CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

This chapter serves as an introductory note to the whole research endeavor. Basically, it presents brief information about what this study is all about, why it is undertaken, what are going to be investigated and how it is going to be presented. Several important concepts and theories that are relevant in this study are also briefly discussed.

1.2 PROBLEM STATEMENT

As a body of knowledge, sport management is defined as “a field concerned with the coordination of limited human and material resources, relevant technologies, and situational contingencies for the efficient production and exchange of sport services” (Chelladurai, 1994, p. 15). The definition reflects the essence of human resources’ role in sport enterprises. In professional sport for example, the performances of players are critically related to the financial success of a franchise. If the players keep on demonstrating unimproved performances, profits gained through ticket entrances will not be satisfactory. A subsequent decline in fan attendance will negatively impact the team’s profitability. Linnehan (2005) asserts that the truly successful sport organizations are those with the best front office and administrative staffs. “These staffs are able to build unique, competitive advantages for the franchise through such HR-related practices as recruiting coaches and players, developing personnel, and
structuring financial rewards that are competitive in the market, fiscally sound, and within league guidelines” (p.287).

In Smart and Wolfe’s (2000) case study, it is shown that “the history, relationships, trust and culture that have developed within the program’s coaching staff over a number of years” (p.144) is the key to Penn State’s superior performance in the USA football. This implies that success is not dependent merely on the staff but on the environment in which they are managed too. In fact, the source of productive human resources is the management of human resource (HRM) itself. However, the question that is faced by many sport managers is; what is the kind of environment that can enhance employees’ work performances? The next question is, how can human resources be best managed for that purpose?

1.3 EMPLOYEES AS CRITICAL RESOURCES IN SPORT

The features of every organization differ from one to another and each has its own style of management, depending on the type of products it produces. The most common denominator in every organization however is the human resources. All organizations including sport firms depend on human resources to run their businesses and achieve the organizational goals. Without the existence of human resources, other resources no matter how expensive or sophisticated they are, will be of little value to the enterprises. In sport organizations, the dependence on human resources to success is critical. It is because most sport organizations are service-oriented (Chelladurai, 1999). As pointed out by many service scholars, in service-oriented or service-based organizations, human resources or employees are a crucial variable that links the firms to profits (e.g.,
The nature of service is commonly described as intangible, perishable, heterogeneous and inseparable (Sasser, Olsen, & Wyckoff, 1978; Schmenner, 1995; Lovelock, 2001; Chelladurai, 2006). Intangibility is when a product does not exist in a physical form where it can be assessed by humans’ senses. In a sport context for instance, a man who pays to be a golf club member normally obtains a membership card to be used upon entry to the club. However, this card is not actually the core product that he purchases. What is offered in the exchange to the money he pays to the club is something that is service-based which cannot be seen, touched, felt, heard or even smelled. The money is mainly paid for a freedom to use the club facilities and to some others, it is probably for the association with the reputation that is attached to the club. Because of this intangible nature of the service products, their qualities (the freedom and association with reputation) cannot be measured as how tangible goods such as cars, books, shoes are measured.

The concept of perishability implies that the service products cannot be reproduced and stored for future use. For example, a golf manager cannot provide the same competition event (which has been featured previously) to his clients (players or spectators). This is different from tangible goods such as clothes or bicycles where they can be reproduced and inventoried for future sales. However, services such as sport events have to be consumed there and then by the existing consumers. Once the service products are produced and experienced by customers, they are lost forever. Being
perishable, services cannot be captured and kept in boxes or containers. Otherwise stated, they are perishable commodities (Sasser et al., 1978).

Services are also described as being heterogeneous. It explains the varying degree of satisfactions of the customers about the quality of the same sport services. For example, a member of a golf club may be easily annoyed by the delayed provision of a buggy in one sunny afternoon. On the other hand, in a different day, in probably the same hot weather condition, this same person may have a very high tolerance of waiting and even receives the late buggy with a forgiving smile. Put succinctly, because customers cannot base the quality of a service on something tangible, they look for the cues around them. Being such unique creatures, their cues evaluations are affected by their moods and these moods usually are influenced by their own psychological and physiological states. That is why in a group of customers who consume the same services at the same time, some of them may think the services are great while some others may think otherwise and the same customers may be satisfied with the services today but dissatisfied with the same services in other days.

Mood fluctuations (due to psychological and physiological conditions) are also inherent in the characters of employees. Despite comprehensive job descriptions, employees are also exposed to changes in moods which to a certain extent shape the quality of their work performances. In short, service providers may have perfect rules and procedures for the organizational operations. Nevertheless, as the production of services involves human resources (customers and employees) and as these resources
are susceptible to emotional variability, the services cannot be produced and experienced with a quality that is consistent and uniformed every different time.

Another attribute of services is that, the production and consumption of services are inseparable from the existence of customers. For example, a golf competition will not be materialized if there are no players to participate and spectators to watch the event. People who play and spectators who attend to golf courses to watch the event are the customers of the event and the event itself is the offered service product. The moment the event is produced, which is when the competition begins, that is the exact time the customers start consuming the product. The consumption is manifested by the act of playing (players) and witnessing (spectators). Thus, the facts that the customers have to be presence during the service production as well as consuming the product at the same time it is being produced, describe the inseparable or simultaneous nature of services.

Due to the complex nature of the products of sport, it is not easy to convince customers to purchase and continue purchasing the services. The only way to communicate to customers that the services offered are of high quality is by ensuring the cues that customers use as a proxy to evaluate service quality, are of outstanding quality. This however is only achievable with the assistance of employees whose attitudes and behaviours are in congruence with the organizations’ service quality emphasis.

Evidence that show the important role of employees in the achievement of excellent service quality can be inferred from many studies that have developed service quality scales. For example, in the famous service quality scale which is called as
SERVQUAL (Parasuraman, Zeithaml, & Berry, 1988), customers are believed to judge the quality of services based on aspects of tangibles, reliability, responsiveness, assurance and empathy. All these quality dimensions are actually the results of employees’ work performances. One of the items that is assumed to be able to capture that concept of “tangibles” for instance, is related to the extent to which the facilities are “visually appealing” to customers (Parasuraman et al., 1988, p. 38). Such a desired condition however can only be demonstrated by the work performances of the employees in charge. It is them who can guarantee that the cues that customers use as the basis of their evaluations are in excellent or “appealing” conditions. The key to customer perceptions of service quality therefore lies in the hand of employees.

Another example is the scale developed by Ko and Pastore (2005) in the context of sport and recreation. They have suggested that dimensions such as program, interaction, outcome and environmental qualities are the signals that customers look for in their evaluations of the service quality in recreational sport. Again, although it has not been elaborately discussed how important the role of employees in the conceptualization of those dimensions is, it is logical to assume that the quality of those dimensions depends so much on the quality of employee work outcomes. For example, in the “program” dimension, the range of program, operating time and information are the relevant aspects expected to be examined by customers. These aspects however only exist to be favourable to customers if they are well prepared, arranged and communicated by no one else but employees. In short, employees play a critical role in attracting customers who in this case, are the ultimate profit generators in sport organizations.
1.4 SERVICE-BASED HUMAN RESOURCE MANAGEMENT

As stated by Parasuraman, Berry, and Zeithaml (1985, p. 42), “In the absence of tangible evidence on which to evaluate quality, customers must depend on other cues”. A few years later, these researchers come out with SERVQUAL (Parasuraman et al., 1988), a scale that lists the important “cues” which have been widely accepted to be the basis of customers’ service quality evaluation. Within the context of sport, there are several different scales that have been developed too. This scenario proposes that different cues are more prevalent in different sport settings. For example, it is found that there are five dimensions of service quality in fitness services (Chelladurai, Scott, & Haywood-Farmer, 1987), eleven in sport centers (Kim & Kim, 1995), four in sport and leisure centers (Howat, Absher, Crilley, & Milne, 1996) and five in professional sport (McDonald, Sutton, & Milne, 1995).

Although all those scales may differ in terms of the number of dimensions and the names of the dimensions themselves, they are similar in one thing; the respective dimensions are the outcomes of employees’ hard work. Thus, if customers are satisfied with the dimension of “physical environment” for example (Chang & Chelladurai’s scale, 2003), that is all because of the work of employees who make the physical environment looks great to customers. Building on this logic, employees then are the key factor in achieving high service quality in sport organizations. In other words, to aim for high service quality in sport is actually to aim for the improvement of employees’ performances because when employees perform well-done jobs they provide impressive cues to customers. In any service firm, including sport organizations, such positive cues are evidently the recipe for high service quality.
In the pursuit of admirable service quality, Schneider and Bowen (1993) suggest service managers to promote two related, but different climates namely climate for service and climate for employee well-being. Climate for service can be acquired through the organizations’ systems and logistic supports, targeting at the fulfillment of customers’ needs, wants and demands. Climate for employee well-being is attained by meeting the needs of employees. Employee satisfaction is important because before they are committed to perform well-done jobs (which influence the quality of the cues that are evaluated by customers), they need to be enthusiastic about their jobs first. According to those scholars, climate for employee well-being in service companies can be materialized through “quality HRM practices” (p.43) or in this present study, they are termed as service-based HRM practices.

To rephrase the above argument, organizations with a focus of service quality will have to fulfill the needs of employees. “Management can potentially manage employee stress by establishing a climate in which employees’ desires to give good service are made easier and encouraged; a climate in which service, as proved by management word and deed, is an organizational imperative” (Schneider, 1980, p. 53). Thus, for organizations that strive for superior service quality, their HRM practices must therefore emphasize on the well-being of employees because when the employees’ well-being are taken care of, customer perceptions of service quality are believed to improve.

In the context of this research, the relevant HRM practices are those called service-based HRM of which the practices are related to policies, practices and procedures
designed to make employees satisfied. The word satisfied here means, employees are contented with how the management takes care of their well-being. In short, in order to establish the climate for service within the organizations, the effort must begin with the achievement of climate for employee well-being.

1.5 ORGANIZATIONAL CITIZENSHIP BEHAVIOUR

Given the facts that customers are unique and unfathomable human beings, service providers are unable to accurately determine the specific cues that customers look for when evaluating the quality of services. This notion is supported by the many different dimensions of service quality which have been proposed in the literature. One the best solutions for this problem is by ensuring that all potential cues are presented in great conditions and manners. For example, the cleanliness of the facilities must be constantly demonstrated, the relevant machineries must always be made available and functional and the performances of the customer-contact employees must be at all times pleasant and satisfactory. As argued earlier, all these cues can only be excellently presented to customers when the employees responsible for those cues are dedicated in doing excellent jobs. This means that a culture of service excellence where service quality is a priority must first be embraced by all employees in the service organizations. Hence, all employees which include non- and customer-contact personnel (Schneider & Bowen, 1993) must therefore have the appropriate behaviours that are in congruence with the organizations service quality goals.

According to Zerbe, Dobni, and Harel (1998), many marketing theorists have argued that organizations with a service culture usually promote service behaviours among
their employees. Service behaviours are known as work-related behaviours which are derived from intrinsic motivation (Deci, 1975; Kohn, 1993), not specified in advance by the management (Katz & Kahn, 1978; Bowen, 1990) and adaptable in unpredictable situations (Smith, Organ, & Near, 1983). Morrison (1996) believes that such characteristics are prominently featured in a behaviour that is called organizational citizenship behaviour (OCB). In fact, the author proposes an OCB to be the specific behaviour that should be possessed by employees in the service setting. This proposal has been used by many researchers to support the conceptualization of OCB as a service-related behaviour in their studies (e.g., Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Vaughan & Renn, 1999; Hui, Lam, & Schaubroeck, 2001; Koys, 2001; Bienstock, De Moranville, & Smith, 2003; Yoon & Suh, 2003).

In sum, employees of high levels of OCBs are aspired in service organizations because such employees are committed to excel in their jobs and they are also able to face the unforeseen contingencies resulted from the unique nature of services (Morrison, 1996). Sharing the same opinion, this study proposes OCB to be the behaviour that enables sport organizations to achieve service quality goals.

1.6 PERCEIVED SERVICE QUALITY

“The appropriate judges of performance should be those who are served” (Schneider, Parkington, & Buxton, 1980, p. 53). In service, customers are “those who are served”. Therefore, as the service end users, customers are the rightful authorities who can tell whether the provided service experiences are of exceptional quality or otherwise. In his writing, Anderson (2005) states that, “customer’s perceptions rather than ‘widget’
[manufacturing organization’s product] quality are the driving force behind management practice in the service sector” (p.502). This means that customer perceived service quality determines the productivity of the organizations.

Anderson’s idea is consistent with the fundamental philosophy of the service-profit chain theory (Heskett et al., 1994). This theory postulates that as direct recipients of service outputs, customers’ roles are therefore very influential in the subsequent and ultimate outcomes of services namely profit and growth. Such a postulation supports a popular view which has long regarded customer perceived service quality as one of the organizations’ important success indicators (Zeithaml, Parasuraman, & Berry, 1990; Bojanic & Rosen, 1994; Heskett et al., 1994; Mat Zaid, 1995; Hill, Geurs, Hays, John, Johnson, & Swanson, 1998; Arcelay, Sánchez, Hernández, Inclán, Bacigalupe, & Letona, 1999; Tat & Chu, 1999; Bowen, Schneider, & Kim, 2000; Lagrosen, 2000; Haynes & Fryer, 2000; Papadimitriou & Karteroliotis, 2000; Allred, 2001; Lynn, 2001; Chang, Chen, & Hsu, 2002; Rhoades & Waguespack Jr, 2004; Gelade & Young, 2005; Lagrosen & Lagrosen, 2007).

Since the existence of services cannot be conceptualized physically and consistently, their qualities and performances depend entirely on the perceptions of customers, who consume and at the same time, co-produce the services (Edvardsson, 2005; Chelladurai, 2006). Being the co-producers of services certainly enhances the legitimacy of customers’ roles as the ultimate evaluators of service quality. Parasuraman (2002) clarifies that “in service contexts, customers often play a co-
production role, providing some amount of direct or indirect input in the form of time, physical effort and mental energy” (p.7). For instance, golfers who come to play golf with worn out golfing sets or attires or simply are not in the right mood to play (i.e., having mild colds), will not be able to enjoy the game although the golf courses are in extraordinary conditions. Therefore, the standard of quality as provided by the organizations is actually a perception given by customers who not only rely on what are served to them but also take into consideration emotional factors which are entailed within them. As concluded by Bowen and Ford (2002, p. 451), “Service quality is given meaning by customers – it is perceived”.

The function of customer perceived service quality as the marker of service performance is also in line with the recent conceptual framework proposed by Parasuraman (2002), the famous guru in the service quality study. In that particular framework, Parasuraman has highlighted four inter-linkaging components that are believed to be the central thrusts of service excellence. According to him, the degree to which service companies provide appropriate inputs will have co-relational effects on the customers’ inputs (e.g., time, effort, emotional and energy). By the same token, the amount of outputs expended by the customers (e.g., service evaluation and satisfaction) will also determine the size of the companies’ outputs (e.g., sales, profit and market share). In short, similar to Heskett et al.’s (1994) service-profit chain framework, Parasuraman’s (2002) model also recognizes the critical role of customer perceived service quality as the predictor of the organizations’ accomplishment in the service business.
1.7 THE NATURE OF EMPLOYEE JOB ORIENTATION

Within the literature of service, most empirical evidence are gathered from employees whose jobs involve direct interactions with customers. (e.g., Brown & Swartz, 1989; Bitner, Boom, & Tetreault, 1994; Brown & Sulzer-Azaroff, 1994; Chebat, Babin, & Kollias, 2002; Tsaur & Lin, 2004; Little & Dean, 2006). Among the common terms that are used to represent this group of employees are “customer-contact employees” (e.g., Zerbe et al., 1998; Chebat et al., 2002; Yoon & Suh, 2003), “frontline employees” (e.g., Browning, 2006; Elmadağ, Ellinger, & Franke, 2008), “service employees” (e.g., Lovelock, 1983; Donavan & Hocutt, 2001). By labeling the employees with such terms it is therefore logical to assume that there exists another group of employees whose nature of job orientations is not related to direct interaction with customers. In other words, in service organizations, there are two types of employees and they are distinguished by the nature of their job types (non- and customer contact employees).

The strategic core workforce is a term coined by Delery and Shaw (2001) to indicate the strategic development of human resources that is designed based on their importance to the organizations. From this view, the authors argue that,

“Jobs where employees are directly responsible for the firm’s core competencies are those where a high level of productivity is necessary for competitive advantage. Jobs where employees are not directly responsible for the firm’s core competencies are less important for the performance of the organization” (p.178).

In service, because customers are the key to profits, the interaction between them and employees are deemed to be very crucial (Schneider, 1994; Bowen & Ford, 2002;
Anderson, 2005). Based on the idea of strategic core workforce, these customer-contact employees are the strategic core workforce of the firms and their levels of competencies determine the organization’s productivity. As such, there is reason to believe that customer-contact employees have more potential than the non-customer-contact employees in the validation of employee-organizational performance relationship, particularly in service companies. This belief is consistent with the service research trend where customer-contact employees have always been the subjects of studies (e.g., Brown & Swartz, 1989; Wiley, 1991; Bitner, Booms, & Mohr, 1994; Brown & Sulzer-Azaroff, 1994; Johnson, 1996; Chebat et al., 2002; Tsaur & Lin, 2004; González & Garazo, 2006; Little & Dean, 2006).

