviation	Std. Error Mean
p1	1	106	3.35	.817	.079
	2	110	3.17	.927	.088
p2	1	106	3.39	.879	.085
	2	110	3.06	.911	.087
p3	1	106	3.42	.924	.090
	2	110	3.20	1.003	.096
p4	1	106	3.35	.895	.087
	2	110	3.12	1.002	.096
p5	1	106	3.31	.877	.085
	2	110	3.10	.957	.091

Category 1- Organizations above median score
Category 2- Organizations below median score

Table 36: Output t-test for the service sector (RQ3)

Independent Samples Test				
t-test for Equality of Means				
		t	df	Sig. (2-tailed)
p1	Equal variances assumed	1.481	214	.140
	Equal variances not assumed	1.484	212.319	.139
p2	Equal variances assumed	2.651	214	.009
	Equal variances not assumed	2.652	214.000	.009
p3	Equal variances assumed	1.637	214	.103
	Equal variances not assumed	1.640	213.586	.102
p4	Equal variances assumed	1.784	214	.076
	Equal variances not assumed	1.787	212.780	.075
p5	Equal variances assumed	1.690	214	.092
	Equal variances not assumed	1.693	213.455	.092

p1	Market share growth rate, ,
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

The results for the t-test reveal that four out of the five items of performance (p2, p3, p4, p5) have the means significantly different from the counterpart (at 10% level of significance) say, for p2 the value of Sig. (2-tailed) is 0.00 which makes us conclude that there is significant difference between the mean value of performance for the group of organizations lying above the median score (of item 38 to 58) and those lying below it.

4.5.4 Research Question 4 (RQ4):

Do organizations which provide extended services related to support of the client's actions (SSC) and services in support of the product (SSP) in the manufacturing sector and the hybrid sector, perform better than those who do not provide such services?

A similar test was performed for the manufacturing sector and the hybrid sector also, to assess the structure of the parameters of performance between the two groups. The

former consisted of those who provide extended services related to support of the client's actions (SSC) and services in support of the product (SSP), and the latter consisted of those who don't provide such services.

Table 37: Descriptive statistics of the groups for the manufacturing sector (RQ4)

Group Statistics					
	Category1	N	Mean	Std. Deviation	Std. Error Mean
p1	1	115	3.18	.996	.093
	2	121	2.98	.841	.076
p2	1	115	2.77	.484	.045
	2	121	2.70	.494	.045
p3	1	115	2.77	.640	.060
	2	121	2.66	.571	.052
p4	1	115	3.49	.788	.073
	2	121	3.12	.877	.080
p5	1	115	2.78	.659	.061
	2	121	2.50	.565	.051

Category 1- Organizations above median score
Category 2- Organizations below median score

Table 38: Output t-test for the manufacturing sector (RQ4)

Independent Samples Test				
t-test for Equality of Means				
		t	Df	Sig. (2-tailed)
p1	Equal variances assumed	1.731	234	.085
	Equal variances not assumed	1.724	223.393	.086
p2	Equal variances assumed	.985	234	.326
	Equal variances not assumed	.986	233.794	.325
p3	Equal variances assumed	1.320	234	.188
	Equal variances not assumed	1.316	227.859	.189
p4	Equal variances assumed	3.414	234	.001
	Equal variances not assumed	3.424	233.252	.001
p5	Equal variances assumed	3.594	234	.000
	Equal variances not assumed	3.580	224.612	.000

p1	Market share growth rate
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

The results reveal that except for item p2 and p3, the items p1, p4 and p5 have significantly different means. Item p1 is statistically significant at the 10% level, whereas p4 and p5 prove their significance at the 1% level.

The table below gives a snapshot of the results for the hybrid sector. It can clearly be observed that there exists some difference between the two groups of industries even in the hybrid sector. Firms which provide extended services perform better than those who do not provide such services.

Table 39: Descriptive statistics of the groups for the hybrid sector (RQ4)

Group Statistics					
	Category1	N	Mean	Std. Deviation	Std. Error Mean
p1	1	33	3.33	.924	.161
	2	36	3.00	1.042	.174
p2	1	33	3.48	.939	.164
	2	36	3.06	1.040	.173
p3	1	33	3.61	.998	.174
	2	36	3.00	1.042	.174
p4	1	33	3.73	.977	.170
	2	36	3.08	1.025	.171
p5	1	33	3.79	.927	.161
	2	36	2.81	1.037	.173

Category 1- Organizations above median score
Category 2- Organizations below median score

Table 40: Output t-test for the hybrid sector (RQ4)

Independent Samples Test				
t-test for Equality of Means				
		t	df	Sig. (2-tailed)
p1	Equal variances assumed	1.401	67	.166
	Equal variances not assumed	1.408	66.933	.164
p2	Equal variances assumed	1.793	67	.077
	Equal variances not assumed	1.801	66.987	.076
p3	Equal variances assumed	2.462	67	.016
	Equal variances not assumed	2.467	66.863	.016
p4	Equal variances assumed	2.666	67	.010
	Equal variances not assumed	2.672	66.889	.009
p5	Equal variances assumed	4.133	67	.000
	Equal variances not assumed	4.154	66.963	.000

p1	Market share growth rate
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

The items p3, p4 and p5 show significantly different means, as seen by the value of Sig. (2-tailed). The items p3, p4 and p5 are significant at the 1% level, while item p2 is significant at the 10% level. Item p1 however, exhibited insignificant difference between the two groups.

Table 41: Comparison of means for the three sectors

	Category	Mean_Service	Mean_Manufacturing	Mean_hybrid
p1	1	3.18	3.18	3.33
	2	2.98	2.98	3
p2	1	2.77	2.77	3.48
	2	2.7	2.7	3.06
p3	1	2.77	2.77	3.61
	2	2.66	2.66	3
p4	1	3.49	3.49	3.73
	2	3.12	3.12	3.08
p5	1	2.78	2.78	3.79
	2	2.5	2.5	2.81

Table 42: Comparison of significance p (value) for equality of means

t-test for Equality of Means				
		Service	**Manufacturing**	**Hybrid**
		Sig. (2-tailed)	Sig. (2-tailed)	Sig. (2-tailed)
p1	Equal variances assumed	0.14	0.085	0.166
	Equal variances not assumed	0.139	0.086	0.164
p2	Equal variances assumed	0.009	0.326	0.077
	Equal variances not assumed	0.009	0.325	0.076
p3	Equal variances assumed	0.103	0.188	0.016
	Equal variances not assumed	0.102	0.189	0.016
p4	Equal variances assumed	0.076	0.001	0.01
	Equal variances not assumed	0.075	0.001	0.009
p5	Equal variances assumed	0.092	0	0
	Equal variances not assumed	0.092	0	0
p1	Market share growth rate			
p2	Overall performance of company viz-a-viz competitors			
p3	Cost competitiveness of your product/ service viz-a-viz competitors			
p4	Customer perception of your products/ services in market place viz-a-viz competitors			
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors			

4.5.5 Research Question 5 (RQ5):

How are the components of i-SERV*OR related to the components of Organizational Performance scale?

Further to check the association between the i-SERV*OR parameters and performance, an effort was made to correlate these data. The correlations was performed independently for the three sectors between the 11 modified i-SERV*OR parameters and the 5 parameters of performance. The correlations seem to be very significant for all the three sectors in the sense that values are statistically significant. The tables below give a view of the correlations among the variable for all the three sectors.

Table 43: Correlation between i-SERV*OR parameters and performance in service sector (RQ5)

Correlations						
		p1	p2	p3	p4	p5
Cstmr_trtmnt	Pearson Correlation	.503**	.493**	.510**	.494**	.486**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Employee_empwrmnt	Pearson Correlation	.232**	.305**	.330**	.281**	.356**
	Sig. (2-tailed)	.001	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_tech	Pearson Correlation	.565**	.535**	.535**	.479**	.557**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_fail_prev	Pearson Correlation	.442**	.475**	.523**	.478**	.470**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_vision	Pearson Correlation	.556**	.542**	.560**	.457**	.548**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_std_comm	Pearson Correlation	.529**	.538**	.580**	.476**	.532**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216

Serv_fail_rcvry	Pearson Correlation	.514**	.480**	.543**	.460**	.538**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_rwrds	Pearson Correlation	.481**	.530**	.495**	.356**	.481**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
MIS	Pearson Correlation	.494**	.501**	.498**	.415**	.519**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_ldrshp	Pearson Correlation	.537**	.597**	.553**	.471**	.582**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
Serv_trng	Pearson Correlation	.463**	.489**	.438**	.388**	.461**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	216	216	216	216	216
p1	Pearson Correlation	1	.756**	.733**	.777**	.814**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	216	216	216	216	216
p2	Pearson Correlation		1	.768**	.728**	.789**
	Sig. (2-tailed)			.000	.000	.000
	N		216	216	216	216
p3	Pearson Correlation			1	.646**	.705**
	Sig. (2-tailed)				.000	.000
	N			216	216	216
p4	Pearson Correlation				1	.716**
	Sig. (2-tailed)					.000
	N				216	216
p5	Pearson Correlation					1
	Sig. (2-tailed)					
	N					216
** Correlation significant at the 0.01 level (2 tailed)						
* Correlation significant at the 0.05 level (2 tailed)						

p1	Market share growth rate
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

[Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry = Service failure recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

Table 44: Correlation between i-SERV*OR parameters and performance in manufacturing sector (RQ5)

Correlations						
		p1	p2	p3	p4	p5
Cstmr_trtmnt	Pearson Correlation	.458**	.329**	.458**	.476**	.436**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Employee_empwrmnt	Pearson Correlation	.409**	.376**	.388**	.465**	.463**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_tech	Pearson Correlation	.437**	.432**	.465**	.556**	.453**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_fail_prev	Pearson Correlation	.515**	.422**	.556**	.556**	.477**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_vision	Pearson Correlation	.384**	.391**	.539**	.567**	.494**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_std_comm	Pearson Correlation	.486**	.473**	.558**	.613**	.548**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_fail_rcvry	Pearson Correlation	.519**	.462**	.566**	.634**	.559**
	Sig. (2-tailed)	.000	.000	.000	.000	.000

	N	237	237	237	237	237
Serv_rwrds	Pearson Correlation	.379**	.416**	.434**	.448**	.492**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
MIS	Pearson Correlation	.473**	.471**	.447**	.530**	.447**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_ldrshp	Pearson Correlation	.494**	.487**	.545**	.590**	.519**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
Serv_trng	Pearson Correlation	.470**	.422**	.513**	.494**	.436**
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	237	237	237	237	237
p1	Pearson Correlation	1	.660**	.664**	.637**	.586**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	237	237	237	237	237
p2	Pearson Correlation		1	.689**	.632**	.654**
	Sig. (2-tailed)			.000	.000	.000
	N		237	237	237	237
p3	Pearson Correlation			1	.710**	.619**
	Sig. (2-tailed)				.000	.000
	N			237	237	237
p4	Pearson Correlation				1	.704**
	Sig. (2-tailed)					.000
	N				237	237
p5	Pearson Correlation					1
	Sig. (2-tailed)					
	N					237

** Correlation significant at the 0.01 level (2 tailed)

* Correlation significant at the 0.05 level (2 tailed)

p1	Market share growth rate
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

[Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry =

Service failure recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

Table 45: Correlation between i-SERV*OR parameters and performance in "hybrid" sector (RQ5)

Correlations						
		p1	p2	p3	p4	p5
Cstmr_trtmnt	Pearson Correlation	.318**	.274*	.324**	.392**	.496**
	Sig. (2-tailed)	.008	.023	.007	.001	.000
	N	69	69	69	69	69
Employee_empwrmnt	Pearson Correlation	.352**	.296*	.334**	.440**	.482**
	Sig. (2-tailed)	.003	.013	.005	.000	.000
	N	69	69	69	69	69
Serv_tech	Pearson Correlation	.243*	.229	.315**	.372**	.437**
	Sig. (2-tailed)	.044	.059	.008	.002	.000
	N	69	69	69	69	69
Serv_fail_prev	Pearson Correlation	.245*	.251*	.304*	.391**	.455**
	Sig. (2-tailed)	.042	.038	.011	.001	.000
	N	69	69	69	69	69
Serv_vision	Pearson Correlation	.297*	.277*	.316**	.383**	.508**
	Sig. (2-tailed)	.013	.021	.008	.001	.000
	N	69	69	69	69	69
Serv_std_comm	Pearson Correlation	.256*	.274*	.316**	.352**	.448**
	Sig. (2-tailed)	.034	.022	.008	.003	.000
	N	69	69	69	69	69
Serv_fail_rcvry	Pearson Correlation	.144	.124	.199	.198	.329**
	Sig. (2-tailed)	.237	.308	.101	.102	.006
	N	69	69	69	69	69
Serv_rwrds	Pearson Correlation	.104	.085	.200	.211	.314**
	Sig. (2-tailed)	.397	.490	.099	.081	.009
	N	69	69	69	69	69
MIS	Pearson Correlation	.135	.106	.186	.189	.290*
	Sig. (2-tailed)	.270	.385	.126	.120	.016
	N	69	69	69	69	69
Serv_ldrshp	Pearson Correlation	.246*	.158	.285*	.327**	.436**
	Sig. (2-tailed)	.042	.196	.018	.006	.000
	N	69	69	69	69	69
Serv_trng	Pearson Correlation	.221	.179	.295*	.262*	.400**
	Sig. (2-tailed)	.068	.141	.014	.030	.001
	N	69	69	69	69	69

p1	Pearson Correlation	1	.808**	.808**	.815**	.795**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	69	69	69	69	69
p2	Pearson Correlation		1	.809**	.821**	.798**
	Sig. (2-tailed)			.000	.000	.000
	N			69	69	69
p3	Pearson Correlation			1	.892**	.880**
	Sig. (2-tailed)				.000	.000
	N			69	69	69
p4	Pearson Correlation				1	.905**
	Sig. (2-tailed)					.000
	N				69	69
p5	Pearson Correlation					1
	Sig. (2-tailed)					
	N					69
** Correlation significant at the 0.01 level (2 tailed)						
* Correlation significant at the 0.05 level (2 tailed)						

p1	Market share growth rate, ,
p2	Overall performance of company viz-a-viz competitors
p3	Cost competitiveness of your product/ service viz-a-viz competitors
p4	Customer perception of your products/ services in market place viz-a-viz competitors
p5	Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

[Cstmr_trtmnt = Customer treatment, Employee_empwrmnt =Employee empowerment, Serv_tech = Service technology, Serv_fail_prev = Service failure prevention, Serv_vision = Service vision, Serv_std_comm = Service standard communication, Serv_fail_rcvry = Service failure recovery, Serv_rwrds = Service rewards, Serv_ldrshp = Service leadership, Serv_trng = Service training, MIS = Management Information System]

4.6 Chapter Summary

The main purpose of this chapter was to discuss the statistical findings of the study. This chapter presented description of sample, descriptive statistics of variables and analysis of

the data and reported results of the analysis of research questions. The next chapter will present the discussion of the findings and summary of procedures.

Chapter 5

Summary and Discussions

5.1 Introduction

This chapter covers summary of procedures and further discusses the findings form theoretical and practical perspectives. The section on Summary of procedures briefly describes the procedures used in the study and further summarizes the methods used in this study. Summary of findings provide detailed discussion based on statistical finding as brought out in Chapter 4, with reference to research questions tested in this study.

5.2 Summary of procedures

The primary purpose of the study was to determine the impact of service orientation on organizational performance, independently for the industrial segment which provides service, the industrial segment which is associated with manufacturing activities and the segment associated with both service and manufacturing activities. The study examines the causality of this association exclusively in the Indian context. The importance of service orientation is further highlighted in this study when the study reveals differential performance indications for organizations which provide additional service (specifically, organizations engaged with Services supporting Products (SSP) and Services supporting Customers (SSC). This section of analysis also reveals the performance outcomes, for the three types of organizations. The findings do provide a solid backbone to state that "organizations which are more service oriented are associated with higher levels of performance". The finding being explained, an attempt is made to find the factors of service orientation which is associated with performance. For this purpose, a simple correlation was performed between the 11 factors of service orientation as per i-SER*VOR scale, and the 5 parameters of performance. The performance scale covered the five different aspects, market share growth rate, overall performance of company, cost competitiveness of product/ service, customer perception of products/ services in

market place and performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors. The five components for performance measurement scale were identified in-line with Balance Score card approach, that not only the present performance but also the future scope of the organizational performance is covered.

2000 questionnaires dispatched to medium and large industries. Wide variety of firms including Automobile, Bank and Financial services, Cement, Ceramics and Abrasives, Chemicals, Electrical and Electronics, Heavy Engineering and Equipment, Industrial Construction, IT and Software, Metals and Steel, Petroleum, Petrochem and Plastics and other services etc. were covered by the questionnaire survey. Further, hybrid the private and public sector undertakings were covered. Further, the responses were examined and those with a near constant level of standard deviation were excluded so as to engulf chunk of the variation of the organizations. This left us with 522 valid responses to proceed with the study. The Statistical Package for Social Science (SPSS) version 22 was used to compute and analyze the data collected. Further correlation analysis and multiple regression analysis were performed using the same package. MS Excel also proved helpful in analyzing the issues related to the research work.

5.3 Summary of findings

5.3.1 Research question 1

'Is there any difference between the levels of service orientation across the three set of industries (service, manufacturing and hybrid)?'

Service orientation scores for the three sectors were derived independently and a simple average was enumerated for the three sectors.

The results are discussed below:

- The results show minor differencein the mean scores of service orientation between three sets of industries i.e. service manufacturing and hybrid ($F(2,514) = 8.34$, $p<0.05$).The results also reveal that the variations of service orientation

scores across the three groups are not homogenous.The ANOVA result reveals that a significant share of variation is associated with “within group variation”, with a minor variation existing “between groups”.

- The service sector firms were classified into two groups, public and private and an independent sample t test was performed to check for any difference between the two groups The independent t-test reveals that there is not much of a difference in i-SERV*OR scores of the public and the private enterprises, as the mean level of i-SERV*OR score for the public enterprises are not significantly different from those of the private enterprises. This result corroborates that management concepts such as service orientation, which have their origins in the private sector, have gained increasing importance in public sector settings (Marshall et al 2001; McNulty et al, 2004; Paarlberg, 2007).

