

Business Administration and Business Economics

**Identifying Some Roots of Frontline Employee
Attitude in Market Orientation**

Mushtaq A Siddiqi¹

Abstract: Though, various organizational outcomes are purported to result from market orientation in developed countries, very little or no such research has been focused on understanding the complex relationship between market orientation and frontline employee attitude towards customers in a developing country like India. In order to plug the gap the present study has been conducted in Indian service sector with samples from its two prestigious banks. The study that matches perceptions from both the frontline employees and their customers reveals that the elements of market orientation like market intelligence generation, market intelligence dissemination, and market intelligence responsiveness exert its impact on frontline employee attitude or what is generally known as functional qualifications in service marketing literature and consequently effects customers' evaluation. Conclusions and discussion of the study are drawn, and finally the implications of the study for practitioners have also been discussed.

Keywords: market orientation; frontline employee; employee satisfaction; employee attitude

JEL Classification: E24

1. Introduction

Frontline employees are those who deal directly with customers and link an organization with the environment within which it operates (Chung and Schneider, 2002). In service organizations, frontline employees refer to service workers who interact with their customers (service users) in service encounters. In fact, they are the participants in service encounters who have mandate not only to represent an organization in such encounters but also to keep the organization's delivery system going. (Sahaf, 2002). The literature suggests that these frontline employees work together with customers in creation of services and putting customers in what has been referred in service literature as a co-producer role (Lovelock, 1984). Although, the significance of the frontline employee is uncontested by business professionals and researchers, yet they are understudied (Singh, 2000). There is

¹ Associate Professor, PhD, The Business School, University of Kashmir, India, Address: Srinagar, J & K-190006, India, Tel.: +9118803047885, Corresponding author: mailmushtaq@kashmiruniversity.ac.in.

general agreement that service encounters traditionally described as the interaction that occurs between frontline employees and customers (Bitner et al, 1990), play a vital role in external customer satisfaction and thus to the firms overall success (e.g., Bateson, 1995). The frontline employees are more important in service organization as any strategic or operational change is made 'visible' to customers through the mediation of the frontline employees. Most of the 'moments of truth', customers experience with the service organization takes place with frontline employees, and therefore, such employees are a core part of the service. Gummesson (1987) referred these employees as 'part-time marketers', who are involved to some extent in marketing activities, irrespective of the fact whether or not their role formally includes marketing.

If a frontline employee reacts unpleasantly, it becomes part of quality and customer will judge it as poor. Consequently, the interaction which is supposed to create core value in service delivery will become a means of losing reputation through negative word of mouth communication. Therefore, frontline employee behavior needs to be managed which is both crucial and challenging. Organization has to provide a setting which supports and enables frontline employee behave in a way desired by customer and improve the overall service delivery. There are number of ways to ensure that the frontline employees behave in a way desired by customers, possesses a sunny disposition, willingness and above all ability to serve their customers better. Among the ways, the focus of the present study is the philosophy of market orientation. The concept, though fairly new to the services marketing literature, yet has been widely acknowledged by service marketing scholars, and business professionals in developed countries.

Market orientation is the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to the market information so generated through market intelligence generation. It is a company philosophy being focused on discovering and meeting the current and future customer needs by effective organizational response.

In the relevant literature of market orientation to date, MARKOR (Kohli et al., 1993) is one of the most popular and widely used available scales of measuring market orientation. MARKOR is based on Kohli, Jaworski, and Kumar's (1993) definition of market orientation as the composed of three set of activities:

Intelligence Generation: It refers to the collection and assessment of both customer needs/preferences and the forces (i.e., task and macro environments) that influence the development and refinement of those needs. Importantly, multiple departments should engage in this activity because each has a unique market lens.

Intelligence Dissemination: It refers to the process and extent of market information exchange within a given organization. Because the focal point of

dissemination is the entire organization, attention should be balanced between both the horizontal (interdepartmental) and vertical transmission of market place information. Furthermore, the dissemination of intelligence occurs both formally and informally.

Intelligence Responsiveness: It refers to the action taken in response to intelligence that is generated and disseminated. On the planning side, the concern focus on the degree to which market place needs play a prominent role in the assessment of market segments and development of marketing program. Actions based on market intelligence capture the speed and co-ordination with which the marketing programs are implemented.

The present study considering the objectives of the study has found the MARKOR as the most appropriate measuring scale.