1.8 SPORT EMPLOYEES

Based on Chelladurai’s (2006) classification of human resources in sport, sport employees can be categorized into athletes or non-athletes. Athletes are characterized as those who demonstrate their professional skills to their selected group of clients (e.g., audience of tennis tournament). As for the non-athletes, they are further divided into two categories namely, professional and consumer service sport employees. Similar to professional athletes, the professional non-athlete employees provide their professional assets such as expertise and knowledge to their specific customers (e.g., registered members of fitness clubs). Examples of them are sport nutritionists, coaches, fitness trainers and umpires. Meanwhile, consumer service employees are those who deliver consumer services to mass clients on the basis of limited range of responsibilities with relatively low-skill competencies. Sport staff who work at the
registration counters as cashiers and clerks are some examples of this type of employees.

Athlete and non-athlete employees may differ in terms of the services offered to clients. However, both of them are similar in the sense that their performances represent the outputs of organizations. In service, as its output is intangible, the basis of customers’ evaluations of service quality is on the performances of the organizations’ employees. Hence, if the demonstrations of athletic skills are considered as the athletes’ performances, the efforts in making the clients’ service experiences worthy of purchase are therefore the performances of the non-athlete (professional and consumer service) employees. These two types of performances serve as the organizations’ outputs that are assessed by the clients.

In Malaysia, most athletes are from non-profit organizations. Non-profit organizations are run by volunteers and ad-hoc committees. As these types of employees are not bound by the typical employment contract, their HRM system is therefore expected to be ambiguous and as such, difficult to be examined. Unlike non-profit, the administrations of the profit-oriented organizations are clearer and more systematic, at least in the aspect of HRM (e.g., compensating the hired employees). However, there is only one profit-oriented sport organization for athletes in this country and they are soccer organizations.

While soccer organizations seems to be the appropriate subjects for the present study, their complex and vague administration systems nevertheless make them no longer
suitable. It is all because of the heavy involvement of the Football Association of Malaysia (FAM) in the organizational management of the soccer organizations. FAM is the principle governing body for soccer in Malaysia. All existing soccer organizations are affiliated with FAM and receive annual grants from it. Because of these fundamental factors, the administration systems of those affiliated soccer organizations are subjected to the rules and policy that are prescribed by FAM. Put succinctly, the soccer organizations do not operate like any common business corporations where administrative decisions can be made independently.

In short, athletes are not the compelling samples to be used in this study because first, most of their organizations are not profit-oriented and second, even if they are from profit-oriented organizations (i.e., soccer organizations), the nature of the organizations’ businesses is so unique that the application of the typical HRM system (as reviewed in the available literature) on this context is rather inappropriate. Because of these two reasons, non-athlete employees from profit-oriented sport organizations such as golf clubs are considered a better choice to be the samples of this study.

1.9 GOLF INDUSTRY IN MALAYSIA

According to Winston Churchill, “golf is a curious sport whose object is to put a very small ball in a very small holes with implements ill-designed for the purpose” (Readman, 2003, p.165). In general, golf is a game where a player aims at hitting a golf ball into a given number of holes with the lowest possible number of strokes. Each playing field which is called a golf course, has its own unique design and it normally consists of specific number of holes such as 9, 18, 36 or 63.
Since the establishment of golf in 1885 (Green, 1993; Campbell, 1994), golf has become the most sought-after sporting activity embraced by people worldwide. It is estimated that there are 60 billion golfers around the world (Readman, 2003) and this number is growing every year (Palmer, 2004). In Malaysia alone, the Companies Commission of Malaysia has shown that in 2004, the golf industry is worth RM4.43 billion per annum (Malaysian Business, 2006). Meanwhile in the 2007 budget, golf industry has been strategized to be the government’s main foreign income earner (Bernama, 2006). The phenomenal escalation of golf industry is expected because according to the Prime Minister, Datuk Seri Najib Tun Razak, golf is now the deciding factor in choosing travel destinations for most people (Utusan Malaysia, 2008).

Due to the promising prospect of golf industry, a lot of golf clubs begin to mushroom the country. From having only 20 golf clubs in the 1980’s, currently there are about 204 golf clubs in Malaysia. Quite rapidly increasing in number, it is therefore rational to ask the following question; is the golf industry doing that well? Based on the article that reviews the present situation of golf industry (Malaysian Business, 2006), the answer to that question is unfortunately not very positive. In fact, it is also reported that several number of golf clubs have been closed down. The main reason given is that, the number of frequent golfers is inadequate to support the generation of the organizations’ incomes.

Undoubtedly, there are various strategies that can be planned to help golf clubs achieve sustainability in this business. In line with the aspiration of the country which is to capitalize the growing popularity of golf, the present study is particularly relevant in
attempting to provide solutions on how to increase the attractiveness of this sporting activity to a wider population, particularly from the aspect of human resource management. As such, golf clubs are chosen as the sampling units and golf club employees as the samples for the study.

1.10 THEORETICAL UNDERPINNINGS

Within the study of sport management, researchers are encouraged to provide suggestions to sport practitioners based on a “well-developed, theoretically-based body of research” (Mahony & Pitts, 1998, p. 263). In other words, in conducting any sport-related study, relevant theories are required to support the investigation. Building on the existing knowledge of HRM, organizational behavior and service marketing literature, this study is carried out based on the following theories.

1.10.1 ROLE BEHAVIOUR THEORY

A role behaviour theory argues that the behavioral roles of individuals working in organizations are the results of the interactions between them and their organization’s contextual situations with regard to each other’s expectations and requirements of appropriate behaviors (Barker, 1999; Thompson, 2001). Therefore, it is assumed that failure to match the roles with the specified expectations will lead to ineffective performances of the individuals and organizations alike (Kahn, Wolfe, Quinn, Snoek, & Rosenthal, 1964; Rizzo, House, & Lirtzman, 1970).

Jackson and Schuler (1992) assert that the role behaviour theory can be used to help justify the significant function of HRM in producing employees with the appropriate
service behaviours. For example, to match the needs of service environment is to craft a climate for service. As discussed earlier, a climate for service is likely to be presence in an environment where a climate for employee well-being is already accepted as a culture. In order to create a link between a climate for employee well-being and climate for service, that is the point where an HRM role is critically needed. Because HRM is a department where employee related matters are dealt with (Byars & Rue, 2003), its’ practices are therefore highly related to the extent to which the climate for employee well-being are promoted within the organizations (Schneider & Bowen, 1993).

In short, the theory of role behaviour serves as a rationale to explain why HRM is a paramount variable in the creation of a chain that connects the climate for employee well-being to climate for service. Assuming the theory of role behaviour is correct, sport firms should encourage their employees to adopt behaviours that are service-related. However, service-related behaviours or more specifically OCBs, can only be materialized by the help of HRM practices that are designed with a focus to achieve superior service quality.

1.10.2 SOCIAL EXCHANGE THEORY

Social exchange theory offers an explanation for the contributions of employers and employees to each other in the employment relationship (Aryee, Budhwar, & Chen, 2002). Popularized by Blau (1964), the basic assumption of the social exchange theory is that people tend to commit in a relationship when they believe their commitment or contributions will be fairly reciprocated by the other involving parties.
Gouldner (1960) argues that the social exchange theory is dependent on the willingness of the participating individuals to embark on a general norm of reciprocity. In similar vein, Eisenberger, Fasolo, and Davis-LaMastro (1990) advance organizations as the leading entity that initiates this kind of relationship. In line with this notion, Settoon, Bennett, and Liden (1996, p. 219) add that “positive, beneficial actions directed at employees by the organization and/or its representatives contribute to the establishment of high quality exchange relationships that create obligations for employees to reciprocate in positive [and] beneficial ways”. This statement points out to the idea that organizations have to be the initiator of this reciprocity concept. In other words, the organizations have to start showing their concern by being truly concerned with and responsive to employees’ needs and wants because these positive acts will motivate employees to demonstrate the behaviours that benefit the organizations.

Extending this theory to the sport setting, sport managers can expect their employees to be productive if they treat the employees well. In this study, the management’s well treatment is regarded as any employee-related activities that are aimed at achieving a climate for employee well-being while productive employees are considered as those with high OCB levels. To sum up, the social exchange theory provides a strong reason to believe that the implementation of service-based HRM practices can trigger a reciprocity process where employees will feel obliged to repay the management’s kindness by exhibiting high levels of OCBs.
1.10.3 RESOURCE-BASED VIEW THEORY

This study is about making use the existing employees to achieve organizational effectiveness. The backbone of this idea is drawn from a theory of resource-based view. According to this theory, organizations can achieve competitive advantage or distinguish themselves from their rivals by capitalizing their internal resources such as raw materials, technology, economies of scale, innovation, human resources and others (Wernefelt, 1984; Barney, 1991). However, as noted by Barney (1991, p. 110), “physical technology, whether it takes the form of machine tools or robotics in factories or complex information management systems, is by itself typically imitable”. As unique creatures, human resources on the other hand, are the organizations’ internal resources that are impossible to copy because due to issues related to scarcity, specialization, and tacit knowledge (Polanyi, 1962; Lippman & Rumelt, 1982; Teece, 1982), “they are difficult to understand and observe” (Coff, 1997, p. 374). Because of these reasons, human resources therefore have more potential than other duplicable resources (i.e., machineries) to be the organizations’ asset for the attainment of competitive advantage.

Bowen and Ostroff (2004) add that unlike other resources which can be acquired and duplicated (so long the organizations have enough capital), human resources are value additive, rare, inimitable and non-substitutable. With appropriate management strategies, human resources of these qualities can indeed be developed to be “distinctive competencies” for their organizations (Wright & McMahan, 1992). Distinctive competence is a term that refers to an advantage an organization has which is not possessed by its competitors (Selznick, 1957; Snow & Hrebinia, 1980; Chou &
Chang, 2004). Evidence from empirical studies, especially from HRM literature, that verify the human resources as prospective distinctive competencies for organizations are abundance (e.g., Devanna, Fombrun, & Tichy, 1981; Arthur, 1994; Huselid, 1994, 1995; MacDuffie, 1995; Delery & Doty, 1996; Delaney & Huselid, 1996; Huselid, Jackson, & Schuler, 1997).

The theory of resource-based view is also used to support the framework develop for this study. Based on the principle that human resources can be the key to competitive advantage, it is assumed that sport organizations that have employees of high OCB levels will have great service quality potentials. It is because employees with these behaviours are committed to give their best performances to the organizations and this in turn will ensure the cues or signals that are used by customers to perceive service quality, are always in presentable and excellent conditions.

1.10.4 SERVICE-PROFIT CHAIN THEORY

A service-profit chain is a theory that unravels the service-delivery process from internal organizational operations such as human resource management activities to employee and customer experiences which then lead to the economic proliferation of the organization. The scholars who have come out with this theory present their ideas in the paragraph below:
“The links in the chain are as follows: Profit and growth are stimulated primarily by customer loyalty. Loyalty is a direct result of customer satisfaction. Satisfaction is largely influenced by the value of services provided to customers. Value is created by satisfied, loyal, and productive employees. Employee satisfaction, in turn, results primarily from high-quality support services and policies that enable employees to deliver to customers.”

(Heskett et al., 1994, p. 164-165)

Heskett, Sasser, and Schlesinger (1997) suggest that if the theory is correctly interpreted and adapted in the customer-focused firms, the results will likely be “remarkable”. Findings from relevant studies also report quite a convincing support to this view. For example, in the meta-analysis study on the relationships among organizational, employee, customer and performance outcomes, Dean (2004) discloses that many of the variables are found to be linked into linear sequences although the evidence is found to be “not unequivocal”. This ambiguity however is attributed to the “complexity and non-linearity of many of the proposed links, and the existence of reciprocity between certain variables” (Dean, 2004, p. 332).

The theory of service-profit chain is used in this study to help justify the existence of a mediating variable that is believed to exist in the relationship between HRM practices and service quality. The service-profit chain proposed by Heskett et al. (1994) implies that the effects of “high-quality support services and policies” (i.e., service-based HRM practices) are transported to “profit and growth” (i.e., high service quality perceptions) through some other elements such as employee behaviours, OCBs in particular. More specifically, the current study foresees that service-based HRM practices affect the customer perceived service quality through OCB.
1.11 RESEARCH QUESTIONS

Sport management scholars are concerned with the lack of studies that explore the role of human resources in sport organizations (e.g., Doherty, 1998; Dixon, 2002; Taylor & Ho, 2005). The concern is justifiable since the core products of sport organizations are mostly services (Chelladurai, 1999; 2005) and services are well known for being non-existent in the real world and as such, their qualities are highly dependent on the perceptions of customers (Parasuraman et al., 1985; Parasuraman, 2002). Employees of high OCBs levels are critically needed in sport firms. It is because only with OCB employees, sport managers will be able to provide the quality of services as desired by the customers. In effect, these lines of arguments have opened up several intriguing questions intended to be answered in this study. The questions are:

1. Are service-based HRM practices significantly related to OCB?
2. Which service-based HRM practice has the strongest and weakest effect on OCB?
3. Is OCB significantly related to perceived service quality?
4. Does OCB mediate the relationship between service-based HRM practices and perceived service quality?
5. Are the significance of the relationships among service-based HRM practices, OCB and perceived service quality determined by the nature of employee job orientations, namely non- and customer-contact employees?
1.12 RESEARCH AIMS

Based on the questions posed above, this study therefore aims at;

1. proposing a model that hypothesizes the mediating role of an OCB in the relationship between service-based HRM and perceived service quality, as moderated by the nature of employee job orientation
2. testing the validity of the proposed model in a specific sport setting namely golf clubs

1.13 RESEARCH OBJECTIVES

Several objectives are formulated to help accomplish the tasks of this study. They are as follows:

1. It has been argued that the incorporation of service culture in the design of HRM can elicit service-related behaviours among employees. To confirm this argument, the present study seeks to reveal the relationships between service-based HRM practices and employee OCBs.

2. Since OCB has been shown to be instrumental in motivating employees to perform their jobs better, the study attempts to examine the effect of OCB on perceived service quality in the context of golf clubs

3. If OCB is resulted from service-based HRM practices and if at the same time, it is also related to perceived service quality, the study is then interested to affirm the role of OCB as the mediator in the link between service-based HRM practices and perceived service quality.
4. Despite the fact that service culture is important for all employees regardless of whether they are directly or indirectly interacting with customers (Schneider & Bowen, 1993), many service studies focus only on the customer-contact employees, giving the impression that this type of employees are more responsible of the organizations’ service quality. In order to reveal the truth about this matter, the study is set out to validate the proposed model in the separate samples of non- and customer-contact employees in the context of golf clubs.

1.14 IMPORTANCE OF STUDY

This study is important because of its attempts to:

1. provide useful input to sport managers on the effective management of HR activities in sport organizations.

This study highlights the essential function of human resources in the creation of service quality. The identification of HRM practices which are found to be responsible for this phenomenon provides a helpful tool for sport managers to manage their human resources effectively. For example, based on the findings of the study, sport managers can put more emphasis and invest more resources (i.e., financial and manpower supports) on the HRM practices which are found to have more strength in their relationships with service quality (through OCB). Based on this informative knowledge, they will be able to formulate policies in a more strategic direction so that the employee behaviours that are required for achieving high service quality are available in the organizations. Most importantly, this study can be used by sport
managers as an evident to support their justification regarding the critical role of HRM in the sport organizations.

2. **contribute to the accumulative body of knowledge of sport management study**

An empirical study such as this one is very much required to augment the body of knowledge of sport management literature. The benefits that will be yielded from this study, will not only provide guidelines to sport practitioners, but they also add to the current understanding of sport management in the aspects of HRM, OCB and service quality. A significant contribution is made when this study suggests ways in which HRM practices can be designed to bring out more OCBs in the employees. This is an important issue since as service-oriented firms, sport organizations must depend on behaviours that are not prescribed in formal job descriptions. Although some of the practices identified in this study have been recognized elsewhere as approaches to foster employee positive work-related behaviours, this study provides valuable new insights to sport researchers especially those who are interested to find out how HRM can enhance organizational performances.

3. **close gaps that are currently exist in the relevant literature.**

It is well acknowledged that data pertaining to the HRM-performance relationship in a customer-focused setting are still lacking in the literature (Schneider, 1994; Morrison, 1996). According to Schneider (1994), although the significance of this relationship is widely recognized, the number of relevant research is relatively small. The variable that is theorized to mediate this relationship is another issue which necessitates more testimonies. As noted by Tsaur and Lin (2003), only Morrison (1996) has explicitly
discussed the mediating effect of OCB in the relationship between HRM and service quality but her proposed model has never been systematically and empirically tested. In short, these two points are currently in need of more clarifications and empirical evidence. By addressing them, this study facilitates the effort to close the existing gaps currently exist in the HRM and service literature.

4. produce a more substantial evidence by using interdisciplinary focus

While this study is purported to improve the research and practice of sport management scholars and practitioners, the theoretical foundations are heavily drawn from the studies of HRM, Organizational Behavior and Service Marketing. As having an interdisciplinary focus with multidisciplinary interests, this study will have key implications for both theories and practices of those areas including sport management, especially in resolving key questions that are required for future studies. As noted by Becker and Gerhart (1996), “…if the traditional HR discipline does not embrace the wider interdisciplinary approach required to produce a meaningful contribution to this area, other disciplines will, and HR as a discipline runs the same risk as the HR function of being marginalized.” (p. 798).