- Further, one way ANOVA used to understand the difference between levels of service orientation across the six sub groups (healthcare services, logistics and e-commerce services, financial services and insurance, IT services, telecom services and other services), reveals that there is significant difference between the groups at the 10% level, further it can also be noted that the i-SERV*OR scores for the telecom services are higher than the rest of the categories; this gives the idea that telecom service provides are the most service oriented cluster in the study, this is followed by the IT service providers who are closely followed by the financial service and insurance group.

- Alike the service sector, the industries in the manufacturing sector were classified into two groups, public and private and an independent sample t test was performed to check for any difference between the two groups, revels that there is presence of significant difference between the public and the private enterprises in the manufacturing sector. The private enterprises are more service oriented than their public counterparts as seen by the value of the i-SERV*OR scores. This is an interesting finding in the sense that it reveals that the private manufacturing enterprises scores on service orientation are on a higher magnitude as compared to

public sector.This is in line with research of Indian manufacturing firms by Popli, and Rizvi (2015) and in a UK public sector study by Caemmerer et al (2011).

5.3.2 Research question 2

'Does service orientation has any impact on organizational performance for the service sector manufacturing sector and hybrid sector respectively?' This Research question tests the causality of association between the parameters of service orientation and that of performance for the service sector.

- The model summary for the service sector reveals the value of R square to be 0.57, in other words i-SERV*OR parameters explain about 57% of the variance in organizational performance. The p-value or the probability value is significant (p-value= 0.00), which gives the idea that for almost all possible cases the structure of the results obtained will not vary. The results show that the predictors customer treatment (β =0.23, p=0.00), service technology (β =0.27, p=0.00) significantly predicts bulk of the variability in performance. The predictor MIS (β= 0.137, p=0.06) is also significant at 10% level. Most of the available literatures on the service orientation concept suggest that a customer-focused service orientation has a positive impact on service performance (e.g. Cran, 1994; Hogan*et al*, 1984; Lytle*et al*, 1998; Schneider*et al*, 1980; Webster, 1993.

- The value of R square was found to be 0.59 for the manufacturing sector, which gives the indication that there exists quality causal association between service orientation and performance in this sector. This result also adds to the point that the i-SERV*OR scale is also applicable in the context of manufacturing industries. The model indicates that the predictors employee empowerment (β =0.11, p=.01), service technology (β =0.13, p=.02), and service failure recovery (β =0.24, p=.00), significantly predicts performance. Further, service failure prevention (β =0.13, p=.07), and MIS (β =0.13, p=.09), also have a significant predicting capacity (at 10% level). Further, the competitive business setup has also provided enhanced role for MIS. This results are supported by Voigt *et al* (2012), who studied the effects of Market and Service-Orientation on the Success

of Solution Providers in the German Manufacturing Sector and argued that in the manufacturing industry, as combination of products and services offers a huge differentiation factor and there is the need for a shift from a product-centric view towards a service-dominant perspective.

- The regression result delivered an R square of 0.63 for the hybrid sector. The results reveal that service technology (β =0.20, p=.15), service vision (β =0.27, p=.16), and service rewards (β =0.19, p=.19), fairly predicts performance. The positive association between these three and predictant provides a strong conceptual backing. This result can be explained on the grounds that, the sector possesses characteristics hybrid of manufacturing and service, viz. it can be interpreted as manufacturing organizations which exhibit properties of service.

5.3.3 Research question3

'Do organizations which provide extended services related to support of the client's actions (SSC) in the service sector, perform better than those who do not provide such service?'

A t-test was performed to assess the difference between the performance levels of the group of organizations above the median, and those below the median level (for the service sector).

- The test was performed, to analyze the structure of performance at micro level (for each of the components of performance). This Research question eyed at the differential performance that exist (if any) in the service sector, for organizations which provide extended 'services in support of client' (SSC).

- The results for the t-test reveal that four out of the five items of performance (p2, p3, p4, p5) have the means significantly different from the counterpart (at 10% level of significance) say, for p2 the value of Sig. (2-tailed) is 0.00 which makes us conclude that there is significant difference between the mean value of performance for the group of organizations lying above the median score (of item

38 to 58 in the questionnaire) and those lying below it. This provides with the rationale that “provision of extended service lead to higher performance”.

5.3.4 Research question 4

‘Do organizations which provide extended services related to support of the client’s actions (SSC) and services in support of the product (SSP) in the manufacturing sector and the hybrid sector, perform better than those who do not provide such services?’

An investigation in the manufacturing sector leads to the conclusions similar to that of service sector.

- The results reveal that except for item p2 and p3, the items p1, p4 and p5 have significantly different means. Item p1 is statistically significant at the 10% level, whereas p4 and p5 prove their significance at the 1% level. These results confirm results of Antioco *et al.* (2008). Thus, in context of Indian manufacturing firms also organizational performance is positively influenced by extended services.

- The analysis for the “hybrid” sector reveals that items p3, p4 and p5 show significantly different means, as seen by the value of Sig. (2-tailed). The items p3, p4 and p5 are significant at the 1% level, while item p2 is significant at the 10% level. Item p1 however, exhibited insignificant difference between the two groups.

- It can clearly be seen that the organizations lying above the median score have higher level of performance than those lying below it, for the three segments of industries. That is, organizations having a higher than median score in the questionnaire related to SSC and SSP (item 38 to 58 in the questionnaire), have a higher performance compared to organizations below the median score. A pictorial view of the same is appended in the Appendix, at the end of the thesis. These results are in support of Antico *et al* (2008), who undertook an empirical study of 137 manufacturing firms in Netherland, Denmark, and Belgium with two types of service business orientations: (1) services in support of the product (SSP)and (2) services in support of the client's actions (SSC) and demonstrated

that services in support of the client's action leverage relative product sales, while services in support of the product generate service volume.

5.3.5 Research question 5

'How are the components of i-SERV*OR related to the components of Organizational Performance scale?'

A correlation analysis was performed to check the association between parameters of service orientation and that of performance.

The analysis for the service sector reveals that the parameters customer treatment, service technology, service vision, service standard communication, service failure recovery, service leadership and MIS have a very strong association with the five parameters of profitability viz. market share growth rate, overall performance of company viz-a-viz competitors, cost competitiveness of your product/ service viz-a-viz competitors, customer perception of your products/ services in market place viz-a-viz competitors, and performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors. The correlations observed were significant and reasonably high (around 0.5). Similarly, it is demonstrated that service oriented company strives to satisfy customers, create and deliver customer value (e.g. service quality and service value) in the market, and increase company performance and profitability (Heskett *et al*, 1997; Hennig-Thurau*et al*, 2002).

A similar correlation analysis was performed for the manufacturing sector. The correlation revealed some striking results; it showed that a high significant correlation (around 0.5) exists between the three parameters service failure prevention, service leadership and service failure recovery, and the five parameters of performance. The explanation to this results lie in fact that manufacturing organizations can be associated with product servicing, product helpline and other services to improve performance. These results are in line with study by Shin *et al* (2013), who emphasized on service orientation as means of product differentiation the efficacy of customer marketing relationship strategies like loyalty programs, preferential treatment, and financial reward packages.

The “hybrid” sector is a very exciting sector to analyze; this sector consists of organizations which exhibit characteristics of both the services and manufacturing. We observe that customer treatment and employee empowerment have a fairly strong correlation with the parameters of performance. It is interesting to note that service failure recovery, service rewards and MIS share insignificant correlations with the parameters of performance

5.4 Chapter Summary

This chapter described summary of procedures and summary of findings. It covered detailed discussion and comparison of findings with reference to previous researches in respect of research questions tested in this study. The findings are again summarized in next chapter, which also covers conclusions drawn, limitations of this study followed by the implications for future research.

Chapter 6

Conclusions

6.1 Introduction

This final chapter covers, conclusions drawn after the study, the limitations of this study, followed by the implications for future research. The research stands strong in re-confirming that service orientation impacts organization's performance in a significant way. The research further reveals that organization which have a strong focus on providing differential services (exclusive services provided by the organization) have higher performance compared to ones which do not provide such services.

6.2 Conclusions

- One-way ANOVA results give evidence that there is not much difference between service orientation scores between sectors (service, manufacturing and hybrid), but there exists significant variability within the sectors itself. A micro level analysis shows that there is not much difference in the i-SERV*OR scores of the public and the private enterprises in service sector but public sector scores much less in case of manufacturing sector. Within service sector, service orientation scores for the telecom services are higher than IT, financial service and insurance firms.

- A simple linear regression model reveal that the association between organization performance and service orientation was positive and significant for the three sects of industries with i-SERV*OR parameters explain about 57% in service, 59% in manufacturing and 63% in hybrid sector respectively, variance in organizational performance.

- For all the three sectors, it is found that service firms which provided extended service like services supporting customers (SSC) and those manufacturing firms

which provide services supporting products (SSP) perform better than those firms which do not provide such services and product support.

- In case of the service sector, service orientation parameters such as, customer treatment, service technology, service vision, service standard communication, service failure recovery, service leadership and MIS have a very strong association with the five parameters of performance.