2. Linkage of Market Orientation and Frontline Employee Satisfaction

Several research studies have reported that firms who keep market orientation philosophy abreast as their organizational strategy are more likely to provide social and psychological benefits to their employees (Kohli and Jaworski, 1990). These psychological benefits are found vivid in the organizations in the shape of employee job satisfaction and other desired employee attitudinal responses. This seems to be logical as market oriented firms are able to know exact requirements of their customers through market intelligence generation and are able to provide the same through market intelligence responsiveness, it enhances customer value and firm's performance (Narver and Slater, 1990). Consequently, employees share a feeling of worthwhile contribution and gain a sense of pride for having achieved desired customer satisfaction (Kohli and Jaworski, 1990). Additionally, being interdepartmental integration and coordination as one of the core elements of market orientation philosophy, the market oriented firms generally promote a culture of cooperation among departments and individuals to achieve the commonly held goals. This in turn results into shared feelings of employee contributions to the firm. Consequently, employees gain a sense of pride from belonging to the firm, thus drive more job satisfaction (Kohli and Jaworski, 1990).

In view of the above discussions the authors propose following hypothesis:

H1 Employee perceived market orientation is positively related to employee job satisfaction.

3. Linkage of Market Orientation and Frontline Employee Attitude via Their Job Satisfaction

The discussion and relevant literature that clarifies the basis of above hypothesis assume market orientation as a predictor of employee job satisfaction. Therefore it is reasonable to assume that market orientation may also shape the positive attitude of frontline employee towards their customer. This is in view of the fact that satisfied employees are motivated and have motivational resources to deliver adequate effort and care to their customers. They can provide customers with interpersonal sensitivity and social account (i.e., adequate explanations for undesirable outcomes). They have enough emotional resources to show empathy, understanding, respect and concern, thus positively affect their behavior. Further, numerous empirical studies show a strong relationship between employee job satisfaction and customer service quality perception. Though both the technical as well as behavioral dimensions are vital for customer service quality perception, yet the later one (employee attitude, courtesy, helpfulness, enthusiasm, respect etc..) are more important. The significance of employee attitude in customer evaluation lies in the fact that of the five, as many as three dimensions pertain to behavioral side in the SERVQUAL (Parasuraman *et al.*, 1988), a service quality measuring scale which is commonly used to measure customer service quality perception.

Thus, considering above discussion, the author also propose the following assumption

H2 Employee job satisfaction is positively related to employee attitude towards customer.

4. Methodology

Investigations were carried out to ascertain the relationships between three main dimensions, i.e., market orientation, frontline employee job satisfaction and frontline employee attitude towards customers. While market orientation and employee job satisfaction is as perceived by frontline employee, the frontline employee attitude is as perceived by customers. Further, employee job satisfaction is as a result of market orientation and employee attitude in turn is as a result of employee job satisfaction.

Data Collection and the Sample: The questionnaires were hand distributed among frontline employee and their customers from two banks operating in northern part of India. Using Lickert's 5- point scale throughout the study, responses to items were scored in such a way that a response indicative of most favorable was given the highest score and vice-versa (strongly disagree = 1, strongly agree = 5). As many as 119 survey instruments of frontline employee and 357 survey instruments

of customers were finally found usable for analysis. A common identification number was allotted to frontline employee's and customer's questionnaire to facilitate the matching process of the employees' and customers' perceptions about employee job satisfaction and their attitude respectively. Besides mean, standard deviation and reliability alpha, regression analysis was also used to estimate interdependence of various dimensions considered in the present study.

The instruments used in the present study were mostly drawn from previous studies in marketing and behavioral science. The investigation about the level of market orientation of the system under study involved modification of MARKOR, originally developed by Kohli, Jaworski and Kumar (1993). Three items- scale originally developed by Hackam and Oldham (1975) was used to measure the front line employee job satisfaction. Finally, to measure frontline employee's attitude and behavior towards customer during the encounter; six items measuring only employee behavioral attributes were drawn from various dimensions of the SERVQUAL scale (Parasuraman *et al.*, 1988). This is because the main purpose here was not to assess the service quality at a broader service provision level rather the attitude at the employee- customer encounter level.

5. Analysis and Results

After taking respondents data of all the banks together, the first activity was to assess its reliability. For this purpose Cronbach Alpha values were calculated. The reliability coefficients of the components of market orientation were 0.67, 0.54, and 0.63 for intelligence generation, intelligence dissemination and that of responsiveness respectively. The overall reliability of the customers' questionnaire measuring frontline attitude was 0.71; well above the prescribed cutoff point (Nunnally, 1978). The reliability alpha of the construct measuring employee job satisfaction was 0.68 respectively. For investigating various dimensions under study, the scores of the constituent components were computed as simple arithmetic means of the corresponding item scores.