1.15 DEFINITION OF TERMS

Ascribing inaccurate meanings to the assigned variables will destroy the value of a research. To avoid this catastrophe, constitutive and operative definitions of variables are provided in the following sections. A constitutive definition is “a formal definition in which a term is defined by using other terms” (Ary, Jacob, & Razavieh, 1996, p. 28) and an operational definition refers to a description of the variable in terms of specific
testing or measurement criteria (Fraenkel & Wallen, 2000). Next is the presentation of both the constitutive and operational definitions for the variables investigated in the current study.

**SERVICE-BASED HRM:** This concept is conceived from the idea of Schneider and Bowen (1993) who point out that in order for service organizations to obtain high service quality, a climate for employee well-being serves to be the prerequisite. What they mean by a climate for employee well-being is having HRM practices that aim at achieving a service climate. In this study, such HRM practices are operationally defined as those that are designed to meet the needs and wants of employees which in turn, lead to the embracement of service climate within the organizations. The argument is that when employees’ needs are fulfilled, their work-related behaviours will be positive and this in effect will facilitate the organizations’ process of attaining admirable service quality

**OCB:** It has been discussed earlier that organizations with a service-focused climate typically have employees with service-oriented behaviours. Employees exhibiting
high service behaviours normally have the capabilities to understand the importance of service quality and are motivated to work towards achieving it (Gummeson, 1986; Zerbe et al., 1998). As highlighted by Morrison (1996), OCB is a good example of service related-behaviour since it has elements that are “critical for ensuring service excellence” (p.497). OCB has been originally defined as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in aggregate promotes the effective functioning of the organization” (Organ, 1988, p. 4). In this study, OCB is operationally interpreted as a voluntary and discretionary behaviour, resulted from service-based HRM practices of which in aggregate, influences customer perceived service quality.

PERCEIVED SERVICE

QUALITY : When the products are intangible and customers’ presences are also required to co-produce them, service providers have no option but to accept the fact that customers play an indispensable role in their businesses. Being humans, customers’ wants and
needs are always unpredictable. However, like it or not, the quality of service rests entirely on the hearts and minds of customers (Bowen and Ford, 2002). The only way for service providers to ensure that the service experiences are perceived favourably by the customers is by making sure that all possible cues are readily and consistently presented in first-rate states. In the context of this study, the operational definition for perceived service quality is; the customers’ overall impressions of the organizations’ service quality.

THE NATURE OF
EMPLOYEE JOB
ORIENTATION: Because customers are a crucial entity in service industry, it is a common idea among service scholars that fulfilling customers’ desires is the core activity in this business (Schneider et al., 1980; Zeithaml et al., 1990; Bowen & Ford, 2002; Anderson, 2005). Based on the perspective of strategic core workforce (Delery & Shaw, 2001), this core activity must be handled by employees with the appropriate job orientation. In this study, what is meant by the nature of job orientation is the job that is oriented towards direct or indirect interaction with customers.
1.16 **OVERVIEW OF THE REMAINING CHAPTERS**

There are two main parts in Chapter 2. The first part consists of the presentations and highlights of several concepts, important to be understood throughout this study. Past theoretical and empirical works pertaining to those concepts as well as the studies that examine them will be discussed at great length. In the second part, relevant issues, arising from the preceding discussions will be brought to light. As ways to address the issues, multiple propositions and the corresponding hypotheses will then be established. Finally, a model that serves as the framework of this study is demonstrated at the end of this chapter. In summary, Chapter 2 provides the flesh to the body of this study in which it justifies and supports the subsequent stages of this research exercise.

In Chapter 3, a complete description of the study approach will be presented. This will include detailed explanations and reasons for employing certain type of research design, method, instruments, questionnaire and data gathering methods. Other important contents in this chapter are the discussions on the results of pilot test and the statistical techniques that are going to be used in the later stage of this study.

In Chapter 4, results from the analysis of data are interpreted, both statistically and inferentially. Here, all the raw data are analyzed and reported. Prior to data analysis, the purification and validation of the scales will be carried out. The findings will be explained by responding to each proposition, hypothesis and research question which has been developed in the preceding chapters.
An elaborate discussion on the findings of this study can be found in Chapter 5. The results will be interpreted in light of the established theories, and literature review. The implications of this study to research and practice will also be discussed here. Before the chapter ends with a conclusion, limitations and directions for future research are given.

1.17 CONCLUSION

In an increasingly competitive global business environment, what differentiates one organization from the other is the performance of its business operations. Stakeholders persistently demand that organizations deliver effective operations as this is one of the measures of a booming business. This current trend affects all category of industry, including the sport industry. To stay competitive, sport organizations must demonstrate high performance of their business operations that would point out to the effectiveness and efficiency of resource allocation and outflow. In this regard, contemporary sport business organizations are constantly confronted with a multitude of challenges not only relate to fiscal and operational matters, but local and federal governmental intrusion and policy issues, unpredictable socio-political environment as well as the complex nature of the sport industry itself. More importantly, the ever increasing growth rate of rival organizations that vie for the same share of the market in addition to the limited access to the steadily decreasing public funds compel sport organizations to seek for competitive advantage strategies. One of the options is to make the most efficient use of their human resources at their disposal. With that spirit in mind, this study is therefore undertaken.
CHAPTER 2
REVIEW OF LITERATURE

2.1 INTRODUCTION

In this chapter, several important concepts that serve as the backbone of the study are conceptually, theoretically and empirically discussed. Multiple research works related to the concepts are brought to light. Some critical issues are then raised based on preceding review of literature. In the attempts to address these issues, relevant propositions with the corresponding hypotheses are presented for purpose of statistical testing. The chapter concludes the discussion by proposing a model that illustrates the whole idea of this study.

2.2 LITERATURE REVIEW

2.2.1 HUMAN RESOURCE MANAGEMENT (HRM)

Human resources management (HRM) is a new version of a term called personnel management (Byars & Rue, 2003). Although both of them refer to an administration of employee-related matters, HRM is considered a more comprehensive term than personnel management as it deals with more than personnel activities which include broader issues such as motivation, leadership, organizational structure, group dynamics and communication (Bratton & Gold, 2003). Unlike HRM, personnel management is seen as “being much narrower and more clerically oriented than human resource management” (Byars & Rue, 2003, p. 4). For the purpose of this study, HRM is the term chosen to be used in the following discussion.
According to Schuler, Jackson, and Luo (2003), HRM is defined as "all the dedicated activity that an organization uses to affect the behaviours of all the people who work for it" (p.6). By this definition, it is suggested that there is a close association between HRM and the behaviours of employees, especially those that are related to work performances. As the focal point of HRM activities, human resources are seen as having an impact on the productivity of an organization. Implying the same weight on the role of human resources, Armstrong (2006) refers HRM as “a strategic and coherent approach to the management of the organization’s most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives” (p.3).

In short, HRM is an organization’s tool to influence the behaviours of employees. The activities include “strategic and workforce planning, recruiting prospective employees, selecting employees, training and developing employees, managing employee rewards and recognitions, evaluating employee performance, classifying positions, creating a positive and safe work environment (employee relations), and administering employee benefits” (Selden & Jacobson, 2007, p. 83).

The HRM literature consistently argues that HRM practices do have an impact on an organization’s performance. This theoretical notion is continuously supported by a great number of empirical research (e.g., Devanna et al., 1981; Schuler & Jackson, 1987; Arthur, 1994; Huselid, 1994, 1995; MacDuffie, 1995; Delaney & Huselid, 1996; Delery & Doty, 1996; Youndt, Snell, & Dean, 1996; Huselid et al., 1997; Ichniowski, Shaw, & Prennushi, 1997; Patterson, West, Lawthom, & Nickell, 1997; Guest, Michie,
Conway, & Sheehan, 2000; Guest et al., 2003). Among the seminal works are those produced by Russell, Terborg, and Powers (1985), who show the link between training programs and financial performance, Terpstra and Rozell (1993) who demonstrate the relationship between selection of employees and firm profit, and Gerhart and Milkowich (1992), who reveal the association between compensation system and organizational objectives.

Another important study that should also be highlighted is the one conducted by Huselid (1995). In this study, the researcher provides evident on the impact of thirteen HR practices of which he called high performance work practices, on multiple indicators namely turnover, employee productivity and company financial performance. Later in 1996, Delaney and Huselid (1996) investigate the effect of selection, training and compensation, grievance procedures, decision making and internal promotional practices and the interaction of these practices on perceptual measures of market and organizational performances. They have discovered that decentralized decision making is not related to the perception of market performance and only incentive compensation is linked to the perception of organizational performance.

In short, HRM is about managing human resources to the extent to which the objectives of the organization are achieved by their assistance. Some basic functions of HRM include planning, selection, recruitment, training, performance appraisals,
compensation and industrial relations (Byars & Rue, 2003). The literature so far has been successful in linking the HRM activities to the organization’s performance.

2.2.1a HRM AND SPORT MANAGEMENT

Of late, sport is no longer an activity for people merely to seek fun, relaxation or good health. It has transformed into a serious business as it is able to provide a huge source of income for a lot of individuals. As a result, managing sport is not a simple task anymore. Only personnel with the suitable qualifications, skills and interest are able to bring sport organizations to success. Employees with such qualities can only be produced through effective management of human resources. Sport is one of the industries that requires highly organized, well-trained and committed workforce in order to survive in today's competitive environment. The need to have an effective way of managing these resources is therefore vital in this business. This view is shared by Chelladurai, the leading scholar in the sport management study. In his support to the critical role of human resources in sport organizations, he states that,

“Because most sport organizations produce services, management of human resources is a critical concern of sport managers. An understanding of the dynamics of human resources and their management is necessary to be an effective manager.”

(Chelladurai, 2006, p. ix)

The argument that advocates human resources as a significant factor related to organizational success is applied in sport management as well. For example, it has been verified that the most distinguishing element that separates high performing teams from the poor ones in the National Collegiate Athletic Association (NCAA) Division 1 in America is the athletes (Trail & Chelladurai, 2000). Therefore, activities pertaining to
recruiting and securing the best athletes are seen as the best strategies in order to success. Another example can be taken from the studies that focus on cheating and unethical behaviours among athletes (e.g., Dixon, 2000; Mahony, Fink, & Pastore, 2000). Some relevant authorities such as coaches are found to be compromising with such negative conducts for the reason that athletes of excellent performances will provide a cutting edge to the team.

In sum, sport organizations also recognize the paramount contribution of human resources in their businesses. This has been illustrated by several sport-related studies that have investigated the importance of athletes as the crucial assets that determine success in the organizations (e.g. Trail & Chelladurai, 2000; Mahony et al., 2000; Smart and Wolfe, 2000).

2.2.1b HRM AND SERVICE

As research on HRM-performance is burgeoning in the literature, a disturbing pattern is noted by some concerned HRM scholars. They begin to see that an abundance of findings is drawn from the manufacturing sector, while relatively very little evidence are gathered from the service setting (Schneider, 1994; Bartel, 2004; Dean, 2004). With the exception of a few scholars such as Batt (1999, 2002), Banker, Lee, Potter, and Srinivasan (1996) and Delery and Doty (1996), the majority of previous HRM studies is conducted in the manufacturing context, “despite the fact that today most employees work in service sector industries” (Bartel, 2004, p. 183). Most importantly, little effort has been made to understand the characteristics of HRM with a service
focus orientation. Thus, although the positive consequences of HRM practices on organizational performance have been emphasized by many scholars and practitioners (e.g., Delaney & Huselid, 1996; Fey, Bjorkman, & Pavlovskaya, 2000; Khatri, 2000), their results on outcomes pertaining to services such as employee service-related behaviors and customer perceptions of service quality have not been given sufficient attention.

In service, because the products that are offered to customers are intangible and presented in a form of experience (Hill, 1977; Sasser et al., 1978; Solomon, Surprenant, Czepiel, & Gutman, 1985; Lovelock, 1991; Zeithaml & Bitner, 2003; Vargo & Lusch, 2004), the performance of the service operation therefore, cannot be measured in a tangible manner. Instead, as the ultimate judges of service performance (Schneider et al., 1980; Zeithaml et al., 1990; Galloway & Ho, 1996; Bowen & Ford, 2002), customers make their evaluations based on their interactions with employees and the whole environment where their service experiences take place (Schneider & Bowen, 1985; 1993). Apparently, both variables (interactions with employees and the whole environment) that serve as service quality indicators are related to employees and their commitments in making the customers contented. Many researchers have underscored the importance of employees in creating and providing wonderful service quality (Zeithaml, Parasuraman, & Berry, 1985; Bitner et al., 1990; Hartline & Ferrell, 1996; Kelley & Hoffman, 1997). For instance, customers have been shown to evaluate service quality on dimensions such as concern and civility (Winsted, 2000) and
listening and understanding demonstrated by the employees (Chandon, Leo, & Philippe, 1997).

The fact that the role of employees is so prevalent in service, it should be expected that there are plenty of research conducted on this HRM-service issues (Schneider & Bowen, 1993; Bowen & Ford, 2002). However, the little coverage available in the relevant literature indicates that this is not the case. As mentioned by Schneider (1994) in his article, “Because HRM concerns the employees who deliver service to customers, it might be supposed that there is vast literature on the HRM-customer service; there is not” (p.65). This issue seems to be currently unresolved when the author once again expresses his concern in later years by stating “As I noted earlier, within HRM the strategic implications of being in a service business have not received much attention, though there are some exceptions” (2004, p. 147). To sum up, as much as service quality is believed to be affected by HRM policies and practices, the understanding of the relationship between these two variables “remains incomplete” (Haynes & Fryer, 2000, p. 240) and “are typically only inferred” (Redman & Mathews, 1998, p. 71).

Schneider, who is pioneering a work on climate for service research (Parkington & Schneider, 1979; Schneider, 1980; Schneider et al., 1980; Schneider, Wheeler, & Cox, 1992; Schneider, White, & Paul, 1998), also has a special interest in looking at service-oriented HRM as a critical determinant of service quality. In one of his HRM-service quality studies, it is stipulated that,
“...the key to managing the customer’s experience of service quality is to manage employees’ experiences within their own organizations. And when it comes to managing employee experiences at work, *human resources management is crucial*”

(Schneider & Bowen, 1993, p. 40).

Schneider reiterates this view in the recent article by stating that “A business is not in the business of service quality if its HRM practices are not suffused with a focus on service quality” (2004, p. 148). Thus, if the objective of the firm is to provide quality service to customers, the corresponding values and cultures must be reinforced and communicated to the deliverers of the service. Or otherwise stated, in any service-based organizations, the HRM practices must be service oriented or service-based.

The idea of HRM for service quality is originated from a proliferation of research on organizational climate in the 1960s. Organizational climate is best understood as practices and procedures, of which employees believe, are embedded with certain elements intended to encourage members of the organization to adopt a certain set of behaviors (Schneider *et al.*, 1998). In its early inception, the construct of organizational climate is claimed to have no purpose or target. The review on existing literature in 1975 has made Schneider to conclude that “the generic concept of organizational climate is so amorphous and inclusive that the results from the measurement of climate are conceptually amorphous” (Schneider, Bowen, Ehrhart, & Holcombe, 2000, p. 25).

This argument is supported by giving an example of one existing study which utilizes an organizational climate measure of 10 dimensions. The resulting impact of this observation witnesses an increasing number of research starting to focus on a
strategically oriented climate. Evidently, a more focused climate has been shown to produce stronger relationships with specific organizational outcomes than less-focused measures (e.g., Pritchard & Karrasick, 1973; Zohar, 1980; Schneider & Bowen, 1985; Schneider et al., 1992).

In service firms, service or customer orientation is the pillar of the business (Schneider et al., 1980; Heskett et al., 1994; Strong & Harris, 2004). As customers are the key to profits, it is suggested that service companies strive towards providing services that meet customers wants (Day & Wensley, 1983; Dean & Bowen, 1994; Noble, Rajiv, & Kumar, 2002). Research particularly from service marketing has confirmed that significant associations exist between customer orientation of a firm and its financial and market performance (e.g. Doyle & Wong, 1998; Ambler, 1999; Day, 2000). While insights into the outcomes of service or customer focus have been extensively investigated (e.g., LaBaraba & Mazursky, 1993; Srivastava, Shervani, & Fahey, 1998; Steinman, Deshpande, & Farley, 2000), the antecedents of this variable, specifically human resource aspects are relatively understudied and often described as in need of more clarifications and evidence (Schneider, 2004).

A ground-breaking research on climate for service or customer is first conducted by Parkington and Schneider (1979), in bank branches. In that particular research, it is discovered that customers base their perceptions of service quality not only on their interactions with the customer-contact staff but on the whole process of service experiences ranging from the appearances of physical facilities to the rules and procedures of the organizations. This means that besides those whose jobs are
attending to customers at the counter, the contributions of non-contact-customer employees, such as the technicians, clerical staff and janitors, are also crucial in the overall service quality impressions of customers. Although there are no employee-customer interface activities, the resulting work of the non-customer contact employees in making the customers’ service experiences satisfactory, such as providing a clean and safe environment or ensuring all the electrical and machinery equipments functioning well, are very critical in this context.