- In case of manufacturing firms, a high correlation was observed between the Service orientation parameters like service failure prevention, service leadership and service failure recovery and the five parameters of performance.

- For the hybrid sector, we observe that customer treatment and employee empowerment have a fairly strong correlation with the parameters of performance.

6.3 Implications for Academic Research

Many studies have omitted the study regarding applicability of service orientation concept in manufacturing firms. Further various scales developed by various researchers like SERV*OR scale of Lytle et al (1998) have not been tested on manufacturing firms.

One way ANOVA results give evidence that there is not much difference between service orientation scores between sectors (service, manufacturing and hybrid), but there exists significant variability within the sectors itself. Further it is of academic interest to study the impact of Service orientation on performance in Indian context, as majority of studies are done in context of US, Europe, Chinese and Korean Service industries only. The findings relating to correlation of service orientation dimensions and performance parameters are also significantly important from academic point of view.

6.4 Contributions to research

This study has established modified SERV*OR scale of service orientation i-SERV*OR scale, which can be used for not only service firms but equally used for manufacturing

and hybrid firms. Thus for the first time a common service orientation measurement scale has been established. This study has brought out an important additional service orientation dimension on real time Management information system. This is very relevant in the current business environment of Information era. Academicians find it interesting to observe the results regarding influence of extended service like service supporting customers (SSC) and services supporting products (SSP).

6.5 Implications for Practicing Managers

The association between organization performance and service orientation was positive and significant for the three sects of industries. This is a clear managerial implication that to improve performance, organizations need to strive for higher service orientation. Further, managers need to note that across all the three sets of organizations, firms which provide extended service and product support (SSC and SSP) show better performance than those which do not provide such differential extended services and product support.

Deriving a lesson from correlation analysis to check the association between the parameters of service orientation and organizational performance for the three sectors, it is of interest that in case of the service sector, Service Orientation parameters such as, customer treatment, service technology, service vision, service standard communication, service failure recovery, service leadership and MIS have a very strong association with performance. However, in case of manufacturing firms, a high correlation was observed between the Service orientation parameters like service failure prevention, service leadership and service failure recovery and the performance, while in case of hybrid sector, customer treatment and employee empowerment have a fairly strong correlation with performance. This gives a clear guidance to managers as to focus on certain parameters of service orientation as per type of organization in order to improve the organizational performance.

6.6 Limitations of Thesis

Despite of extensive work done for this research study, it has certain limitations given the constraints of time, availability of complete information and finance. The study has the following limitations:

- The final sample size was satisfactory for carrying out the as-planned statistical analysis. However, there are limitations in covering samples to cover all geographical and types of firms in India.
- Service orientation has a delayed effect on Organizational performance. This study being a cross-sectional one; makes it limited in terms of the consequences of service orientation because we are only collecting a snapshot of the phenomenon thus constraining the unfolding of the association in a temporal dimension.
- From methodology perspective for the Survey, though we have gathered responses from a limited number of respondents representing the firm, it could not be extended to more managers. In spite of the few respondents from the middle and top level in the respective function of the firms, a larger number of responses would have provided a more complete picture of the firm in respect of the extent of its service orientation and also the performance.
- Actual Financial, marketing, operational and innovation data has not been collected due to the fact that it may not be feasible to compare such data for wide variety, type and size of organizations. As a consequence, the judgmental measure of respondents viz a viz their competitors has been used in this study.

Accordingly, academician and managers need to be cautious in deriving implications for implementing in their organizations, keeping in view the above limitations of research study

6.7 Scope for Future Research Work

Keeping in view the limitations of this research in terms of theoretical framework, methodology, sampling and time constraints, following scope may be considered for future research:

- Since this study is first of its kind, as far as developing and applying a common scale is concerned for measurement of Organizational Service Orientation for all types of firms i.e. service, manufacturing and hybrid (having characteristics of both service and manufacturing) in Indian context, future research may be carried out across countries of both developed and developing economies for wider acceptance of i-SERV*OR scale.

- Comparative study of impact of service orientation viz-a-viz market orientation on organizational performance may be undertaken in Indian context, to understand, which is better predictor of organizational performance.

- Micro level date collection and analysis within service, manufacturing and hybrid firms may be carried out for understanding in-depth variations of service orientation on performance, based on specific type of firm.

6.8 Chapter Summary

This final chapter reiterates the conclusions drawn from this study. The limitations of this study, research and managerial implications of this research and scope for future research have been brought out. The research stands strong in re-confirming that service orientation impacts organization's performance in a significant way.

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APPENDIX A : Results for face validity and reliability given by expert group

1	In our organization, employees care for customers as they would like to be cared for
2	In our organization customer satisfaction is prioritized
3	In our organization, Employees go the "extra mile" for customers
4	In our organization, we are noticeably more friendly and courteous than our competitors
5	In our organization, Employees go out of their way to reduce inconveniences for customers
6	In our organization, Decisions are made "close to the customer." In other words, employees often make important customer decisions without seeking management approval
7	In our organization, Employees have freedom and authority to act independently in order to provide excellent service
8	We enhance our service capabilities through the use of "state of the art" technology
9	In our organization, Technology is used to build and develop higher levels of service quality
10	We use state of the art technologies to support services or products
11	We use high levels of technology to support the efforts of men and women on the front line
12	We go out of our way to prevent customer problems
13	We go out of our way to “head off” or prevent customer problems rather than reacting to problems once they occur
14	In our organization, There is a true commitment to service, not just lip service
15	We actively listen to our customers
16	Customers are viewed as opportunities to serve rather than as sources of revenue
17	We do not wait for customers to complain, we use internal standards to pinpoint failures before we receive customer complaints

18	Every effort is made to explain the results of customer research to every employee in understandable terms
19	It is believed that fundamentally, the organization exists to serve the needs of its customers
20	Every employee understands all of the service standards that have been instituted by all departments
21	We have a developed chain of objectives linking together every branch in support of the corporate vision
22	We have key result areas identified for each department
23	Service performance measures are communicated openly with all employees regardless of position or function
24	We have an excellent customer complaint handling system for service follow-up
25	We have established problem-solving groups to enhance our ability to resolve service breakdowns
26	We provide follow-up service calls to confirm that our services are being provided properly
27	We provide every customer with an explicit service guarantee
28	Management provides excellent incentives and rewards at all levels for service quality, not just productivity
29	We have Management Information system for timely communication
30	Efforts are being made to acquire and process affordable real time information from all parts of organization and customers
31	Efforts are being made to align our organizational structures, processes and systems to take advantage of available and affordable real time information.
32	We give priority to process information which needs immediate action
33	This organization noticeably celebrates excellent service
34	Management constantly communicates the importance of service
35	Management regularly spends time "in the field" or "on the floor" with customers and front-line employees

36	Management is constantly measuring service quality
37	Management shows that they care about service by constantly giving of themselves
38	Management provides resources, not just "lip service", to enhance employee ability to provide excellent service
39	Managers give personal input and leadership into creating quality service
40	Every employee receives personal skills training that enhances his/her ability to deliver high quality service
41	We spend much time and effort in simulated training activities that help us provide higher levels of service when actually encountering the customer
42	During training sessions we work through exercises to identify and improve attitudes toward customer

Appendix B: Final research instrument

Dear Sir/ Madam

As a part of my doctoral research, I intend to identify the dimensions of organization's service orientation and its resultant impact on its performance on various parameters. The main objectives of the proposed work to be carried out are as follows:

- To identify dimensions of Organizational Service Orientation in manufacturing and service organizations
- To measure Impact of Service Orientation on organizational performance as measured by financial, operational and marketing parameters
- To examine the extent of similarity or difference between the service orientation and organizational performance relationship in manufacturing and service businesses

Based on the literature review the Service orientation may be defined as: 'an organization-wide embracement of a basic set of relatively enduring organizational policies, practices and procedures intended to support and reward service-giving behaviors that create and deliver "service excellence". [Lytle *et al.*[1998: 459] and 'a strategic response to market information which is designed to implement marketing concept within the overall framework of customer oriented services' [Lee *et al.* [1999: 206]

I take this opportunity to seek your response through the enclosed questionnaire I assure that it will be used only for academic research purpose and confidentiality will be maintained. Results of research will be shared with you.