The influence of various components of market orientation on employee job satisfaction in banking set up is proved via standardized regression coefficients with the help of the regression equations: $y_1 = b_1x_1 + b_2x_2 + b_3x_3 + e$. Whereby, y_1 = Job Satisfaction; X_1 = market intelligence generation, X_2 = market intelligence dissemination; and X_3 = market intelligence responsiveness ; and e = error term.

Table 1. Regression Coefficients from Multiple Linear Regressions between Elements of Market Orientation and Employee Job Satisfaction

Independent Variables	Dependent Variable	
	Employee Satisfaction	Job
Market Intelligence Generation	0.34**	
Market Intelligence Dissemination	0.37***	
Market Intelligence Responsiveness	0.42*	
<i>R</i> ²	0.39	

Note * $<.001$; ** $<.01$; *** $<.05$;

The SPSS 13.0 for windows was made to run, whereby using 'forward regression', data pertaining to y_1 was entered as dependent variables and that of pertaining to X_1 to X_3 was entered as independent variables. The results obtained are presented in Table 1.

The results in Table 1 indicate that each of the market orientation components (market intelligence generation, market intelligence dissemination, and market intelligence responsiveness) is significantly correlated with the frontline employee job satisfaction. The results clearly indicate that the more market oriented firms are, the more likely frontline employees' job satisfaction will be influenced positively. R^2 suggest that 39 percent variation in frontline employee job satisfaction is explained by the three elements of market orientation practices. Specifically, greater the emphasis on intelligence generation practices to know about the customers, competitors and market trends, greater the job satisfaction ($b = 0.34$, $p <.01$). Similarly intelligence dissemination and responsiveness also exert positive effects on job satisfaction ($b = 0.37$, $p <.05$) and ($b = 0.42$, $p <.001$) respectively. Therefore, in view of results of the Table 1, it is quite safe to accept the *H1* that employee perceived market orientation is positively related to employee job satisfaction.

On assessing the linkage in-between the frontline employee job satisfaction and customer evaluation based frontline employee attitude, again the regression coefficients were calculated with the help of regression equation- $y_1 = b_1x_1 + b_2x_2 + b_3x_3 + e$; whereby, data pertaining to y_1 (employee attitude) was entered as dependent variable and that of X_1 to X_3 (job satisfaction items) was entered one by one as independent variable. The results obtained thereof are presented in Table 2.

Table 2. Regression Coefficients from Multiple Linear Regressions between Job Satisfaction Statements and Overall Employee Attitude

(Independent Variables)	Statements of Job Satisfaction	(Dependent variable)
		Overall Attitude
	Generally speaking, I'm very satisfied with this job	0.43*
	I frequently think of quitting this job	- 0.21**
	I'm generally satisfied with the kind of work I do	0.37*
	R^2	0.38

Note * <.0001 ; **< .001

The results obtained are presented in Table 2, revealing the fact that almost all the items of job satisfaction are positively and significantly related (see coefficients and p values, in Table 2) to statements capturing the notion of frontline employee attitude towards customers. Among the items of job satisfaction, the statement, "Generally speaking, I'm very satisfied with this job" is obviously the most influential ($b = 0.43$, $p <.0001$) antecedent to overall frontline attitude. The impact of job satisfaction on frontline employee attitude was confirmed by another pattern of analysis. As the respondents were asked to respond to the items in terms of several degrees of agreements/ disagreements, a significant relationship was found between the responses of six (06) items measuring frontline employee attitude and those of three (03) items, measuring employee job satisfaction. For instance, of the employees who believed that they are generally satisfied with the kind of work they do, 74 percent of the customers agree that such an employee provides prompt service to them; 67 percent of customers agreed that the employee was never too busy to respond to their request; 58 percent agreed that the employee instills confidence in them, and 64 percent report such an employee as courteous and knowledgeable. The relationship of other statements were also found more or less

the same, thus provides sufficient support to the hypothesis that employee job satisfaction is positively related to employee attitude towards customers.