In line with Schneider’s idea of climate for service, other service scholars begin to recognize the need to change the traditional managerial functions of service employee management (e.g., Grönroos, 1983; Bowen & Schneider, 1985). Some of the given recommendations include (1) getting the employees involved in the planning and organizing of service activities, (2) acknowledging the influence of employee work environments on customer experiences of service quality (3) recognizing that the way employees are managed can predict customer perceived service quality (Hartline & Ferrell, 1996; Chebat et al., 2002). The main principle in these recommendations is that in service-focused companies, the role of HRM must also be service-focused. Thus, to ensure this notion is materialized, the design of HRM practices must be geared towards achieving the service-related goals. In short, the match between the goals of the service organizations and the design of their HRM practices is very fundamental in securing high levels of service-related outcomes (e.g., perceived service quality) (Grönroos, 2000; Haynes & Fryer, 2000; Zeithaml & Bitner, 2000; Furunes, 2005).
In the beginning, research on HRM for service is only mentioned as parts of the organizational service variable in the examination of its relationship with service quality. For example, the facets of service-focused or service-based HRM are inferred from a construct called work environment (Tornow & Wiley, 1990; Wiley, 1991), service climate dimensions (Johnson, 1996), supportive management (Yoon, Beatty, & Suh, 2001), organizational conditions (Lux, Jex, & Hansen, 1996), drivers of customer orientation (Strong & Harris, 2004) and development and reward-based activities (Elmadağ et al., 2008). Although not specifically examined as an individual construct, through the findings of those studies, the HRM practices have been shown to be significantly related to employee behavioural and organizational outcomes (e.g., customer satisfactions, service quality, service behaviours and service culture).

For instance, in a bank setting, Tornow and Wiley (1990) who extend previous works (e.g., Schneider et al., 1980; Schneider & Bowen, 1985) assess organizational performances in relations to the association between employee perceptions of various aspects of working environment and customer perceptions of service quality. They also seek out to identify which of the eight aspects of work environment have the greatest potential to influence customer and organizational outcome measures. Out of the eight, four of them are related to HRM practices namely management practices, work group climate, pay and benefits and reward for performance. The results show that there are four aspects of work environment that depict strongest relationships (ranging from r=0.42 to 0.69). From those four, one is related to customer satisfaction and three are HRM practices (management practices, work group and reward for performance). Overall, it is concluded that the findings are consistent with the replicated studies.
(Schneider et al., 1980; Schneider & Bowen, 1985) and additional evidence provided by this particular study is that both employee attitudes towards working environment and customer perceptions of service quality are independently correlated with organizational performance.

Meanwhile, in the context of insurance and financial industry, Lux et al. (1996) have included reward/recognition, training, work environment, work design and two other non-HRM-related elements as the organizational conditions that are hypothesized to affect organizational commitment and customer service climate. All of these HR practices are found to be significantly related to both of the dependent variables with correlation values ranging from 0.33 to 0.72. The researchers also hypothesize that organizational commitment partially mediates the relationship between the independent and dependent variables. The regression results indicate support for that particular hypothesis.

A more complex HRM-service framework is produced by Yoon et al.’s (2001) study which has been conducted in retail banks. In this study, the researchers observe the relationships among work climate variables (service climate, supportive management), work effort, job satisfactions and employee service quality. Among the predictions that are made, the researchers hypothesize indirect effects of supportive management on job satisfactions (through work effort) and supportive management on employee service quality (via job satisfactions). Based on the review of the items developed in the Yoon et al.’s instruments, it can be implied that the scale of supportive management reflects HRM dimension which earlier has been described by Schneider (1994) as supervisory
behavior. Based on the results, all the hypotheses are generally supported. Again, evidence on the significant role of HRM practices in the promotion of service quality is provided here.

Perhaps, triggered by a call that has been made by Schneider in the International Journal of Service Industry Management in an article entitled “HRM – A Service Perspective: Towards a Customer-focused HRM” (1994), several researchers begin to investigate the HRM practices as an independent construct, representing the independent variable in its relationship with service-related outcome indicators (dependent variables). For example, using a self-report measure that relies on the perceptions of employees, Zerbe et al. (1998) analyze the role of service culture variable in the relationship between HRM practices and service behavior. The practices that are used for HRM measures are leadership and direction, rewards and benefits, work demands, career opportunities, performance appraisal, and training. The correlation results indicate that HRM practices have significant direct associations with the 5 dimensions of service behavior and specific HRM practices such as leadership and work demands have significant indirect effects on service behavior through service culture.

Unlike Zerbe and his colleagues (1998), who conduct their research in an airline industry, Rogg, Schmidt, Shull, and Schmitt (2001) adopt similar framework and validate it in franchise dealerships whose nature of business is related to a single large automotive manufacturer. Using training, performance review, policy, hiring, testing and job description as the variables for service-focused HRM construct, this study
investigates the relationships among HRM practices, service climate and customer service indices. Based on inter-correlation results, the researchers report that the associations between the HR practice components and service climate variables are moderate in magnitude and most of them are statistically significant, providing support for HR practices and climate linkage.

Further, using the analysis of structural equation model (SEM), Rogg et al. (2001) also find that the change from full to partial mediation model yields no significant chi-square value ($\Delta \chi^2 = 0.28$, df=1, $p>0.05$). This result indicates support to the full mediation model, which implies the existence of a mediating variable (organizational climate) that links HRM practices to customer satisfaction. In short, with a sizeable and significant indirect effect of HRM practices on customer satisfaction via organizational climate, this study provides evidence that supports Schneider’s earlier theory which postulates the importance of correlating the HRM practices with organizational climate as the match between the two will lead to superior customer related outcomes.

Within a healthcare sector, another related study is conducted by Scotti, Driscoll, Harmon, and Behson (2007). In this study, the researchers term the HRM construct as high-performance work system (HPWS) and regard it as a catalyst for excellent service quality. The HPWS is measured by ten items, each of which assesses goal alignment, communication, involvement, empowerment, teamwork, training, trust, creativity, performance enablers, and performance-based rewards. Taking all the items together as a composite variable, this HPWS is observed in terms of its connection to customer orientation, employee and customer perceptions of service quality and customer
satisfaction. The sequential relationships that have been hypothesized show significant supports. For example, the direct effect of HPWS on customer orientation is 0.74, on employee-perceived service quality is 0.60, and the indirect effect of HPWS on employee-perceived service quality through customer orientation is 0.60 and on customer-perceived service quality through employee-perceived service quality is 0.40. In sum, this study also confirms the positive and significant relationship between HRM and service-related measures.

In another study, Browning (2006) examines the effects of HRM practices on the perception of service behavior as mediated by organizational commitment. However this time, the framework is tested in three different settings namely retail, hospitality and car rental. HRM practices are measured by selection, training, development, pay, rewards, performance appraisals and management support. Based on the results of regression analysis, the findings show that although the relationship between HRM practices and service behavior is overall, significant across all samples, the mediating effect is only significant in the retail sector, partially significant in the car rental and non-significant in the hospitality industry.

Specific HRM practices have been shown to impact service behaviors more than others. For example, Schmitt and Allscheid (1995) have found support for a significant relationship between employee evaluations on policies and practices that facilitate the provision of quality customer service and their intentions to serve. Several studies such those conducted by Schneider and Bowen (1995), Bettencourt and Brown (1997) and Chebat et al. (2002) have also pointed out to the idea that employee perceptions of
fairness in workplace which include pay rules, job supervision, recruitment and selection, is a key determinant of service behavior. Davidow and Uttal (1989) and Peccei and Rosenthal (1997) in similar vein, have found that training in particular multiskilling, helps to upgrade employee’s sense of confidence in dealing with the conflicting demands of customers.

To sum up, in service-based businesses, the practices of HRM must also be service-based. According to Schneider (2004), “generic HRM will not suffice in an increasingly competitive marketplace; organizations must, to use a phrase from marketing, focus or falter” (p.147). What he means by that is, having HRM practices such as high performance work system, is not enough. These seemingly profitable set of practices evidently help to produce talented and inimitable workforce (e.g., Huselid, 1995; Becker & Huselid, 1998; Delery & Shaw, 2001). However, a much more competitive advantage can be achieved if those HRM practices are designed with a focus on superior service and service quality delivery, especially in a context of high intangibility where the performance of employees becomes an indicator of quality service. Furthermore, the socio-political, national culture and economic situation in the country within which the service organization is operating should be taken into consideration when determining the relevancy of specific HRM practices that are geared towards fostering service climate (Browning, 2006).

Hence, for the current study, the service-based HRM is conceptualized as the managerial practices intended to inculcate customer-focus values in the attitudes and behaviors of employees. This objective can be accomplished by focusing on satisfying
the needs and wants of employees, through the implementation of service-based HRM practices. The underlying premise for this strategy is that a positive treatment given by the management to the employees will be reflected or mirrored in the quality of performances exhibited by the employees (Grönroos, 1983; Schneider & Bowen, 1985; Zerbe et al., 1998).

2.2.2 SERVICE-BASED HRM PRACTICES

In terms of the practices used to capture the service-oriented HRM concept, it is found that this particular variable has various versions. For example, there are six scales of HRM practices employed in the Zerbe et al.’s (1998) study, which include leadership and direction, rewards and benefits, work demands, career opportunities, performance appraisal, and training. Four of the scales are drawn from Dunham, Aldag, and Brief’s (1977) work while the other two are developed for the study itself based on the researchers’ review of literature. Meanwhile, in the study conducted by Tsaur and Lin (2004), the aspects of HRM practices being examined are recruitment and selection, training and development, compensation and benefits and performance appraisal. These HRM scales are borrowed from Khatri’s (2000) study.

In contrast, instead of looking at each practice, adopting a scale developed by Harmon, Scotti, Behson, and Farias (2003), Scotti et al. (2007) utilize an HRM scale comprising of ten items each measuring goal alignment, communication, involvement, empowerment, teamwork, training, trust, creativity, performance enablers, and performance-based rewards. Apart from that, there is a considerable debate pertaining to whether individual practices (e.g., Taylor & Ho, 2005) or overall system (e.g.,
Becker & Huselid, 1998) contribute more to organizational performances. As said by Schneider and Bowen (1993), the famous HRM-service quality scholars, “Service managers need to know which HRM investments yield the largest returns on different dimensions of service quality” (p.40). For purpose of effective management of human resources, this statement suggests the use of individual practices rather than global measure of service-based HRM.

The suggestion to use individual practices as the independent variables in the HRM-performance relationship can also be implied from the sport HRM model proposed by Doherty (1998). Although not specifically articulated, the author argues that HRM individual practices such as job design, staffing and development, personnel evaluation, rewards and leader behaviour independently influence the outcomes of organizations.

Benjamin Schneider, the scholar who first initiated the concept of service-based HRM also looks at the effects of HRM as individual variables (1980; 1994). In one of his breakthrough studies, individual HRM practices named as supervision, status, career facilitation, socialization and work facilitation have been found to be correlated with customer perceived service quality (Schneider & Bowen, 1985). Hence, while acknowledging the fact that as a system, it can show a stronger indicator of an investment in human capital (Dixon, 2002), this study however chooses to assess the effects of HRM practices individually mainly because this decision enables an identification of which practices are more or less influential in the HRM-performance
relationship. This information can help sport managers to be more specific and cost-effective in planning their HRM strategies.

The HRM practices that have been selected to constitute the service-based HRM construct are the ones which are proposed to be heavily linked to service orientation and considered crucial for the context of study. The choice of the selected practices is made based on the review of several studies which are related to this service-based HRM topic. Appendix A provides the list of studies that have been referred to in conceptualizing the concept of service-based HRM for this study.

2.2.2a SUPPORT AT WORK

Support at work is a measurement deduced from the integration of previous scales that consider this dimension as fundamental in the effort to foster service climate for the organizations (e.g., Schneider & Bowen, 1985; Wiley, 1991; Johnson, 1996; Lux et al., 1996; Rogg et al., 2001; Little & Dean, 2006). Support at work is an HRM practice that refers to the physical aspects of organization and workplace environment that potentially hinder or facilitate employees’ effort in accomplishing the given tasks. In the case of golf clubs, support at work may include organizational rules, policies and procedures, job descriptions, workload distributions, work demands, safety measures, work design, scheduling system, and others.

The idea that the dimension of support at work can affect productivity is inferred from the principle of scientific management introduced by an industrial engineer, Frederick Taylor (1911). The premise of Taylor’s theory is that employee performances can be
increased by providing them opportunities to earn more financial returns. Although this philosophy can be considered narrow by contemporary standard (Schneider, 1994), the fact that employee motivation and productivity go hand in hand has made organizations begin to find ways on how to motivate their workforce.

Soon after the initiation of Taylor’s theory, the idea of work design, time-and-motion technique and many other industrial engineering devices are applied to each facet of a job. It is believed that once the employees are fully equipped with appropriate work equipments and working in a conducive environment, they will be prompted to produce more (Griffin & Ebert, 2006). Extending this concept to golf club situations, employees can be expected to be committed in doing their jobs if for example, all necessary equipments work efficiently, the workplace is secured with adequate safety measures, the rules and procedures are easy to be understood and followed and there are always enough people to ask for assistance.

Empirical evidence have also shown that support at work is found to be generally positive in the promotion of high service-related outputs. For example, in Schneider and Bowen’s (1985) seminal study, the correlation between work facilitation and customer perceptions of service quality yields a significant value of 0.42. Adopting and modifying Schneider and Bowen’s scale, similar result has been depicted in the study carried out by Little and Dean, (2006). In this particular study, the value of correlation is 0.44.
Tornow and Wiley (1990) also provide substantiation when they find work rules and policies, health conditions and safety are highly associated with customer satisfaction. In somewhat similar study, Wiley (1991) reveals that, employee perceptions of the support at work (characterized by problems related to physical work context and safety level at the workplace) and work obstacles (demonstrated by priority issues such as deadlines, keeping costs down and providing quality services) have been found to be significantly correlated with various dimensions of customer satisfactions (e.g., $r \geq 0.31$).

2.2.2b TRAINING

Training serves to furnish employees with certain sets of knowledge, skills and behaviors related to the goals espoused by the organizations (Davis, Davis, & Van Wert, 1998; Swanson & Holton, 2001). Another purpose of training is to hint to employees that organizations are committed to take care of their well-being (Elmadağ et al., 2008) and value them as their valuable assets (Moreland & Levine, 2001). There are two types of training; formal (off-the-job training) and informal (on-the-job) training (Liu & Batt, 2007; Elmadağ et al., 2008). Formal training typically requires employees to be relieved from daily work and the training program is conducted systematically based on a standardized curriculum. Meanwhile, informal training occurs in the context of daily work, expects employees to learn on their own by observing how their co-workers or supervisors do their jobs. Both formal and informal training have been found to be related to organizational productivity (e.g., Bartel, 1994; Liu & Batt, 2007).
Human resource professionals have long acknowledged the importance of employee training in boosting the efficiency of service processes and outcomes (Yoo & Park, 2007), the organization’s competitive ability (Smith, 1998; Frabotta, 2000) and overall performance (Guzzo, Jette, & Katzel, 1985; Barron, Black, & Loewenstein, 1987; Campbell, 1989; Mathieu, Tannenbaum, & Salas, 1992; Colbert, 2004). It has also been argued that training allows service firms to “provide a better class of quality of service, or to develop a competitive niche market” (Davies, Taylor, & Savery, 2001, p. 367) which ultimately fosters repeat purchases from customers. In golf clubs, examples of training may range from acquiring basic skills in performing their jobs to making decisions in solving customer-related problems or complaints as well as learning about the clubs’ new service-related policies and procedures. Lytle, Hom, dan Mokwa (1998) observe that leading service providers are investing substantial resources in implementing their service training programs which include advanced quality-based team training, problem-solving training, inter-personal skills training, and other advanced training purported to empower employees with excellent work performance skills.

Training is exceptionally critical to employees whose main orientation is to delight customers (Albrecht & Zemke, 1985; Schneider & Bowen, 1985; Heskett, Sasser, & Hart, 1990; Benoy, 1996; Johnson, 1996). Hence, for service quality purposes, training is claimed to be an essential facet of HRM practices (Schneider et al., 1993; Brown, 1994; Patel, 1994; Perry, 1995; Ueno, 2008). Based on Heskett et al.’s (1994) model of the service-profit-chain, it can be implied that the achievement of customer loyalty and customer satisfaction is heavily dependent on an efficient service provision which
certainly includes the capability, knowledge and motivation of service employees. Wexley and Latham (1991) also add that employee behavior can be influenced through the behavior modeling process of thorough training programs.

Where employees are sufficiently trained and committed to providing a superior quality of service, there is evidence to suggest that customer perceptions of service quality are increased significantly (Armistead & Kiely, 2003). Studies related to service quality for example have shown that training is a significant contributor in the employee own perceptions of customer orientation (β=0.133, Strong & Harris, 2004), employee role-prescribed (prosocial) behaviors (β=0.78, Chebat et al., 2002) and extra-role (prosocial) behaviors (β=0.64, Chebat et al., 2002), job satisfaction (β=0.17, Elmadağ et al., 2008), commitment to firm (β=0.13, Elmadağ et al., 2008), two aspects of service quality measures namely, responsiveness and assurance (β=0.41, β=0.48, Tsaur & Lin, 2004) and perceived service quality (β=0.26, Yoo & Park, 2007). Training has also been shown to be highly correlated with four service climate variables (between r=0.22 and r=0.34, Rogg et al., 2001), service behavior (r=0.45, Browning, 2006), organizational commitment (r=0.72, Lux et al., 1996), customer service climate (r=0.49, Lux et al., 1996), customer satisfaction (r≥0.31, Wiley, 1991) and service culture (r=0.37, Zerbe et al., 1998).