Thanking you

Sanjeev Saxena

Additional General Manager

Student off campus PhD, BITS Pilani

Questionnaire on SERVICE ORIENTATION OF ORGANIZATIONS

ITEM		1(SD) strongly disagree	2(D) disagree	3(N) neutral	4(A) agree	5(SA) strongly agree
1	In our organization, employees care for customers as they would like to be cared for					
2	In our organization, Employees go the "extra mile" for customers					
3	In our organization, we are noticeably more friendly and courteous than our competitors					
4	In our organization, Employees go out of their way to reduce inconveniences for customers					
5	In our organization, Decisions are made "close to the customer." In other words, employees often make important customer decisions without seeking management approval					
6	In our organization, Employees have freedom and authority to act independently in order to provide excellent service					
7	We enhance our service capabilities through the use of "state of the art" technology					
8	In our organization, Technology is used to build and develop higher levels of service quality					
9	We use high levels of technology to support the efforts of men and					

	women on the front line					
10	We go out of our way to prevent customer problems					
11	We go out of our way to "head off" or prevent customer problems rather than reacting to problems once they occur					
12	In our organization, There is a true commitment to service, not just lip service					
13	We actively listen to our customers					
14	Customers are viewed as opportunities to serve rather than as sources of revenue					
15	We do not wait for customers to complain, we use internal standards to pinpoint failures before we receive customer complaints					
16	Every effort is made to explain the results of customer research to every employee in understandable terms					
17	It is believed that fundamentally, the organization exists to serve the needs of its customers					
18	Every employee understands all of the service standards that have been instituted by all departments					

ITEM		1(SD) strongly disagree	2(D) disagree	3(N) neutral	4(A) agree	5(SA) strongly agree
19	We have a developed chain of objectives linking together every branch in support of the corporate vision					
20	Service performance measures are communicated openly with all employees regardless of position or function					
21	We have an excellent customer complaint handling system for service follow-up					
22	We have established problem-solving groups to enhance our ability to resolve service breakdowns					
23	We provide follow-up service calls to confirm that our services are being provided properly					
24	We provide every customer with an explicit service guarantee					
25	Management provides excellent incentives and rewards at all levels for service quality, not just productivity					
26	Efforts are being made to acquire and process affordable real time information from all parts of organization and customers					
27	Efforts are being made to align our organizational structures, processes and systems to take					

	advantage of available and affordable real time information.					
28	This organization noticeably celebrates excellent service					
29	Management constantly communicates the importance of service					
30	Management regularly spends time "in the field" or "on the floor" with customers and front-line employees					
31	Management is constantly measuring service quality					
32	Management shows that they care about service by constantly giving of themselves					
33	Management provides resources, not just "lip service", to enhance employee ability to provide excellent service					
34	Managers give personal input and leadership into creating quality service					
35	Every employee receives personal skills training that enhances his/her ability to deliver high quality service					
36	We spend much time and effort in simulated training activities that help us provide higher levels of service when actually encountering the customer					
37	During training sessions we work through exercises to identify and					

	improve attitudes toward customer					

ITEM		YES	NO	CAN'T SAY
38	Do you have the system of service/ product documentation			
39	Do you have service delivery or Product transportationand delivery			
please reply only if you are a manufacturing organization		**YES**	**NO**	**CAN'T SAY**
40	Do you provide Product installation			
41	Do you have Help desk/call centre/ service centre			
42	Do you provide service or Product inspection/diagnosis			
43	Do you provide Service or Product upgrades			
44	Do you provide Product repair/spare parts			
45	Do you provide Product refurbishing or Service improvements			

please reply only if you are a manufacturing organization		**YES**	**NO**	**CAN'T SAY**
46	Do you provide Product recycling/machine brokering			
47	Do you have a system for Preventive maintenance or anticipating failures			
48	Do you have the system for Condition monitoring			
49	Do you have system for Process-oriented engineering (testing, optimizing and simulating)			
50	Do you provide Financing services to customers			

51	Do you have a system of pricing your product/service, keeping in view the customers' requirements			
52	Do you provide serviceslike Management of spare parts or supplementaries or after sales service to customers			
53	Do you provide Process-oriented (quality-driven including technology) training to customers			
54	Do you provide Business-oriented training (financially driven/management training) to customers			
55	Do you provide Process-oriented consulting (quality-driven including technology)			
56	Do you provide Business-oriented consulting (financially driven/management consulting) to customers			

Please reply only if you are a manufacturing organization		**YES**	**NO**	**CAN'T SAY**
57	Do you have a system of Managing the maintenance function for the customer			
58	Do you provide managing product-related operations (complete outsourcing and ownership of product by vendor) if your customers demand so			

59. Name of organization and it's website

	ITEM	**1. POOR**	**2. AVERAGE**	**3. GOOD**	**4. VERYGOOD**	**5. EXCELLENT**
60	. MARKET SHARE GROWTH RATE in last 3 years of your company in comparison to					

	competitors					
61	OVERALL PROFITABILITY of your company viz-a-viz competitors					
62	COST COMPETITIVENESS of your product/ service viz-a-viz competitors					
63	CUSTOMER PERCEPTION of your products/ services in market place viz-a-viz competitors					
64	Performance in terms of NEW PRODUCTS/SERVICES/ INNOVATIVE SOLUTIONS launched in last 3 years in comparison to competitors					

65. please tell about you: Your name(OPTIONAL) and Designation

66. Your contact number and email id

67. Type of industry/ organization *Are you a service industry/ Manufacturing or both

- ◉ **Service**
- ○ **Manufacturing**
- ○ **Both Service and Manufacturing**
- ○ **Other:: PL SPECIFY**