6. Conclusion, Discussion and Managerial Implications

The present study focused on empirical examination of the hypotheses about market orientation, its positive effects on frontline employee job satisfaction and customer evaluation of frontline employee attitude in Indian service context. The findings that highlight the relationship between job satisfaction and the customers' evaluation of frontline employee attitude fall in line with those of Heskett *et al.*, (1997). The relationship between job satisfaction and frontline employees' performance has also been supported by several research studies in past (e.g., Babin and Boles, 1996). In view of the findings that market orientation positively affects employee job satisfaction and consequently their desired attitude; organizations need to continuously monitor the three dimensions of market orientation, considered in the present study to facilitate their service oriented environment. The objectives, plans, service excellence goals should be based on proper research of service recipients' needs, whereby these needs can be converted to specific service quality standards. The banking organizations are generally complex system comprising of multiple departments with multiple cross-functional activities. The managers would be advised to pay more attention that all the concerned agencies make concerted efforts while managing activities of the system. Inter-departmental workshops, conferences, meetings and free flow of information etc., should be encouraged to facilitate the coordination in between departments, sections or divisions. As far as connectivity is concerned, Jaworski and Kohli (1993) even recommended physical closeness of departments in addition to technological hookups etc. Reward system is to be aligned with the performance of the employees in general and new initiatives taken by the employees in particular e.g., awards that encourage innovative and pedagogic market or customer research, should be established. Rewards for frontline employees who are innovative and respond effectively to changing customer requirements are pre requisites, if excellence and market orientation of the system is to be maintained. The extra efforts of the staff should be linked with both monetary and non-monetary rewards in addition to their normal annual pay increments.

In the banks, frontline employee, branch heads, should sit with customers at least once a year to find out what kind of facilities ,services, financial products, schemes are suitable for their requirements and convey the same to headquarter office for consideration. More representation to be given to frontline employee as it is finally a front line employee who has to implement the decisions taken by the top management particularly with regards to service delivery. Service managers need to sensitize the workforce and regularly communicate to them that the survival,

effectiveness of the system largely depends on its adapting to customers changing requirements. The management has to be conscious about market segments at the time of transfers, deployments, allocation of funds, formation of rules and regulations, policies etc. Further, the frequency, quality and accuracy in downward communication can help frontline employees clearly understand the service standards and the roles expected of them. There is also scope for suggesting that behavioral dimensions need to be given due importance in frontline employee performance appraisals and linking them with rewards, incentives, promotions can go a long way to improve frontline employee attitude and consequently the customer treatment.

7. References

- Babin, B. & Boles, J. (1996). The Effects of Perceived Co-Worker Involvement and Supervisor Support on Service Provider Role Stress, Performance and Job Satisfaction. *Journal of Retailing*, Vol. 72, No. 1, pp. 57-75.
- Bateson, J. (1995). *Managing Service Marketing, third edition*. Fort Worth: The Dryden Press.
- Bitner, M.; Booms, B. & Tetreault, M. (1990). The Service Encounter: Diagnosing Favorable and Unfavorable Incidents. *Journal of Marketing*, Vol. 54, No. 1, January, pp. 71-84.
- Chung, B & Schneider, B. (2002). Serving Multiple Masters: Role Conflict Experienced by Service Employees. *Journal of Service Marketing*, Vol. 16, No. 1, pp. 70-87.
- Gummesson, E. (1987). The New Marketing-Developing Long Term Interactive Relationships. *Long Range Planning*, Vol. 20, No. 4, pp. 10-20.
- Hackam, J. & Oldham, G. (1975). Development of the Job Diagnostic Survey. *Journal of Applied Psychology*, Vol. 60, No. 2, pp. 159-70.
- Heskett, J.; Sasser, W. Jr. & Schlesinger, L. (1997). *The Service Profit Chain: How Leading Companies Link Profit and Growth to Loyalty, Satisfaction, and Value*. New York, NY: Free Press.
- Kohli & Jaworski, B. (1990). Market Orientation: the Construct, Research Proportion and Managerial Implications. *Journal of Marketing*, Vol. 54, No. 2, pp. 1-18.
- Kohli, A; Jaworski, B & Kumar, A. (1993). MARKOR, a Measure of Market Orientation. *Journal of Marketing Research*, Vol. 30, No. 2, pp. 467-77.
- Lovelock, C. (1984). *Services Marketing*. Prentice-Hall: Englewood Cliffs, NJ.
- Narver, J. & Slater, S. (1990). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, Vol. 54, October, pp. 20-35.
- Nunnally, Jun C. (1978). *Psychometric Theory, 2nd ed*. New York: McGraw-Hill.
- Parasuraman, A.; Zeithaml, V. & Berry, L. (1988). SERVQUAL: a Multiple-Item Scale for Measuring Consumers Perceptions of Service Quality. *Journal of Retailing*, Vol. 64, No. 1, pp. 12-40.
- Sahaf, M. (2002). Marketing Success through Customer Service: A Measure of Competitive Strength', Abhigyan. *FORE Journal of Management*, Vol. 20, No. 1, April-June.
- Singh, J. (2000). Performance Productivity and Quality of Frontline Employees in Service Organizations. *Journal of Marketing*, Vol. 64, No. 2, pp. 15-34.