2.2.2c REWARD SYSTEM

People do not work for free. Even volunteers expect rewards except that their rewards are typically more intangible intended to satisfy their intrinsic needs. In the context of human resource management, the reward system constitutes an economic exchange
thereby representing a key element of the employment relationship. In this exchange, employees “undertake a certain amount of physical and mental effort and accepts the instructions of others” (Bratton & Gold, 2003, p. 277) and for these reasons, it is natural for employees to expect some compensations from the management in return to what employees have given and done for the management.

Reward system in this study refers to all monetarily and non-monetarily compensations and incentives provided by the organizations to employees as a form of appreciation to the contributions which have expended by the employees to the organizations. According to Bau and Dowling (2007), there are five categories of rewards or incentives. The first one is the incentives provided by the work itself such as autonomy and growth through career development and the recognition of individual performance. The second type of rewards is called social incentives and this is characterized by information distribution and communication with employees. The third category is the incentives related to the internal organizational environment such as the size of the company, organizational structure and leadership style. The next two rewards categories are monetarily oriented, classified as direct and indirect financial groups. Direct incentives are pay-for-performance while indirect incentives include things such as free access to phone and internet at the office, and recreational facilities such as cafeterias or pantries, hospital bills (with certain limitations).

The importance of rewards in eliciting desired performances from employees can be justified by using the reinforcement theory (Skinner, 1953). Its basic assertion is that “employee behavior is a function of its contingent consequences” (Luthans &
When this premise is applied to the workplace, it yields a concept of *you get what you reinforce*. Building on the same foundation, a reward system can be seen as an approach to inculcate the employees’ commitment towards helping the organizations in achieving their business goals (Bowen & Johnston, 1999). That is because, when it is strategically designed with certain purposes, rewards are able to motivate the behaviors and actions of employees accordingly (Elmadağ et al., 2008). The employees’ high motivations to engage in service-related behaviors are assumed to result from fair (Dubinsky & Levy, 1989; McFarlin & Sweeney, 1992), conspicuous and specific compensation practices and programs (O’Connor & Shewchuck, 1995; Benoy, 1996; Hartline & Ferrell, 1996). Establishing rewards contingencies and recognizing employee superior service deliveries as well as rewarding them in a timely manner are also found to be significant indicators of employee commitment to service quality (George & Grönroos, 1989; Schneider & Bowen, 1993).

In general, the reward system has been found to be highly instrumental in stimulating the causal chain from employee behaviors to service quality (Heskett et al., 1990; Roach, 1991; Schlesinger & Heskett, 1991; Berry, Parasuraman, & Zeithaml, 1994; Schneider & Bowen, 1995; Lytle, 1998; Elmadağ et al., 2008). Specifically, there is an existence of a high correlation value in the relationship between rewards and a climate for service (r=0.43, Schneider et al., 1992), organizational commitment (r=0.72, Lux et al., 1996), service culture (r=0.15, Zerbe et al., 1998), customer satisfaction (r=0.46, Johnson, 1996), service behavior (r=0.17, Browning, 2006), extra-role behavior (β=0.36, Tsaur & Lin, 2004).
2.2.2d SUPERVISORY ASSISTANCE

Supervisors are leaders or persons whom employees are answerable to. With their leaderships, supervisors are potentially influential in shaping positive service orientation within an organization (Church, 1995; Lytle et al., 1998). Supervisors’ roles are often associated with providing assistance in terms physical and emotional supports necessary in the successful accomplishment of the given tasks (Goleman, 2000; Elmadağ et al., 2008). In short, it is believed that supervisory assistance can be considered as a critical component in the dissemination of organizational strategies to employees and a productive approach for affecting changes in their attitudes (Katz & Miller, 1996; Den Hartog & Verbug, 2002; Elmadağ et al., 2008).

A similar concept of supervisory assistance is seen in Schneider and Bowen’s (1985) study. In this study, the dimension is labeled as supervisory behaviors and they are described by the supervisors’ or managers’ acts of providing feedback, establishing rewards contingencies, and sharing information. In some other studies, this dimension is known as managerial practices (Tornow & Wiley, 1990; Schneider et al., 1998), supervisory practices (Wiley, 1991), management service orientation (Johnson, 1996), leadership (Schneider et al., 1998; Zerbe et al., 1998), supportive management (Yoon et al., 2001) and coaching (Elmadağ et al., 2008).

Effective supervisors are when they are able to influence the attitudes and actions of their subordinates for the betterment of the organizations (Bovee, Thill, Wood, & Dovel, 1993). Employees believe supervisors to be supportive when the supervisors allow them “to fail without fear or reprisal” (Yoon et al., 2001, p. 504). If positively
perceived by employees, supervisor supportive assistance can be a catalyst for employees to develop the proper attitudes and behaviours towards quality service. In golf clubs for example, employees who are unwell will feel cared for when their supervisors give them a day off or let them go out to see a doctor. In addition, if the supervisors recognize them for their involvements in successful golf competitions and make this known to everybody else in the clubs, the esteem needs of the employees will likely be heightened and this consequently enhances their motivations to give greater performances in the future. Being supportive and appreciative of the workers’ work efforts have been shown to strongly related to employees’ willingness to provide good services (Schneider & Bowen, 1993). Singh (2000) also finds that with supervisory assistance, service employees perceive their roles to be less stressful and their burnout tendencies to be less likely, and thus their performances and perceived commitment level are prone to be elevated.

Most of the studies demonstrate that supervisory assistance is facilitative in the organizational achievement of high service quality. For example significant associations are found between supervision and customer perceptions of service quality (Schneider & Bowen, 1985), between managerial service orientation and overall service climate (Johnson, 1996), between managerial practices and customer satisfaction (Tornow & Wiley, 1990), between leadership and service behavior (Zerbe et al., 1998), between coaching and employee service quality commitment (Elmadağ et al., 2008), and between supportive management and job satisfaction (Yoon et al., 2001).
2.2.2e PERFORMANCE APPRAISALS

Performance appraisals or evaluations of employee current performances are another crucial component in the management of human resources as it is very predictive of various human resource actions and outcomes (Judge & Ferris, 1993; Murphy & Cleveland, 1995; Boswell & Boudreau, 2002). This particular HRM practice refers to an “observation and assessment of employee performance against pre-determined job-related standards, for purpose(s) delineated by the organization” (Cheung & Law, 1998, p. 404). In line with this definition, Bratton and Gold (2003) add that the objectives of performance appraisals are to judge and develop the qualities of employees’ performances. According to Dixon (2002), performance appraisals work on two levels. First, they facilitate employee efficiency by making employees understand that they are responsible of their own performances. Second, if properly conducted, performance appraisals can help direct employees on how to improve their current performances.

The need to evaluate the performances of employees is a conclusion that can be drawn from the famous Hawthorne Study. In 1925, a group of researchers conducted a study at Hawthorne Works of Western Electric outside Chicago. These researchers have discovered that the productivity of the workers who involve in the study have increased and this outcome is attributed to the attentions that have been given to the workers throughout the experiment process (Griffin & Ebert, 2006). This study is an evident that shows human beings appreciate attentions because through those attentions, they have the opportunities to demonstrate their capabilities to the observers. This sequence of events is used to explain the high productivity that has been revealed in the study.
In the case of golf clubs, performance appraisals are believed to work the same way. Performance appraisals can be used as an avenue for employees to know the standard of their work performances particularly in terms of serving and satisfying their customers. Formal, structured and periodical evaluation system communicates a message to employees that the club management makes a serious effort to pay considerable attention to them. Based on the Hawthorne Study mentioned earlier, such a message will motivate employees to upgrade their current work performance levels.

Research in general has shown that performance appraisals are linked to firm performances (e.g., Delery & Doty, 1996). Work in the area of performance management has confirmed that appraisals from multiple sources or upward feedback from subordinates are contributive to individual high performance (e.g., Smither, London, Vasilopoulos, Reilly, Millsap, & Salvemini, 1995; Walker & Smither, 1999; Johnson & Ferstl, 1999; Sanwong, 2008;). In their meta-analysis study, Kluger and DeNisi (1996) have found that the groups that receive feedback gain higher performances than those that do not. While significant link has been produced by many studies in the literature, some organizations are still dissatisfied with their evaluation schemes due to complaints from employees regarding the process of performance appraisals which are perceived as unfair by them (Fletcher, 1997). It is therefore suggested that in order for performance appraisal to be supportive of employee behaviours, employees must first be satisfied with the way performance appraisals is implemented (Kuvaas, 2007).
Jawahar (2007) has noted that “in practice, perceived fairness of evaluation, the procedures used to evaluate performance, and the manner in which performance-related information is communicated likely play an integral role in shaping ratees’ reactions to critical elements of the appraisal process” (p.736). The same author has also provided empirical evidence that shows satisfaction with appraisal feedback is related to job satisfaction and organizational commitment. In short, performance appraisal can be a powerful HRM tool to influence the attitudinal behaviors of the golf clubs’ employees, as long the employees accept or are satisfied with the management of that performance appraisals process (e.g., Muczyk & Gable, 1987; Pettijohn, Pettijohn, & D'Amico, 2001).

According to the social exchange theory, an employee behavior at the workplace is actually a form of reciprocation of the treatment he or she receives from the organization (Rousseau, 1990; Rousseau & Parks, 1993). Inferentially, this theory implies that there is a relationship between organizational practices such as HRM, and employee behaviour. This also means that the kind of behaviors that organizations hope their employees to possess will depend on the kind of treatment that organizations are willing to expend to their employees. Thus, using the social exchange theory as the theoretical foundation, the present research assumes that HRM practices which place a strong emphasis on employee well-being are bound to produce employees with the aspired behaviors. In other words, customer-focused or service-based HRM practices will correspondingly unearth service-focused behaviors from the employees. In this present research, the sort of service behaviour that is predicted to result from service-based HRM practices is called organizational citizenship behavior (OCB).
2.2.3 ORGANIZATIONAL CITIZENSHIP BEHAVIOR (OCB)

In search of the appropriate employee behavior related to service quality, the framework of service-profit chain (Heskett et al., 1994) is referred to again. In this framework, it is learned that employee satisfactions are the key to positive employee performances. Employee satisfactions are a state when employees perceive their “needs, wants and expectations are satisfied across a range of related variables” (O’Neill, 2005, p. 135) pertaining to job-related experiences.

The relationship between employee satisfactions and organizational performances has long been the focus of enormous number of writings and empirical research from as far back as the famous work of Frederick Taylor (1911) up until today. “Although not often realized, Taylor’s basic motivation for his scientific management is the design of work so that employees might be satisfied at work and, thus, more productive” (Schneider, 1994, p. 65). In their review of this subject, Schneider and Brief (1992) estimate that over 5,000 articles and research dissertations have examined employee satisfaction as one of the critical antecedents of organizational success.

In the study conducted by Smith et al. (1983), they have found that employee satisfactions stimulate personnel to perform desirable behaviors that help the organizations to be effective and productive. This landmark work has served as an impetus for Organ (1988) to introduce an organizational citizenship behavior (OCB), a behavior that is theorized to be the consequence of employee satisfaction. This behaviour is believed to be a useful instrument in the performance enhancement of
employees as well as organizations. In the context of service environment, it is suggested that,

“employees who have positive appraisals of their work environment have higher levels of job satisfaction. Employees who have high levels of job satisfactions are more likely to engage in prosocial and helping behavior, leading to higher levels of customer satisfaction”

(Payne & Webber, 2006, p. 366).

Emerging evidence also show that these proactive behaviors resemble another form of service-oriented behavior which is called as OCB (Bettencourt, Gwinner, & Meuter, 2001; Hui et al., 2001; Groth, 2005).

Also known as a “good soldier syndrome” OCB is originally defined as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in aggregate promotes the effective functioning of the organization” (Organ, 1988, p. 4). Basically, OCB is a non-prescribed behavior exhibited by an employee by his or her own choice, with no expectation of getting any recognition or rewards from his or her management. OCB is sometimes likened to “prosocial organizational behavior” (Brief & Motowidlo, 1986; O’Reilly & Chatman, 1986; George, 1990; George & Bettenhausen, 1990) “organizational spontaneity” (George & Brief, 1992; George & Jones, 1997), and “extra-role behavior” (Van Dyne, Cummings, & Parks, 1995).

In order to distinguish OCB from those related terms especially “contextual performance” (Borman & Motowidlo, 1993; 1997; Motowidlo & Van Scotter, 1994;
Borman, White, & Dorsey, 1995; Motowidlo, 2000), Organ later redefines her definition by including the fact that OCB is a “non-task” behavior that serves to support task performance (1997, p. 91). Regardless of the specifics of the definitions, Acquaah (2004) observes that most organizational behavior scholars agree that OCB helps the achievement of organizational effectiveness by:

“(1) enhancing coworker and managerial productivity, (2) freeing up scarce resources for more productive purposes, (3) reducing the need to devote scarce resources to purely maintenance functions, (4) facilitating the coordination of activities between employee workgroups or teams and across workgroups, (5) strengthening the ability of organizations to attract and retain high quality employees by making the work environment a more interesting and fulfilling place to work (6) making an organization’s performance more stable by reducing the variability in a work unit’s performance and (7) increasing an organization’s ability to adopt to environmental change”.

(p.126-127)

In short, if OCB has been found to be contributive to organizational effectiveness based on the earlier discussion, then it is wise for sport managers as well to inculcate such behaviors among their employees.

2.2.3a OCB MEASURES

There exists various measures of OCB in the literature (e.g., Podsakoff et al., 1990; Van Dyne, Graham, & Dienesch, 1994; Konovsky & Organ, 1996; Lievens & Anseel, 2004). While a variety of OCB measures have been proposed and operationalized, LePine, Erez, & Johnson (2002) conclude that the most frequently used model is the one with five dimensions namely altruism, conscientiousness, sportsmanship, courtesy and civic virtue. Based on review of OCB literature (e.g., Organ, 1988; Podsakoff et
Altruism is known for a discretionary behavior that aims at helping coworkers or customers in alleviating problems at hand. This includes assisting others with heavy workloads, coaching new recruits or less skilled workers and offering helps to colleagues and customers who are in needs. These helping behaviours are not required in the job descriptions and they are readily performed with no time limits (i.e., even if the time exceeds the employees’ working hours).

Conscientiousness refers to a voluntary behavior performed for the purpose of complying with the rules prescribed by the organizations. High conscientious employees are more apt to be punctual, do not waste time, use the given resources efficiently and always go beyond minimally required levels of attendance.
SPORTSMANSHIP

Sportsmanship consists of actions that refrain employees from making trivial matters into big issues. Instead of making complaints or file grievances, these employees will try to look at the matters positively or try to solve them in less controversial ways. Overall, sportsmanship is a behaviour that tolerates the inevitable inconveniences of work without complaining.

COURTESY

Courtesy is an OCB behavior that attempts to maintain harmonious and peaceful relationships among individuals in the organizations. Examples of courtesy are consulting with others before taking any actions, being patient with the demands of customers or coworkers and allowing others to explain the reasons for their actions. In short, it is the acts of informing others to prevent the occurrence of work-related problems.

CIVIC VIRTUE

Another behavior that reflects OCB is called civic virtue. Civic virtue is demonstrated by employees who show efforts in keeping up with matters that affect the organization. For example, employees with high civic virtue participate in and are concerned with the life of the firm. They are willing to attend to any events organized by the organizations, make genuine efforts to read or understand the organizations’ new
services/products or rules/policies and offer their ideas or suggestions that can improve the performances of organizations.

**LOYALTY**

As the literature of OCB develops, several other related dimensions are introduced. For example, loyalty has been identified as an important component of OCB by scholars such as Graham (1991), Van Dyne *et al.* (1994), Bettencourt *et al.* (2001), Acquaah (2004), and González and Garazo (2006). Loyalty is seen as a behavior that cares about and concerns with the image, reputation and success of organization. Loyal employees are likely to defend their organizations against any threats, speak favorably about their organizations, encourage their own friends and families to purchase the offered services, and always like to show off their organizations’ logo to the outsiders (i.e., wearing t-shirts or using pens that have the company’s logo).

**TEAMBUILDING**

Another measure of OCB which is recently introduced in the literature is teambuilding. Acknowledging the importance of team-based performance and the contribution of discretionary behavior in ensuring the success of team productivity, Piercy, Cravens, Lane, and Vohies (2006) have created this new OCB domain. The scale assessment reports teambuilding to be a distinct measure with an internal consistency indicates quite a strong Cronbach’s alpha ($\alpha = 0.70$). Examples of teambuilding are actions taken
to resolve disagreement or conflicts among colleagues and encourage each other to do well-done jobs.

2.2.3b ANTECEDENTS OF OCB

The social exchange theory posits that employee behaviors towards their jobs are the results of the treatments they receive from their organizations (Blau, 1964). Building on this theory, relevant determinants of OCB has been rigorously examined. Hitherto, empirical evidence has shown antecedents of OCB are job satisfaction (e.g., Netemeyer, Boles, McKee, & McMurrian, 1997; MacKenzie, Podsakoff, & Ahearne, 1998; Bettencourt et al., 2001), organizational commitment (e.g., Podsakoff et al., 1996; MacKenzie et al., 1998), fairness perception (e.g., Moorman, 1991; Netemeyer et al., 1997), personal disposition (e.g., Bolino, 1999; Bettencourt et al., 2001), transformational leader behaviours (e.g., Podsakoff et al., 1990) and leader-member exchange relationship (e.g., Kent & Chelladurai, 2001). However, despite the growing evidence of the predictors of OCB, researchers have paid relatively little attention to HRM practices as another significant contributor of OCB.