Appendix C: Bar charts of dimensions of service orientation

Figure A.4.1: Comparison of Customer treatment score

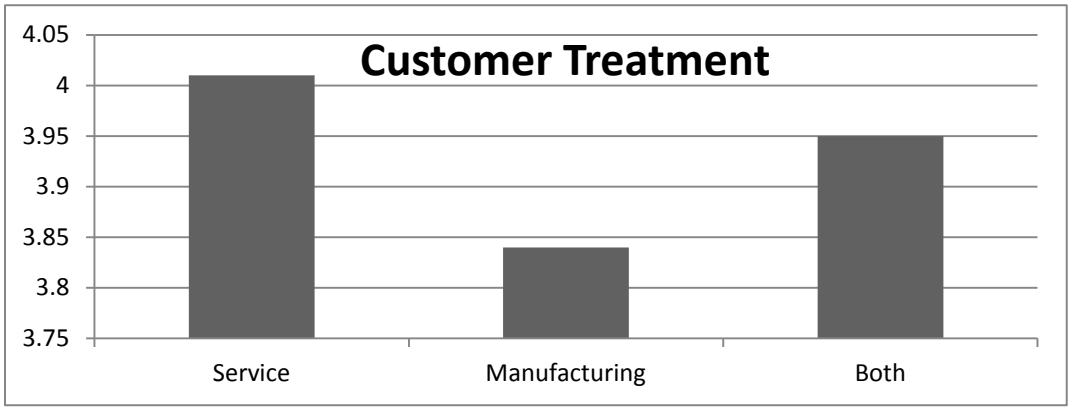


Figure A.4.2: Comparison of Employee empowerment score

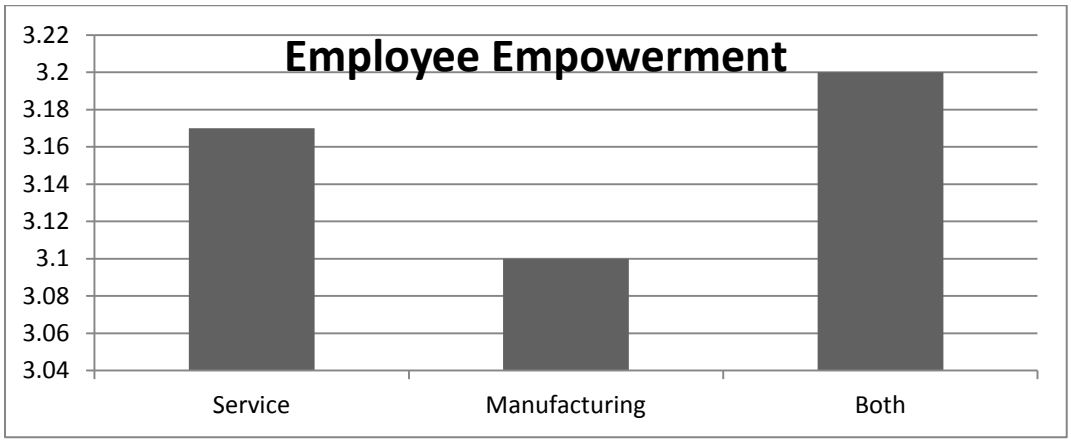


Figure A.4.3: Comparison of Service technology score

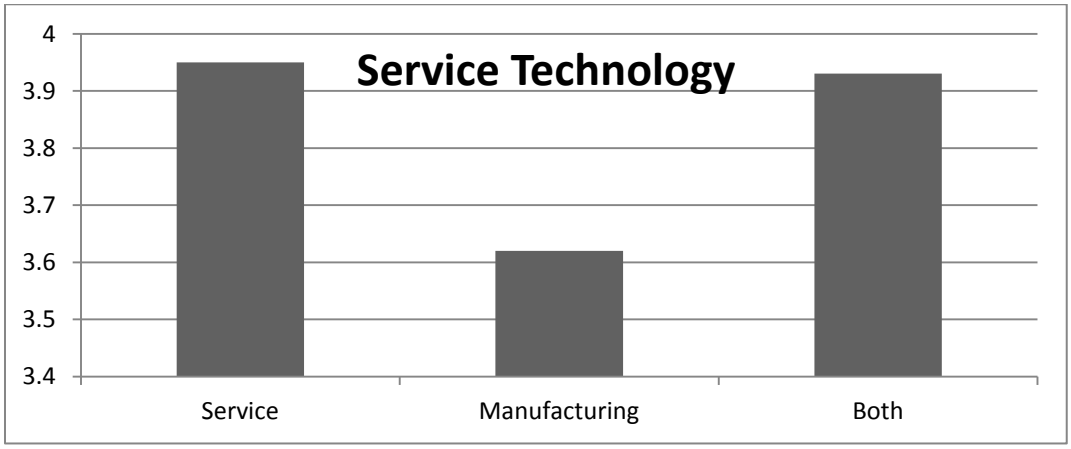


Figure A.4.4: Comparison of Service failure prevention score

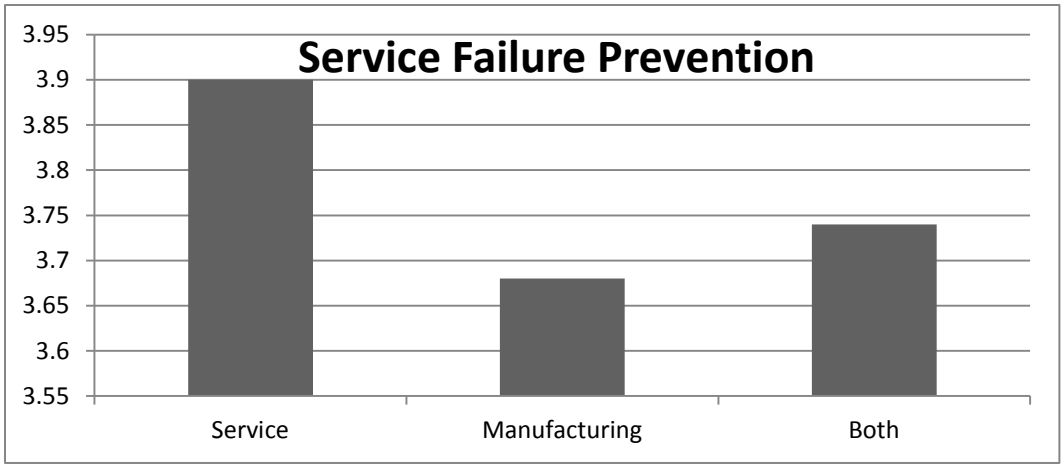


Figure A.4.5: Comparison of Service vision score

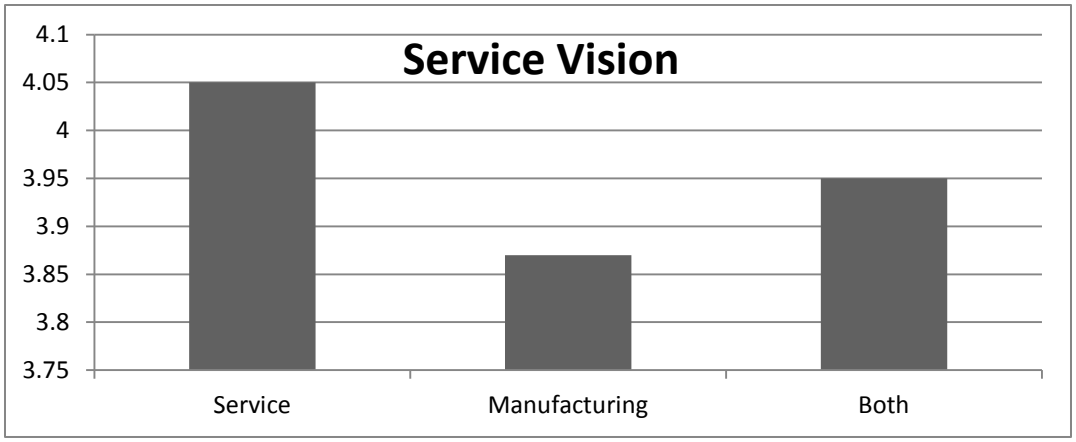


Figure A.4.6: Comparison of Service Standard Communication score

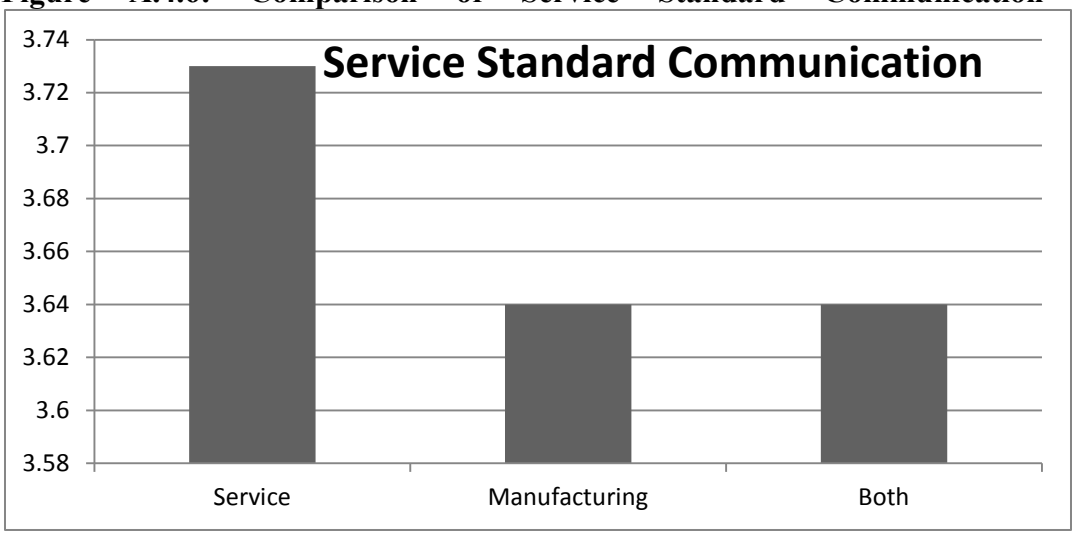