Sun, Aryee and Law (2007) point out the role of HRM practices as an indicator of organizations’ attitudes towards employees. For example, the extent to which the organizations are concerned with the employee well-being is indicated by the design of the HRM practices. These researchers propose in their study that employees’ OCBs will be enhanced if they perceive there is an existence of supportive HRM practices (i.e., positive work environment) implemented by the organizations. The results of their
investigation has provided evidence (r=0.35) that advocates the proposition. Hence, in line with the social exchange theory, it is hypothesized in this research exercise that service-oriented HRM practices which are focusing on satisfying both customers and employees (Schneider & Bowen, 1993) will create an environment where employees are motivated to work for the benefits of their organizations. This motivation is assumed to be resulted from their obligations to repay the organizations’ kindness towards them.

2.2.3c CONSEQUENCES OF OCB

Apart from being studied as the outcome of various determinants (e.g., HRM practices), OCB is also investigated in terms of its consequences related to organizational performances. Empirical research that substantiates the relationship between OCB and organizational outputs are various. For example, Karambayya (1989) finds that employees working in high-performing organizational units exhibit higher levels of OCBs than employees working in low-performing units. In the years that follow, Podsakoff et al. (1997) examine employees’ helping behaviors and their tolerance towards job difficulties in a paper mill. Their findings reveal that those OCB-related behaviors correlate highly with workgroup performance.

In a more recent study, Koys (2001) also discovers that an OCB influences customer satisfaction, quality of service and generation of revenues. Earlier than Koys’ study, the data gathered by Walz and Niehoff (2000) indicate that some citizenship behaviors are found to be contributive to at least some measures of organizational performances.
Overall, according to the meta-analytic study conducted by Organ and Ryan (1995) on 55 previous research, most of the work has focused on the employee-level variables such as attitudes, perceptions and personal dispositions as the functions of OCB. Without trying to underestimate the importance of those findings, Yoon and Suh (2003) suggest an examination of other outcome variables related to organizational measures as the dependent variable for OCB. One promising variable that has been recommended is perceived service quality.

Bienstock et al. (2003) provide three reasons why OCB is able to affect customer perceptions of service quality. The first one relates to the fact that OCB is a non-mandated behavior. The standard guideline for employees for example, may include the specific amount of time spent by employees to entertain each customer at the registration counter. However, depending on the moods of customers due to multiple causes unknown to but felt by employees, the employees may strictly follow the standard procedures, reduce the interaction to a minimum or extend the interaction for the purpose of cheering up the customers. The employees’ decisions on this hypothetical occasion are largely dependent on their varying levels of discretionary behaviors.

The second reason concerns with the characteristics of OCB that promotes independent, individual initiative. For example, it may not be specified in their job descriptions but employees with high levels OCBs have high tendencies to propose relevant suggestions that can improve the performances of organizations such as
instituting new scheduling or merit systems. Such initiatives will help improve the management of organization and this efficient management will impress customers who will then evaluate service quality more satisfactorily. Finally the last reason why OCB can function as the predictor of positive customer perceived service quality is because this behavior contributes to performance at an organization level. For instance, employees of high levels of OCBs are very tolerant to emotional pressures imposed by their co-workers or organizational system and policy. Their avoidances from getting themselves involved in any workplace conflicts help to secure the costs that have to be unnecessarily spent by the organizations in the process of resolving those conflicts. Furthermore, organizations that are free from internal conflicts will be perceived positively by the customers.

There is however an indication of an interest to explore OCB in service organizations. For example Morrison (1996) proposes a model that links HR practices and OCB to service quality. Vaughan and Renn (1999) develop a framework that draws a link between customer service OCB and customer loyalty and perceptions of service quality. Empirical evidence provided by Hui et al. (2001) has confirmed a significant path between customer-focused OCB and service quality. In another study conducted by Yoon and Suh (2003), it is demonstrated that contact employee job satisfactions and trusts in their managers contribute to employee levels of OCBs and these OCBs later help to enhance customer perceptions of service quality.
2.2.3d OCB AND SPORT MANAGEMENT

Within the context of sport management, at least two studies have been found to examine OCB. The first one is carried out by Kent and Chelladurai (2001). In that study, the researchers have investigated OCB as the result of transformational leadership (TL) in the American university athletic departments. In contrast to the positive relationship between TL and OCB which has been consistently shown in the non-sport management literature, this study finds no evidence of such relationship. Only one dimension of TL, which is leader-member exchange (LMX) yields significant correlation value with OCB-altruism ($r=-0.314$) and OCB-generalized compliance ($r=-0.248$). The lack of consistency with the common findings suggests further exploration of the concept of OCB in sport setting.

The second study is conducted by Chang and Chelladurai (2003a). In the context of Korean sport organizations, the study examines the attitudes of part-time and full-time workers of in terms of their commitment and OCBs. The kappa results report that full-time employees are more affectively committed (kappa difference=2.69, $t=3.98$) and more OCB oriented (kappa difference=2.61, $t=3.92$) than the part-time employees. The findings are considered consistent with the social exchange theory which predicts that employees who perceive that they are treated fairly by their employers will exhibit positive attitudes and behaviours towards their jobs. In this case, because the full-time workers receive better remuneration than the part-time workers, it is therefore expected that their perceptions towards the organizations are better than those of the part-time workers. Evidently, the results provide supports to this prediction.
2.2.4 SERVICE QUALITY

According to the Maslow’s needs hierarchy theory, once the basic requirements for food and shelter are fulfilled, people begin to seek physical goods and consequently aspire to achieve personal development. This is what has been characterizing the people living in the post-industrial society currently.

“The postindustrial society is concerned with the quality of life, as measured by services such as health, education and recreation. The central figure is the professional person, because rather than energy or physical strength, information is the key resources. Life now is a game played among persons”

(Fitzsimmons & Fitzsimmons, 2006, p. 8).

The transitions from pre-industrial to industrial and later to post-industrial have resulted in an increase in the family income. Based on the Engel’s Law, the more money people earn the more likely for them to spend their extra income, not on buying more food, but on enriching the qualities of their lives in terms of health, education and recreation (Grönroos, 1988). Therefore, as the disposable income is accumulating, the extra spending has been more on getting better quality of life, as served by the service industry rather than acquiring larger quantity of goods, as produced by the manufacturing companies.

The prevalent issue related to better quality of life is service quality. Service quality is a concept that is not easy to explain (Parasuraman, 2002; Parasuraman et al., 1985; Berry et al., 1988). This difficulty is most often attributed to the unique features of services, in terms of how they are produced, consumed and evaluated (Chelladurai, 1999; 2006). To begin with, the concept of quality is even more complex within the
service than the goods context (Grönroos, 1984, 1988; Zeithaml et al., 1990; Lehtinen & Lehtinen, 1991). In the traditional production of goods, every single mistake or flaw that appears in the physical body of goods can be detected and corrections can be made before they are out to be purchased by customers. Unfortunately, because of the unique nature of services which is described as intangible, perishable, heterogeneous, and simultaneous (Sasser et al., 1978; Schmenner, 1995; Lovelock, 2001; Chelladurai, 2006), the outcomes of services cannot be physically measured and presented in a tangible and consistent manner. This happens because services are abstract entities and that is why to some scholars they are defined subjectively as “actions that transfer values” (O'Sullivan et al., 2002), “transactions with the absence of ownership” (Lovelock & Gummesson, 2004), “games between persons” (Bowen & Schneider, 1988) and “deeds, processes and performances” (Zeithaml & Bitner, 1996).

Perhaps, because of the non-universal definition of service quality, the instrument used to measure it also suffers from being inconsistent. Many issues regarding the inconsistency of service quality have been raised (Reeves & Bednar, 1994). One of them is regarding whether to evaluate the quality of service based on disconfirmation paradigm (e.g., SERVQUAL; Parasuraman et al., 1985) or performance perception (e.g., SERVPERF; Cronin & Taylor, 1992; Brady & Cronin Jr., 2001) of the overall performance (Zhou, 2004). Despite the widely used of SERVQUAL (e.g., Choi, Lee, Kim, & Lee, 2005; Dabholkar & Overby, 2005; Mukherjee & Nath, 2005; Kouthouris & Alexandris, 2005) or its replications (e.g., Asubonteng, McCleary, & Swan, 1996; Mels, Boshoff, & Nel, 1997; Robinson, 1999), this disconfirmation paradigm measurement has been criticized for “its use of difference scores, dimensionality,
applicability and the lack of validity of the model” (Kang & James, 2004, p. 267). To overcome this problem, direct measures have been suggested (Brown, Churchill, & Peter, 1993; Peter, Churchill, & Brown, 1993). Dropping the expectation portion of the disconfirmation framework, only the perception of overall service quality is used as an alternative to the gap-based measurement (Brady & Cronin Jr., 2001). Empirical evidence also have shown that performance perception is superior to the gap analysis especially for the reasons that it is able to capture the variance in consumer overall perceptions of service quality and validate the conceptualization of service quality as a determinant of customer satisfaction (Brady, Cronin Jr., & Brand, 2002).

Another common issue that is often debated is whether service quality and customer satisfaction are the same or different constructs (Dabholkar, 1993; Oliver, 1993; Iacobucci, Grayson, & Ostrom, 1994). The issue is particularly valid since some empirical attempts purported to distinguish these two constructs have always been unsuccessful. For example, discriminant validity is found to be non-existence between service quality and customer satisfaction in the study carried out by Spreng and Singh (1993) in banking industry. Another concern regarding similar issue is the link between these two constructs (assuming that they are of distinct entities). Some researchers assert that customer satisfaction is the antecedent of overall service quality (e.g., Oliver, 1981; Parasuraman et al., 1988; Bitner, 1990) while others posit the opposite relationship (e.g., Oliver, 1983; Anderson & Sullivan, 1993; Spreng & Mackoy, 1996).

To address these two issues, Dabholkar, Shepherd, and Thorpe (2000) conduct a study that investigates the relationship between these two constructs and behavioral
intentions. Based on confirmatory factor analysis, they have found significant evidence that supports the presence of discriminant validity between service quality and customer satisfaction constructs. In other words, service quality and customer satisfaction are distinctively different from each other. Furthermore, through the SEM analysis the authors also find that service quality has an impact on behavioral intentions through customer satisfaction and this proves that customer satisfaction is not a determinant but a consequence of service quality.

2.2.4a PERCEIVED SERVICE QUALITY

According to Chelladurai (2006), the core activities of sport and recreation organizations concern with the production of services rather than goods. This implies that the perspective of quality in the sport settings is better understood by referring to the service quality literature. Based on literature review of service quality in sport, Chang et al. (2002) and Tsitskari, Tsiotras, and Tsiotras (2006) have observed that dimensions of service quality also vary within sport settings. For example, there are five dimensions of service quality in the fitness services (Chelladurai et al., 1987), eleven in the sport centers (Kim & Kim, 1995), five in professional sport (McDonald et al., 1995), four in sport and leisure centers (Howat et al., 1996), and four in recreational sport centers (Ko & Pastore, 2005). In one of the most recent development of service quality conceptualization in sport setting, Chang and Chelladurai (2003b) have used the system-based approach as their basis of input-throughput-output scale of service quality in fitness services. The output component consists of a four item-construct called perceived service quality, of which it measures the customer overall perceptions of the organization’s level of service quality.
The “boundary-spanning” literature (Thomson, 1967; Bennis, 1970; Aldrich and Herker, 1977; Katz & kahn, 1978; Schneider, 1980) suggests that whatever feelings employees have towards their service organizations are inevitably transparent to customers. The source of this phenomenon is attributed to the nature of service which is intangible. The intangibility of the business makes all employee job related activities visible and therefore cannot be hidden from customers. For example, if employees feel that they are not treated fairly by the management, they will likely be less enthusiastic to perform their jobs. Since the product of service is measured by the quality of service delivery (Grönroos, 2000), the employees’ non-committed attitudes will influence the quality of their work performances which in effect, impact the organizations’ service delivery to the customers. Eventually, the customers’ evaluations on the organizations’ service quality will be affected by these chains of events.

The first study that attempts to examine the extent of the connection between employees’ and customers’ perceptions of service quality has been carried out by Schneider, Parkington, and Buxton in 1980. With a revelation of a significant correlation value of 0.67, this study becomes the cornerstone of more boundary-spanning studies in the literature. (e.g., Schneider, 1980; Schneider et al., 1992; Schneider & Bowen, 1993; Schneider, 1994; Schneider et al., 1998; Schneider, 2000; Schneider, 2004). Hence, based on the accumulated evidence, there is reason to believe that there is an existence of a positive association between employee and customer experiences of service quality.
The boundary-spanning or spillover effect is further rationalized and advocated by the recent theory of service-profit chain (Heskett et al., 1994). In this theory, employees’ satisfaction with the organizations’ internal service quality is posited to be the causal factor of the employees’ work productivity. The theory asserts that employees who perceive their organizations as not customer-oriented in their human resource processes and procedures are expected to exhibit non-customer-oriented attitudes towards the customers. When this occurs, there is a high tendency for customers to receive attention that is not properly and adequately given by the respective unfriendly employees. This in turn will result an outcome that is certainly detrimental to the customers’ overall impressions of the organizations’ service quality performances.

To put succinctly, boundary-spanning and service-profit chain theories propose that employees’ feeling, ideas and opinions correlate well with those of the customers’. Previous empirical evidence that support this correlation is sufficient. For example, after the 1980’s study, Schneider and Bowen (1985) once again investigate the relationship in a different service setting and this time, they find a somewhat similar significant correlation value which is 0.63. This significant relationship is also steadily shown in other studies such as those conducted by Johnson (1996, \( r=0.45 \)), Yoon et al. (2001, \( t=2.98 \)), and Scotti et al. (2007, \( \beta=0.66 \)). This convincing significant employee-customer relationship is so well recieved by researchers that some of them even utilized employees as substitutes to customers’ perceptions of service quality (e.g., Tzafrir and Gur, 2007). In short, based on the available evidence, it can be concluded
that “employees of service organizations constitute not only a delivery mechanism but a strategic diagnostic resource for service organizations” (Schneider, 1994, p. 74).

### 2.2.5 STRATEGIC CORE WORKFORCE

The strategic core workforce proposes an idea of having different employment systems on different groups of employees within an organization (Delery & Shaw, 2001). This idea points out that successful firms normally have a certain group of employees who are more equipped with distinctive competencies than the rest of other employees. These distinctive competencies which are possessed by this particular group of employees differentiate the organizations from competitors.

Apparently the concept of strategic core workforce is similar to what has been promoted by other researchers. For example, drawing on the resource-based view, human capital and transactional cost theories, Lepak and Snell (1999) have contended that the value and uniqueness of employee skills serve as key predictors of four different employment modes namely internal development, acquisition, contracting, and alliance. Each employment mode requires different employment arrangement. They state that “So, just there may be no universally best set of HR practices for every firm, we argue that there may actually be no one best set of practices for every employee within a firm” (Lepak & Snell, 1999, p. 45).

Other examples are shown by Osterman (1987) who elaborately discusses the four categories of employment subsystems as alternatives for different types of jobs within organizations, Sonnenfeld and Peiperl (1988) who view the composition of firms’
workforce as reflective of different career systems and Tsui, Pearce, Porter, and Tripoli (1997) who provide empirical evidence that also advocates the principle of providing different treatment to different employees of different employment relationships.

The strategic core workforce of an organization is believed to be determined by the firm’s strategy (Delery & Shaw, 2001). As said by Pfeffer and Baron (1988, p. 273), “if a company is to build an internal culture around its expertise, say, as a marketing company, it may find it more convenient to de-emphasize – and perhaps externalize altogether – those functions that are peripheral to this core activity of the organization”. In the case of service companies for example, the strategies of the firms are fundamentally related to customer and service quality (Bowen & Ford, 2002; Anderson, 2005). Because customer-contact employees are the group of human resources who are in contact with customers and have always been the focus of many service studies, to consider them as the strategic workforce of the service firms is therefore justifiable.

2.3 DEVELOPMENT OF PROPOSITIONS AND HYPOTHESES

Overall, based on the empirical research described earlier, as well as other relevant works available in the literature (e.g., O’Connor & Shewchuck, 1995; Haskett et al., 1994; Benoy, 1996; Hallowell, Schlesinger, & Zornitsky, 1996; Johnson, 1996), it can be concluded that there is adequate support to relate HRM practices to service quality. This current study however, attempts to extend the previous works by addressing a number of issues arising from the review of previous literature.
The first issue is regarding the HRM practices that represent the construct of service-based HRM. As stated by Lytle et al. (1998) “little is known about the integral ingredients required to create and produce service excellence” (p.459). Similarly, evidence have shown that there is no consistency in the practices of service-based HRM. Moreover, the practices chosen to be employed in the studies are not well justified by some researchers. (e.g., Wiley, 1991; Yoon et al., 2001; Tsaur & Lin, 2004; Elmadağ et al., 2008). The point of departure from those studies is that, this current study closely examines the relevant service-HRM research available in the literature (See Appendix A). Integrating those that are believed to be suitable in the context of this study, five HRM practices have been considered as representative of service-based HRM and they are called support at work, training, reward system, supervisory assistance, and performance appraisals. Conceptually and theoretically, these practices have been discussed to be instrumental in the creation of a causal chain which starts from HRM to OCB and subsequently from OCB to service quality.

“How an organization manages its human resources establishes the tone and conditions of the employee-employer relationship, and in turn this impacts on employee behavior” (Tsaur & Lin, 2004, p. 472). For the purpose of effective management of human resources, it is therefore important to understand the kinds of behaviors that will be produced by certain orientations of managerial practices such as service-based HRM. This concern leads to the second issue that is going to be addressed in this study. Within the context of HRM-service quality relationship, the employee behavioral outcomes of service-oriented HRM practices that have been studied by previous researchers heretofore are usually service behavior (Zerbe et al., 1998; Browning,
While the mentioned variables have been found to be playing paramount roles in the causal relationships that have been investigated, there is an issue of limited evidence on other behavioral elements, which also have great potentials in affecting service-related outcomes (Bell & Menguc, 2002). In one of the most widely cited article, Morrison (1996) suggests organizational citizenship behaviour (OCB) as an alternative to other customer-oriented behaviours. OCB is a discretionary behaviour displayed by the concerned employees who are committed to contribute to the positive development of the organizations (Organ, 1988). The fact that OCB can be a significant consequence of service-based HRM has been inferred from the studies conducted by Chebat et al. (2002) and Tsaur and Lin (2004). However, in those studies, the OCB is called extra-role behavior and the significance of this particular behavior is not highly stressed nor discussed at great length. Although there are strong theoretical justifications to predict the relationship between HRM practices and OCB (i.e., social exchange theory), to date there is no empirical evidence that suggests the incorporation of service orientation in the design of HRM practices can strongly encourage employees to perform this voluntary behavior.

In relating service-based HRM practices to OCB, the construct of OCB is now the next concern; Is OCB a first-order or a second-order (global) construct in this study? For reasons to achieve parsimony and to reduce complexity, most scholars treat different
OCB measures as composite indicators of a global construct (Allen & Rush, 1998; Chen, Hui, & Sego, 1998; Deckop, Mangel, & Cirka, 1999; Hui et al., 1999; Netemeyer et al., 1997). Supports for opting OCB as a global construct is provided by a meta-analysis study carried out by LePine et al. (2002). In that study, it is reported that “the predictive relationships with the broader OCB criterion were as good as, or superior to, those with the narrower dimensional criteria” (p.60). Based on these arguments, OCB has been decided to be a global construct in this study. Hence, with regard to the highlighted issues, the following proposition is established in this study:

**PROPOSITION 1**

Service-based HRM Practices inculcate organizational citizenship behaviors (OCBs) among employees

This proposition can be empirically tested by examining the following hypotheses;

**H1. Support at work has a significant relationship with OCB**

**H2. Training has a significant relationship with OCB**

**H3. Reward system has a significant relationship with OCB**

**H4. Supervisory assistance has a significant relationship with OCB**

**H5. Performance appraisals have a significant relationship with OCB**

The third issue is related to the inadequate evidence regarding the relationship between OCB and service quality in the relevant literature. While the relationship has been theoretically established (Morrison, 1996), the existing literature is still limited and insufficient (Kelley & Hoffman. 1997; Bell & Menguc, 2002; Castro, Armario, &
Ruiz, 2004). Early conceptualization of OCB predominantly focuses on behaviors that are directed at other coworkers of the organization in general (e.g., Organ, 1988; Podsakoff et al., 1990). Its effect on organizational performances, perceived service quality in particular, is still not fully explored (Bolino & Turnley, 2003).

Some studies however have been successful in proving the existence of a link between OCB and service quality (e.g., Walz & Niehoff, 1996; Vaughan & Renn, 1999; Hui et al., 2001; Bell & Menguc, 2002; Yoon & Suh, 2003; Castro et al., 2004). Nevertheless, it has never been studied how the context of sport may alter this relationship. The need to address this issue is critical especially when employees’ behaviours are found to be one of the important success factors in sport organizations (e.g., Dixon, 2002; Chang & Chelladurai, 2003b). For that purpose, the present study will examine the relationship between OCB and customer perceptions of service quality in the context of sport, specifically, golf clubs in Malaysia. Thus, the second proposition for this study will be:

**PROPOSITION 2**

**Employee OCBs determine perceived service quality**

The corresponding hypothesis that needs to be statistically tested therefore:

**H6. OCB has a significant relationship with perceived service quality**

The fourth issue concerns with the role of HR outcome as the mediator in the relationship between service-based HRM practices and quality service performances. HRM scholars in general, aim at providing evidence on the significant role played by
HRM in the organizations’ performances. While most of the empirical research reveal positive linkages (e.g., Arthur, 1994; Huselid, 1995; Batt, 2002; Way, 2002; Zacharatos, Barling, & Iverson, 2005), some others are found to be inconsistent with the general findings. For example, Wright, Gardner, Moynihan, and Allen (2005) observed that when past firm performance is included as the controlled variable, the existing association between the HRM and organizational effectiveness becomes no longer significant. Similarly, in the study conducted by Park, Mitsuhashi, Fey, and Björkman (2003), with the presence of workforce attitudinal characteristics, the relationship between HRM and firm performance is subsequently diminished.

In similar argument, Rogg et al. (2001) notice that many prior HRM-performance research such as those carried out by Huselid (1995), Delaney and Huselid (1996), and Huselid et al. (1997), generally disclose significant but small effects of HRM on performance. This observation is further supported by their own findings (Rogg et al., 2001) which report a small magnitude of correlation between HR practice components and climate variables (average result, r=0.23). As said by Haynes and Fryer (2000, p. 240) “Importantly, these attempts to demonstrate statistically the effects of HRM leave the exact nature of the relationship between particular bundles (HRM practices) and organizational performance unclear”.

Little understanding of the “black box” (Delery & Shaw, 2001, p. 170) that underlies the HRM-performance relationship has been given as the reason for this “unclear” conclusion (Guest, 1997; Peccei & Rosenthal, 1997; Delery, 1998; Wright & Gardner, 2003). Apart from that, according to Dyer and Reeves (1995), the most immediate
impact of HRM practices is seen on employee-related behaviors, followed by organizational productivity and consequently organizational financial outcomes. This conception clearly supports the idea of a mediator that is presumably presence in the HRM-performance relationship. Hence, understanding and identifying the existence of a mediating variable in this relationship are considered important as the information can help explain how the HRM practices influence the organizations’ performances (Wright, Gardner, & Moynihan, 2003).

The question of how the effects of HRM practices are transported to a specific organizational outcome, service quality in particular, is also not sufficiently answered within the study of HRM in the service industry. As service quality has been consistently found to be the result of organizational service-based elements, including HRM practices (e.g., Schneider & Bowen, 1985; Yoon et al., 2001; Tsaur & Lin, 2004), not many studies attempt to confirm whether the association is purely direct or caused by the mediating factors such as employee behaviors. Even those that examine this mediating issue provide mixed results. A classic example is shown by Browning (2006) where the researcher examines the effects of HRM practices on the perception of service behavior as mediated by organizational commitment in three different settings namely retail, hospitality and car rental. The results report that the mediating effect is only significant in the retail sector, partially significant in the car rental and non-significant in the hospitality industry. Extending the concept of mediation to the sport setting, this study departs from the earlier research by looking at employee OCBs as the mediator in the relationship between service-based HRM practices and perceived
service quality. Therefore, the proposition that is developed for this study is stated as follows:

**PROPOSITION 3**

Employee OCBs serve as the linking variable that connects service-based HRM practices to perceived service quality

With a purpose to verify the above proposition, the following hypotheses will be tested:

*H7. OCB mediates the relationship between support at work and perceived service quality*

*H8. OCB mediates the relationship between training and perceived service quality*

*H9. OCB mediates the relationship between reward system and perceived service quality*

*H10. OCB mediates the relationship between supervisory assistance and perceived service quality*

*H11. OCB mediates the relationship between performance appraisals and perceived service quality*

The study samples of most service literature have always been workers who are directly in contact with customers. Does this mean that customer-contact employees are the strategic core workforce of the organizations? Assuming the strategic core workforce is correct, the service-based HRM framework therefore is more valid and applicable on this type of employees. Nevertheless, the issue of whether customer-
contact employees are the strategic core workforce of the service organizations and as such should receive more attentions from the management has never been addressed by any study before. Similarly, whether the non-contact-customer employees are equally important in the achievement of service quality goals is another concern that should also be resolved so that deserving attentions can be given to this group of employees as well.

Oliva and Sterman (2001) state that “customers do not evaluate service quality solely in terms of the outcome of the interaction; they also consider the process of service delivery” (p.894). As far as this definition is concerned, the quality of its delivery process is dependent on the performances of both non- and contact-customer employees. Schneider and Bowen (1993) strongly believe that customer impressions of service quality are derived from the whole picture of the service experiences which include not only their interactions with the contact staff, but also with the systems and conditions of the environment where the experiences take place. His belief is consistent with the various service quality scales which suggest the results of work performances of both non- and customer-contact employees as dimensions of service quality. This also means that the contributions of the non-customer-contact staff in making the service firms of high quality service are also as instrumental as those contributed by customer-contact employees. In other words, the performances of both worker types are highly related to customer perceptions of service quality.

Despite Schneider’s early conceptualization of the role of employees in the service firms regardless of whether they are directly or indirectly attending to the needs of
customers, many studies have only concentrated on understanding the nature of service from the perspective of customer-service employees. For example, Davies et al. (2001) argue that the “permeable boundary” (Van Looy, Van Den Bossche, & Buyens, 1998, p. 200) between customer-contact employees and customers “in the form of observation and interaction, creates a situation where the employees’ experiences at work is communicated to their clients and in turn reflects the overall service quality impression of the organization” (Davies et al., 2001, p. 366). These researchers seem to imply that the link between management strategy and service quality can be more established by the contact-customer service staff because “employees who deal directly with customers are likely to have a good idea of how satisfied their customers are” (Johnson, 1996, p. 835). This possibly is the main rationale why this type of workers is preferable to be the subjects of most observations (e.g., Wiley, 1991; Chebat et al., 2002; González et al., 2006). Obviously, this rationale is shared by advocates of the strategic core workforce principle.

The strategic core workforce is a concept that believes some management strategies should not necessarily be applied to all employees within a firm (Delery & Shaw, 2001). According to this belief, if the management is targeting at achieving the organization’s goals, the strategy to accomplish that should be implemented on employees who directly deal with this core process. Not only the same strategy may not be relevant to other employees who are at the non-core of the business but the implementation may incur unnecessary cost and resources. Correspondingly, based on the trend of service research, customer-contact employees have been given the central attention and as such, it can be implied that they are the ones involve in the core of the
service business (as they directly deal with customers). Thus, assuming the idea of strategic core workforce is correct, the model which is proposed in this study will only be valid or fit in the samples of customer-contact employees. In the samples of non-customer contact employees, the same validity is not expected to be demonstrated.

In short, based on the proposition of strategic core workforce, this study predicts that the model that illustrates the mediating role of OCB as the mediator in the relationship between service-based HRM practices and customer perceptions of service quality will be moderated by the nature of employee job orientation (whether they are directly or indirectly interacting with customers in performing their jobs). More specifically, the model is expected to be valid only in the samples of customer-contact employees but not in the non-customer contact employees. Thus, in order to confirm this prediction, the current study formulates the following proposition:

**PROPOSITION 4**

The model that depicts the mediating effect of OCB in the relationship between service-based HRM practices and perceived service quality only fits the customer-contact employee but not the non-customer-contact employee sample.

In order to obtain empirical evidence for this proposition, the following hypothesis is therefore developed:
**H12. The nature of employee job orientation (direct or indirect contact with customers) moderates the proposed model**

The sixth and final issue that has arisen from the literature review is regarding the context in which the studies have taken place. To date, empirical data related to HRM-service quality relationship has been extracted from the contexts of insurance (George, 1990; Hallowell *et al.*, 1996), banking (Schneider *et al.*, 1980; Schneider & Bowen, 1985), telecommunication (Batt, 2002), healthcare (Scotti *et al.*, 2007) and car rental, hospitality, and retail (Browning, 2006) industries. Apparently, none of them has examined this subject in a sport-related context. The need to understand the HRM-service framework in the sport setting is further heightened by the fact that HRM research is generally lacking within the sport literature (Gibson, 1998; Taylor & Ho, 2005). Although it is widely acknowledged that human resources are considered critical elements in sport organizations (Chelladurai, 2005; Linnehan, 2005), very few studies have examined an HRM related topic.

Exceptions however can be made to some studies such as the one conducted by Wright, Smart, and McMahan (1995) who investigate the connection between strategy, human resources, and performance among the American National Collegiate Athletic Association (NCAA) basketball teams, Dixon (2002) who proposes a multi-level model for the relationship between HRM practices and organizational performances in the American NCAA Division III level, and Taylor and Ho (2005) who explore the effects of convergence and divergence issues and how they influence the HR practices in the Australian sport organizations.
While several attempts have been made to address some HRM issues in the sport setting, little is known about how HRM operates within profit-oriented sport organizations such as golf clubs. Heretofore, no research has been found to identify specific practices of HRM in sport organizations (e.g., golf clubs) that can be linked to employee customer-oriented behaviors and subsequently customer perceptions of service quality.

Based on Chelladurai’s (1987) descriptions of service firm classifications, golf clubs can be categorized as the type of firms that offers both primary and secondary services. The primary services are associated with golfing experiences such as game rules, competition system, provision of instructors, caddies, playing courses and reservation process. The secondary segment includes all those complementary services that do not directly relate to golfing activities but important in the enhancement of customer experiences. For example, food and beverages at the restaurants, cleanliness of the changing rooms, adequacy of locker rooms and safety at parking facilities. Given such complex nature of industry, there is a need to identify certain service-based HRM practices that are critical in the development of certain employee behaviors, particularly OCB, which are deemed to be important in customer perceived service quality.

As stated by Scotti et al. (2007, p. 111), “Despite considerable progress in specifying and empirically testing various linkage models, the specific matrix of strategic human resource management practices that drive the “chain-reaction” remains unsettled”. The call for effective management of human resources that are designed to enhance service
quality has been echoed by many concerned scholars. Within the sport management study of which the HRM topic relatively receives little coverage, this concern is therefore particularly more valid and relevant. Hence, the issues that have been raised heretofore provide justifications for the present study to propose and test the following model in the sport context such as the Malaysian golf clubs.

Figure 2.1: The Conceptual Framework of the Mediating Role of Organizational Citizenship Behaviour in the Relationship between Service-Based HRM Practices and Perceived Service Quality as Moderated by the Nature of Employee Job Orientation

2.4 CONCLUSION

Based on extensive literature review which has been covered in this chapter, there is evidence to show that HRM is strongly related to performance. The concern of this study however is to search for the kind of HRM that is more suitable to be practiced in the context of service, particularly sport and understand the process that links the service-based HRM to perceived service quality. Such an investigation has never been conducted by any past studies. Using findings from service climate research as
guidelines, service-based HRM is conceptualized and considered as the predictor of an OCB, a work-related behaviour exhibited by employees. This behaviour is believed to be elicited from employees if they perceive their well-being have been well taken care of by the management. Several conceptual and empirical work that are related to OCB have been referred to and it is found that OCB is a behaviour that can be resulted from service-based HRM and it is also facilitative in the creation of high service quality. Following from this argument is the development of a model which illustrates the mediating role of OCB in the relationship between service-based HRM practices and perceived service quality. This model is expected to match the data collected from the customer-contact employees only. In the non-customer–contact employee samples, the model is presumed to have no validity.
CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

Based on the review of literature in the previous chapter, multiple propositions with corresponding hypotheses have been established. Testing these hypotheses will (or will not) provide support to those propositions. The aims and objectives of this study will be accomplished once the hypotheses are examined and discussed. However, the results of hypotheses testing will only be meaningful if they have been tested and analysed using the appropriate research methodology. For that purpose, this chapter presents the employed research methodology which gives detail explanations on how the study has been carried out. The details include the research design, instrumentation, sampling technique, data collection process, pilot test and data analysis procedures.

3.2 OVERVIEW OF RESEARCH DESIGN

The discussion in this section is made based on the following classification:
As illustrated in Figure 3.1 above, the design of any research is generally divided into exploratory and conclusive. As the name implies, exploratory research is pioneering in nature. Researchers’ main goal in this type of research is “to become familiar with an issue, gain more insights, and to help formulate more specific research questions or hypotheses” (Miller & Swaddling, 2002, p. 92). Conducted in a more informal manner, the finding of an exploratory research is regarded “as tentative and as input to further research” (Malhotra, 2004, p. 75). The word “further research” here introduces the other type of research design. It is called conclusive research. Conclusive research is a formal and structured way of “collecting primary data, analyzing data, making recommendations, and implementing findings” (Sandhusen, 2000, p. 188). This research typically quantifies or verifies the insights obtained from the exploratory research.
An exploratory research depends on qualitative or non-numerical data to obtain information for the intention of understanding the problems at hand. In contrast to the exploratory, the conclusive research design uses the existing information which is normally found in the literature review, tests specific hypotheses and examines certain relationships among studied variables (Wilson, 1996; Lee, Lindquist, & Acito, 1997; Creswell, 2002). Clearly, the characteristics of a conclusive research design fit the design of the current study. The available conceptual work in the academic literature and several related empirical studies have been referred to and used to prepare this study especially in the formulation of hypotheses and research methodology.