Figure A.4.7: Comparison of Service failure recovery score

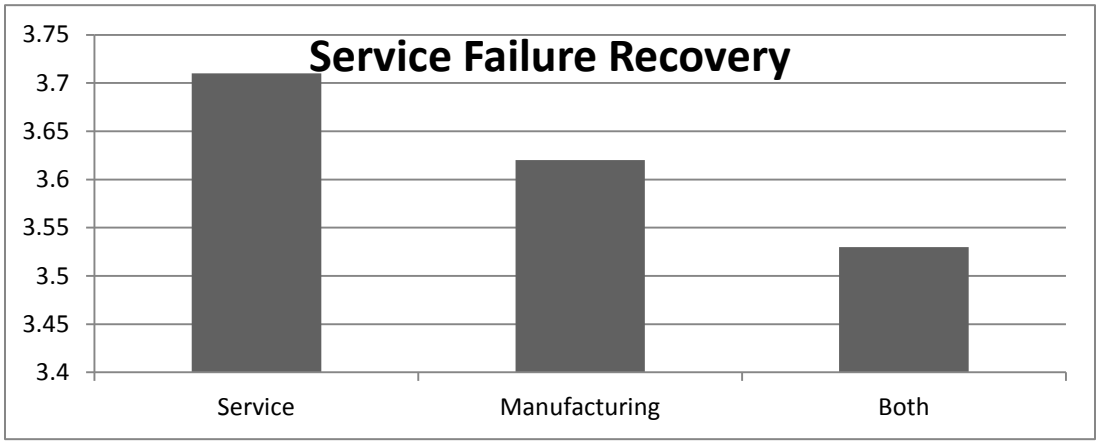


Figure A.4.8: Comparison of Service rewards score

Figure A.4.9: Comparison of Management Information System score

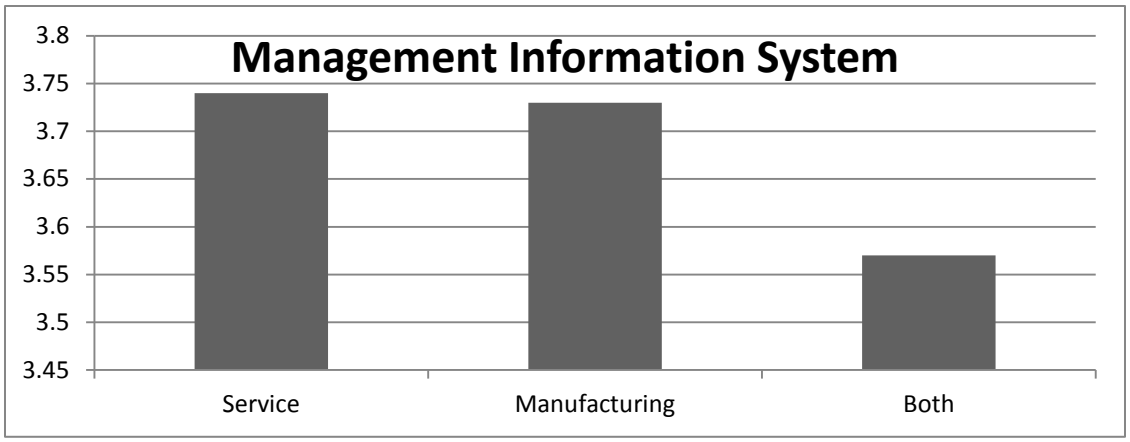


Figure A.4.10: Comparison of Service Leadership score

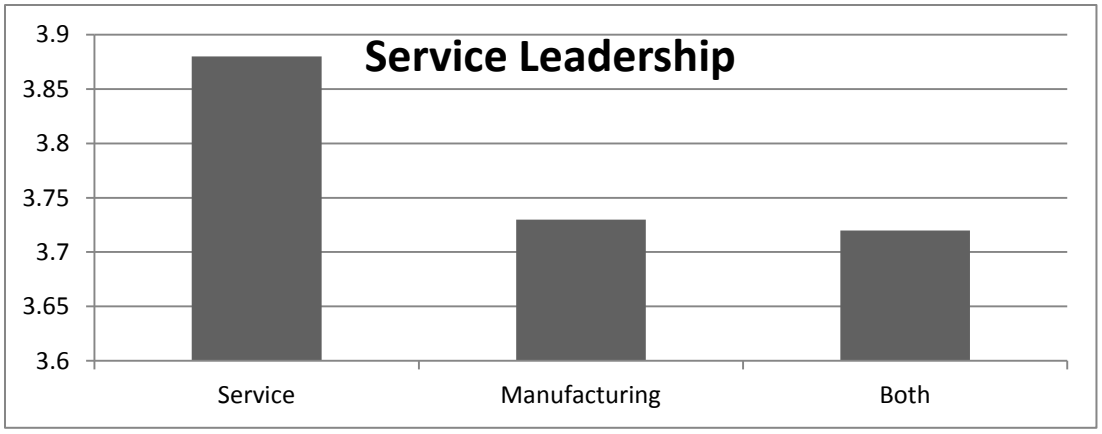


Figure A.4.11: Comparison of Service Training score

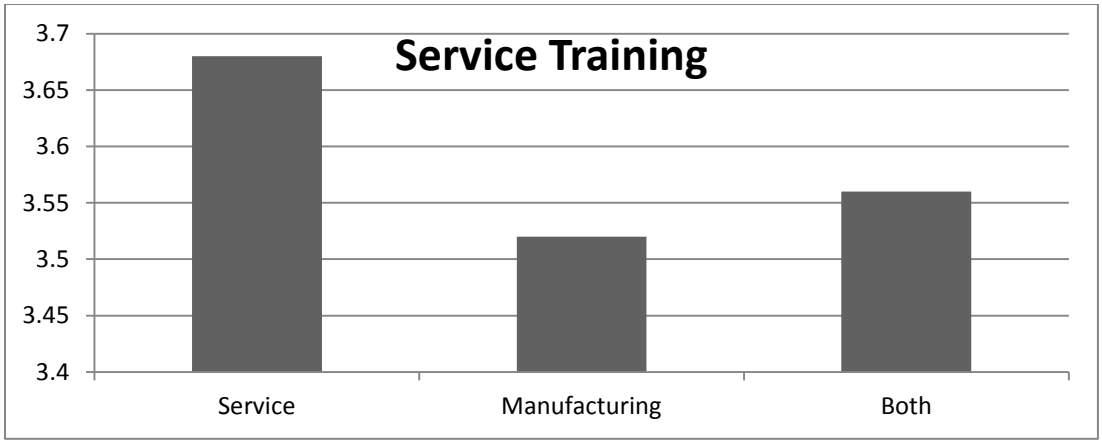


Figure A.4.12: Comparison of Overall score (i-SERV*OR)

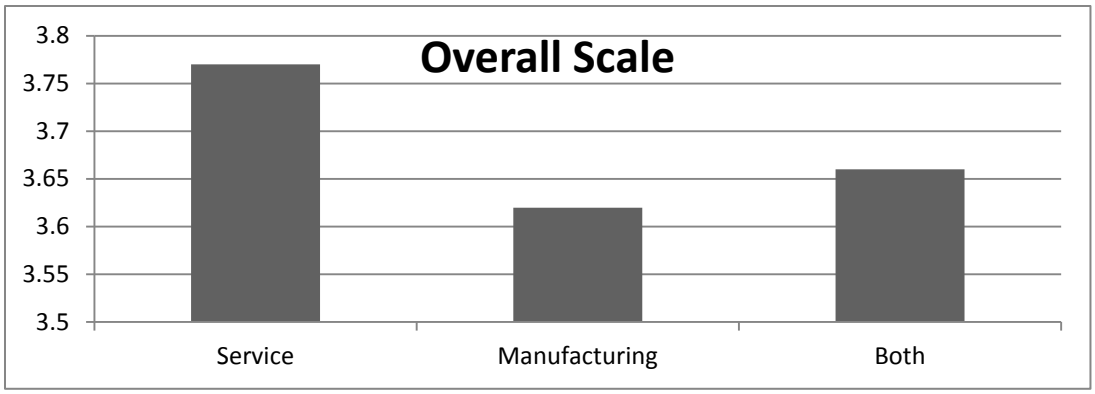


Figure A.4.13: Comparison of Organization Performance Score

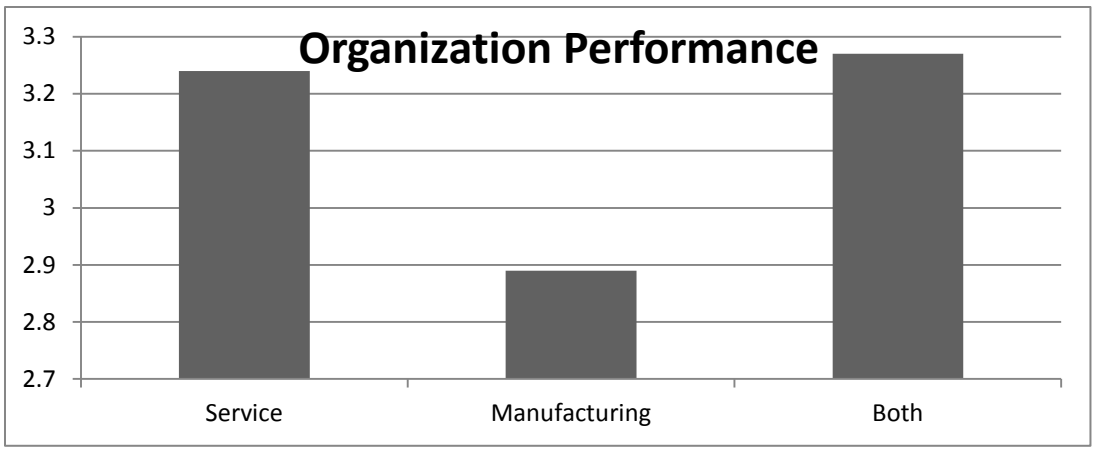
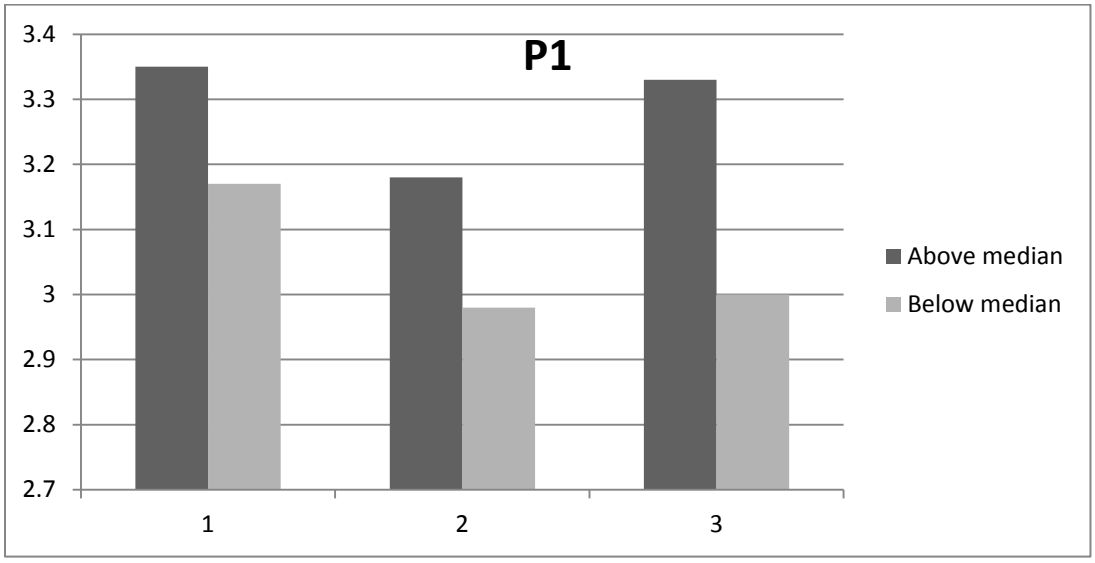


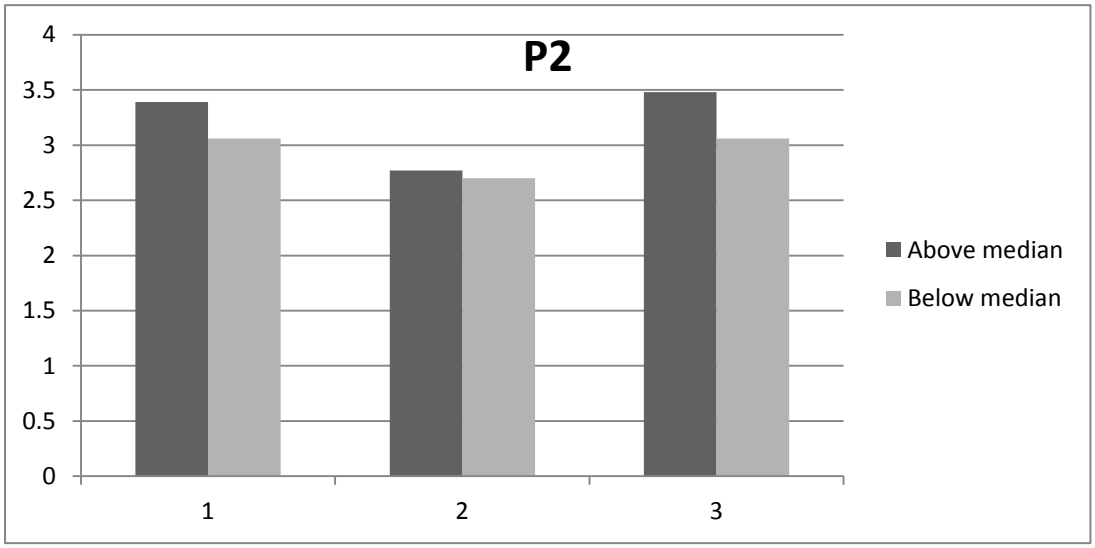
Figure A.5.1: Comparison between service, manufacturing and hybrid for P1



1= Service, 2= Manufacturing, 3= Hybrid

P1= Market share growth rate

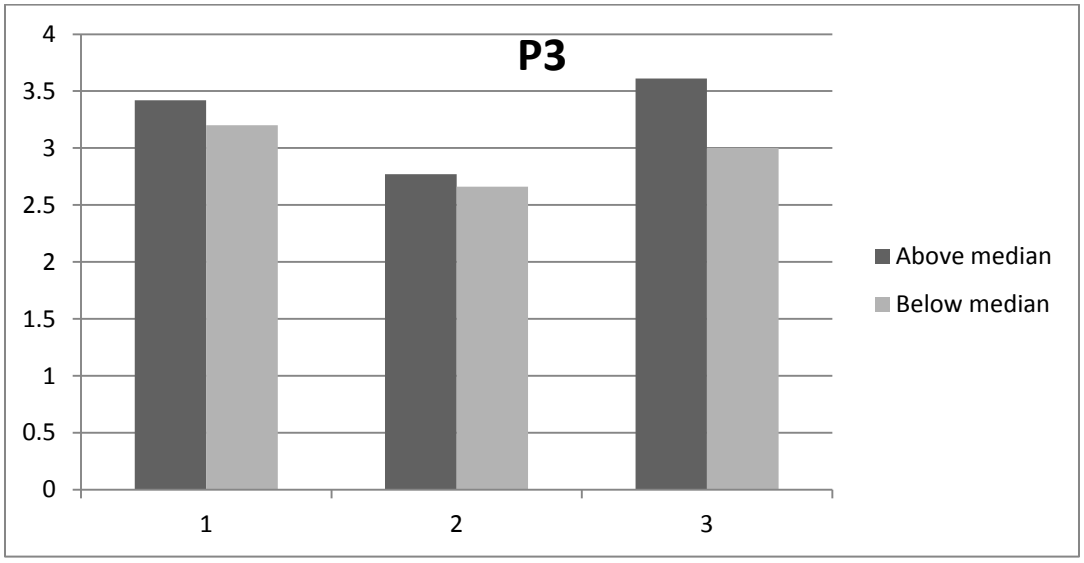
Figure A.5.2: Comparison between service, manufacturing and hybrid for P2



1= Service, 2= Manufacturing, 3= Hybrid

P2= Overall performance of company viz-a-viz competitors

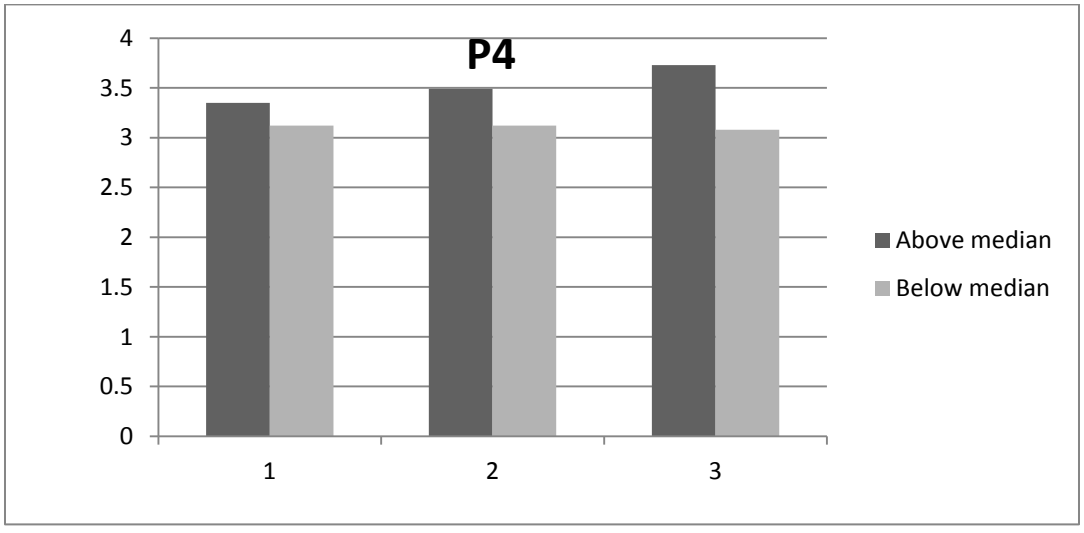
Figure A.5.3: Comparison between service, manufacturing and hybrid for P3



1= Service, 2= Manufacturing, 3= Hybrid

P3= Cost competitiveness of your product/ service viz-a-viz competitors

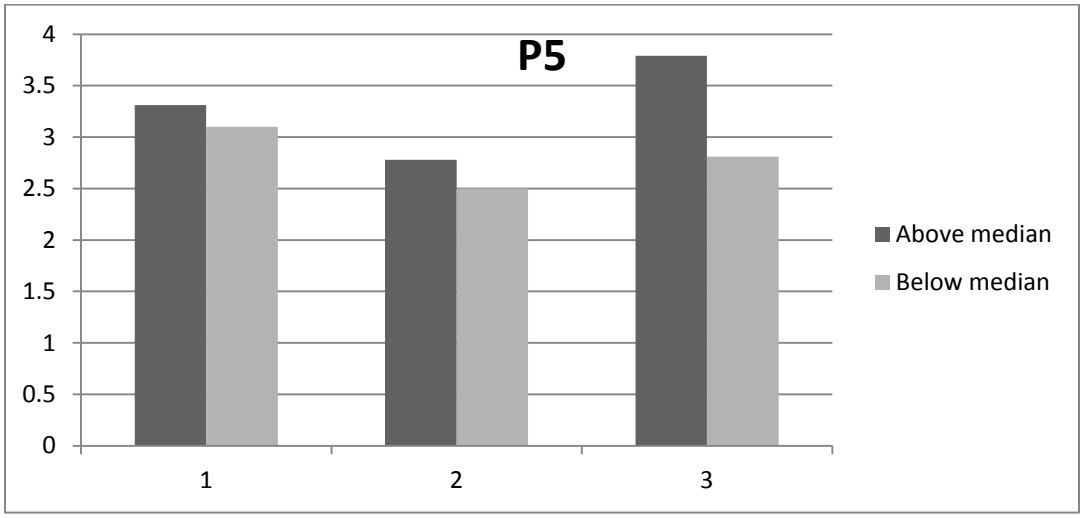
Figure A.5.4: Comparison between service, manufacturing and hybrid for P4



1= Service, 2= Manufacturing, 3= Hybrid

P4= Customer perception of your products/ services in market place viz-a-viz competitors

Figure A.5.5: Comparison between service, manufacturing and hybrid for P5



1= Service, 2= Manufacturing, 3= Hybrid

P5= Performance in terms of new products/services/ innovative solutions launched in last 3 years in comparison to competitors

List of Publications

Conference Papers

- Sanjeev Saxena, Prof Krishna Sundar. **Service orientation in new product development**. Eighth International conference on Operations and Quantitative Management; AIMS International, Bangkok, 2007

List of communicated papers

- Sanjeev Saxena. **Measuring organizational service orientation: validating SERV*OR Scale in Indian context;** The Integral Review (ISSN: 09748032), Vol. 8 No. II 2015
- Sanjeev Saxena, Dr Prashant Mishra. **Measuring impact of service orientation on organizational performance in Indian context**; **;** Integral Management Review, 2016 (under acceptance)

Brief Profile of Researcher

Sanjeev Saxena is presently working as Additional General Manager at Heavy Vehicle Factory, Avadi, Chennai, Ordnance Factory Board, Ministry of Defence, Government of India. He has experience in defence production, HRD and Quality management functions. He graduated in Mechanical Engineering from Ravishankar University, NIT, Raipur in 1986. He passed out his M. Tech from IIT, Kanpur in 1988 and Post Graduate Diploma in Management from MDI, Gurgaon in 1998.