Furthermore, within the confines of a conclusive research design there are two major research types namely descriptive and causal. The descriptive research is purported to describe some characteristics or association of variables within interested phenomena while the causal research intends to generate evidence of a cause-and-effect relationship (Zikmund, 2003). According to Wrenn, Loudon, and Stevens (2001) although the descriptive research is able to explain the associations between the observed variables, it lacks the capability to explain the causal link between variables as what the causal research is capable to. The causal research is conducted in a controlled environment, using an experimentation method. This design involves manipulating or introducing changes in people or environment that presumably affect outcomes of interest (Fraenkel & Wallen, 2000). Since the present research is only interested to examine relationships that already exist in their natural states, it does not require external manipulation. With this reason, a descriptive research is more appropriate to describe the design of the current study.
The descriptive research is further classified into the cross-sectional and longitudinal design. The longitudinal design features a repetition of study for a certain period of time, using the same samples of respondents, measuring the same variables. Attempting to offer “a snapshot of one point in time” (Cooper & Schindler, 2003, p. 148), the cross-sectional is what characterizing the present study. Moreover, if only one sample is drawn from the target population, the study is categorized as a single cross-sectional. If the drawn samples are more than one, then it is called multiple cross-sectional. Employing the former design, the target population of the current study is represented by one sample of respondents, namely the employees.

3.3 RESEARCH METHOD - SURVEY

Survey, as the most popular data collection tool within the descriptive research, is usually defined by its structured nature in gathering data from a large sample (Ruane, 2004). As a result to this special quality, survey is relatively an easy method to administer as well as comparatively very economical and efficient in reaching its target population (Malhotra, 2004). The pre-coded answers that are prepared beforehand helps to reduce variability in results and make the process of analyzing and interpreting the collected data easier. For these reasons and the fact that it is a suitable research method for a descriptive research design, survey in a form of self-administered questionnaire therefore, has been chosen to be used in this study.
3.4 MEASUREMENT OF CONSTRUCTS

In general, research is a methodological process of obtaining information so as to solve specific problems. The main purpose of descriptive research is to examine the relationships among certain variables. At the theoretical level, variables are known as constructs of which they cannot be observed and the meanings are conceptualized for a given context depending on the purpose of the research. At the empirical level, variables are the properties being studied and they are used to test the hypotheses established at the early stage of research (Cooper & Schindler, 2003).

There are four types of variables investigated in this study. They are independent, dependent, mediating and moderating variables. Also described as treatments, independent variables are antecedent entities that are believed to affect other variables which are termed as dependent variables (Walker, 1999). Meanwhile, mediating variables are the linking elements that transfer the effects of independent to dependent variables. If a study has a hypothetical causal sequence of three (or more) variables, the middle variable is considered a mediator (indirect effect) that represents at least part of the factors leading to changes in the dependent variables (Tabachnick & Fidell, 2007). Finally, moderating variables are the qualitative (e.g., level of satisfaction) or quantitative variables (e.g., gender, race, and employee job types) that are responsible for the different levels of strength in the relationships among variables (Baron & Kenny, 1986).

The instruments that are used to measure all the mentioned variables in this study consist of negative and positive items. This is in accordance with the scale
development as recommended by Churchill (1979). The rationale of doing this is to ensure that “the items pool is kept reasonably balanced” (Oppenheim, 1986, p. 117). It means that the items ranging from one extreme to another, have an equal proportion of positive and negative views. The following paragraphs discuss the development of scale items which have been used to measure the variables observed in the present study.

In this study, service-based HRM is a concept that reflects the management’s concern with its employees’ well-being. The practices that represent this concept are support at work, training, reward system, supervisory assistance and performance appraisals. Rather than using managers as the raters of service-based HRM variables, this study employs employees as the evaluators of the concept. According to Bartel (2004), although this approach has not been commonly opted by most previous studies of HRM and organizational performance, it has two advantages. First, employees are the recipients of HR practices. Thus, their information is more relevant and direct as compared to managers who have the tendencies to provide idealized descriptions of the environment. Second, the chances of getting distorted results resulting from a person’s peculiar opinion or interpretation of questions are very slim because an employee survey gathers many responses from the worksite. This anomaly will be eliminated by the large number of respondents.
3.4.1 SUPPORT AT WORK

Support at work in this study is operationally defined as “organizational and job attributes that facilitate or inhibit task performances” (Schneider & Bowen, 1993, p. 42). This independent variable is purported to demonstrate employees’ perceptions of the extent to which golf clubs are concerned with the provision of work environment that could ease the employee work related problems which in turn enables the creation of service climate within the clubs.

As listed in Table 3.1 below, support at work is assessed by five items adapted from several studies. Each of these items requires employees to state their perceptions of the aspects of overall work conditions (Schneider & Bowen, 1985), policy (Rogg et al., 2000), safety (Tornow & Wiley, 1990), procedures and adequacy of manpower (Wiley, 1991).

Table 3.1: Support at Work Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>All employees are provided with handbooks.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>In this club, safety is adequate.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>The club’s processes and procedures help to promote employees’ work efficiencies.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>In this club, employees have enough people to get the jobs done.</td>
<td></td>
</tr>
</tbody>
</table>

* Reverse score
3.4.2 TRAINING

Training is conceptualized as the degree to which employees believe that the training given by the golf clubs is meant to improve the current levels of their work performances. The training scale is borrowed and modified from the research conducted by Lytle et al. (1998). In that particular research, training is one of the subscales consisted in the instrument (SERV*OR) measuring the policies, practices and procedures that are geared towards organizational service orientation. Based on literature review and in-depth interviews, SERV*OR has been developed and validated and finally claimed to be a scale comprising of ten components, two of which are under the realm of HRM practices (training and reward system). SERV*OR scale is now widely used in other empirical research related to investigations of the relationship between employees’ perceptions of organizational service climates and service quality (e.g., Solnet & Paulsen, 2005; González & Garazo, 2006; Yoon, Choi,., & Park, 2007).

The training scale, adapted from SERV*OR is used to gather information regarding the content (1 item) and the method of how the training is conducted (2 items). To further relate the scale to the golf clubs context, two more items are generated for this purpose. The additional two items are concerned with the sufficiency and the objective of the training provided by the golf clubs. These items are modified versions of the training practice indicators which have been used by Johnson (1996) to describe the service-related HRM practices in his study.
Table 3.2: Training Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees receive personal skill training that enhances their abilities to deliver high quality job performances.</td>
<td>Johnson, 1996; Lytle et al., 1998</td>
</tr>
<tr>
<td>2.</td>
<td>Employees spend much time and effort in simulated training activities that help them demonstrate higher levels of performances.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>During training sessions employees work through exercises to identify and improve their attitudes toward customers.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees receive sufficient training on how to do their jobs.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Through training, the club communicates regularly about the importance of providing excellent services.</td>
<td></td>
</tr>
</tbody>
</table>

3.4.3 REWARD SYSTEM

The meaning of reward system in this study is; the process of rewarding, as practiced by the golf clubs, which is perceived as fair and conspicuous by employees. Based on literature review, it is believed that reward system with such characteristics will motivate employees to display OCBs in doing their jobs (Dubinsky & Levy, 1989; McFarlin & Sweeney, 1992; O’Connor & Shewchuck, 1995; Benoy, 1996; Hartline & Ferrell, 1996). Three questions that are formulated to generate the employees’ perceptions regarding their perceptions of the golf clubs’ rewarding system are drawn from the study carried out by Tornow and Wiley (1990). In that particular study, the researchers develop an employee opinion survey of which three of the items measure the employees’ perceptions of the ways their organizations compensate work excellences. These three items (“good performance gets rewarded”, “I am satisfied with the recognition I receive for doing a good job” and “Where I work, promotions go to the people who really deserve them”) are named as “rewards for performance” in
that survey. As an individual construct, it has been found to be significantly associated with customer satisfaction.

Besides Tornow and Wiley’s study, the invention of reward system variable for this present study resembles the work of Lytle et al. (1998) again. Two items which are related to reward system are drawn from Lytle et al.’s SERV*OR scale. These two items are adopted and adapted to suit the context of the current study. They are believed to be relevant as they respectively gauge the fair and conspicuous qualities of reward system, in other aspects that are not specified by Tornow and Wiley’s.

Table 3.3: Reward System Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>In this club, good performance does not necessarily get rewarded*.</td>
<td>Tornow &amp; Wiley, 1990; Lytle et al., 1998</td>
</tr>
<tr>
<td>2.</td>
<td>Employees are satisfied with the recognition they receive for doing good jobs.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>In this club, promotions go to the people who really deserve them.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Management provides excellent incentives and rewards to every employee at all levels.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>This club noticeably celebrates excellent service.</td>
<td></td>
</tr>
</tbody>
</table>

* Reverse score

3.4.4 SUPERVISORY ASSISTANCE

The construct of supervisory assistance in this study is created to capture employees’ perceptions of their supervisors’ efforts in assisting them to excel in their jobs. It is assumed that when the supervisory assistance is perceived by employees as beneficial or positive, the likelihood for the employees to deliver quality job performances will increase. The items of this scale as shown in Table 3.4 are designed to reveal the employees’ perceptions of their supervisors’ traits that are considered facilitative in
their work performances. The traits are related to being appreciative for employees’ hard work (Schneider & Bowen, 1985), responsive to employees’ work-related needs (Schneider et al., 1998), supportive of employees’ work efforts (Yoon et al., 2001), compensative with the rewards that they have (Tornow & Wiley, 1990) and clear in giving instruction (Wiley, 1991).

Table 3.4: Supervisory Assistance Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Supervisors recognize employees for doing high-quality work.</td>
<td>Schneider &amp; Bowen, 1985;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tornow &amp; Wiley, 1990; Wiley,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1991; Schneider et al., 1998;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yoon et al., 2001</td>
</tr>
<tr>
<td>2.</td>
<td>Supervisors are responsive to employees’ requests for help or guidance.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Supervisors are supportive of employees’ ideas and ways of getting things done.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Supervisors use the rewards they have to let employees know when they have done fine jobs.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employees are always unclear of what their supervisors expect them to do.*</td>
<td></td>
</tr>
</tbody>
</table>

* Reverse score

3.4.5 PERFORMANCE APPRAISALS

In assessing the effects of HRM practices on organizational service climate, Rogg et al. (2001) have developed a 28-item HRM scale. The scale is intended to underscore employees’ perceptions of the organization’s attempts in fostering a climate for service. Under the HRM construct, five items are invented to reveal the nature and process of evaluating the employees’ performances. This particular subscale is believed to be suitable to be used in the present study. However, out of the five items, one of them is dropped as it is considered irrelevant to the study context (“percent of fixed operations employees who had a formal, document performance review last year”).
The other four items are retained because they are found to be useful in reflecting an appraisal process in golf clubs. These items elicit employees’ perceptions on the linkage between appraisal and compensation system, the formalization of performance appraisals, its connection to performance objectives and the way standards for evaluation is communicated (Rogg et al., 2001). Another important aspect that needs attention is about the contributions of clients in the employees’ performance appraisals. As discovered by Jackson and Schuler (1992) in their 1992’s research, clients’ input in the performance appraisals of employees is one of the distinguishing factors that differentiate the service from manufacturing firms. Hence, in order to determine whether the golf clubs are exhibiting this characteristic of service firms, another item is created to obtain this information. Altogether, five items have been prepared to measure the performance appraisals construct in this study.

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The performance appraisal process is linked to compensation plan</td>
<td>Jackson &amp; Schuler, 1992; Rogg et al., 2001</td>
</tr>
<tr>
<td>2.</td>
<td>The performance appraisal process is not standardized and documented.*</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Promotions and pay increases are based on achieving documented performance objectives.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Managers consistently tell employees about the standards used to evaluate job performances.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Client input is important in the performance appraisal.</td>
<td></td>
</tr>
</tbody>
</table>

*Reverse score

### 3.4.6 PERCEIVED SERVICE QUALITY

In service, customers are the ultimate judges of the quality of service products (Parasuraman et al., 1985; Zeithaml et al., 1990; Galloway & Ho, 1996; Schneider,
2004; Anderson, 2005;). “The only criteria that count in evaluating service quality are defined by customers. Only customers judge quality, all other judgments are essentially irrelevant” (Zeithaml et al., 1990, p. 16). Building on this widely accepted notion, a great number of research from various settings have utilized customer perceptions of service quality as the dependent variable in their studies. The evidence can be extracted from the health care (Arcelay et al., 1999; Lagrosen, 2000; Papadimitriou & Karteroliotis, 2000; Lagrosen & Lagrosen, 2007), hotels (Hill et al., 1998; Tat & Chu, 1999; Haynes & Fryer, 2000), restaurants (Bojanic & Rosen, 1994; Lynn, 2001), airlines (Mat Zaid, 1995; Rhoades & Waguespack Jr, 2004), banking (Bowen et al., 2000; Allred, 2001; Gelade & Young, 2005), and sport and fitness industries (Papadimitriou & Karteroliotis, 2000; Chang et al., 2002).

The theories of boundary-spanning and service-profit chain assert that due to the intangibility nature of service, there is no boundary that separates employees from customers. This fact leads to the similarity of service quality opinions from both employees and customers. Hence, “if employees believe that customers receive poor service, it is likely that they do” (Schneider & Bowen, 1985, p. 425). In short, there is reason to believe that employees’ opinions are reflective of those of the customers’ and as such, they can be used to diagnose the state of the organizations’ service quality performances as perceived by customers. Based on these lines of argument, employees’ evaluations are used to represent customers’ perceptions of service quality in this present study.
The decision to utilize employees as a proxy to customers is in line with the practice adopted by Tzafir and Gur (2007). In their study, the researchers have utilized a modified version of SERVQUAL questionnaire (O’Connor, Trinh, & Shewchuk, 2000), an instrument originally designed to measure customer perceptions of service quality. They have adjusted that particular instrument so as to measure employee perceptions of how customer rate service quality. Given to 411 employees, the collected and analyzed data were used to conclude their investigation on the influence of HRM practices on customer perceived service quality in the health sector. In addition to that, Shahani-Denning (2001, p. 293) claims that, “employees are easier to access than customers and may be a source of rich information that may otherwise get ignored”. Finally, support for this approach is also gained from the analysis of 80 respondents (employees, n=40, golfers, n=40) who took part in the pilot test of this study. The results have produced a significant correlation (r=0.425) between employee perceptions of what customers think of service quality and customers’ own perceptions of service quality. The detail of the pilot test will be discussed further in the later sections.

In a significant study conducted by Dabholkar et al. (2000), one of their objectives is to find out whether service quality is better conceptualized by multiple factors or a single factor with multiple items. The result of the study indicates that dimensions of service quality are not defining the concept of service quality. Instead, they function as antecedents of service quality. The researchers then conclude that service quality is therefore better measured by its own multiple indicators. Using that finding as a support, the present study employs a single factor of multi-items instrument to capture
the concept of perceived service quality. This approach is consistent with several previous studies that adopt multi-items measures as opposed to dimensional measures in assessing the perceived service quality construct (e.g., Spreng & Singh, 1993; Taylor & Baker, 1994; Dabholkar et al., 1996; Spreng & Mackoy, 1996).

The items for the perceived service quality measurement are borrowed and adapted from the study carried out by Chang and Chelladurai (2003b). This study is considered relevant to be used as the main reference for this construct because the services offered by fitness clubs in which the study takes place, are somewhat similar to the services provided by golf clubs. As paid members, the customers of both organizations receive services that are shared with other clients and the nature of services is “frequent, prolonged, agonistic participation” (p.66). In that particular study, the perceived service quality dimension has been rigorously developed and its reliability has been ascertained with a value of $\alpha = 0.90$. Given these unique features of both fitness and golf clubs, it deems justifiable to adopt the perceived service quality scale from Chang and Chelladurai’s work and modify it to suit the context of this study. In short, the perceived service quality construct in this study measures the employees’ perceptions of the customers’ overall impressions of the golf clubs’ service quality.
Table 3.6: Perceived Service Quality Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees are certain that customers do not receive the service they expect.*</td>
<td>Chang &amp; Chelladurai, 2003(b)</td>
</tr>
<tr>
<td>2.</td>
<td>Employees are confident that the club’s service outcomes meet the customers’ expectations.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Employees believe that the club provides reliable service to customers.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees agree that the quality of service provided by the club is outstanding.</td>
<td></td>
</tr>
</tbody>
</table>

* Reverse score

A mediating variable is the element postulated to be a determinant of one or more dependent variables, and concurrently functioning as the consequence of one or more independent variables. In essence, a mediating variable explains the extent to which the variable “accounts for the relation between the predictor and the criterion” (Baron & Kenny, 1986, p. 1176). In the case of the relationship between service-based HRM practices and perceived service quality, the review of relevant literature has revealed that OCB can be the mediating factor that links the two variables.

This study employs self-report measures for the OCB construct. Although most previous studies use manager-ratings of OCBs (e.g., MacKenzie, Podsakoff, & Fetter, 1993; Organ & Ryan, 1995; Sun et al., 2007), employee self-report measures can also be utilized as they have been found to be consistent with manager evaluations (Churchill et al., 1985; Dubinsky et al., 1986; Oliver & Anderson, 1994; Netemeyer et al., 1997). While some previous research treat each OCB dimension as a separate behavior or variable (e.g., Van Dyne, 1998; Podsakoff et al., 1990; LePine & Van Dyne, 2001), some others model the OCB dimensions as composite indicators of a global (second-order) construct (e.g., Konovsky & Pugh, 1994; Netemeyer et al., 1997;
MacKenzie et al., 1998; Koys, 2001; LePine et al., 2002; Sun et al., 2007). Following the latter approach, the present study treats OCB as a second-order (latent) construct. This decision is in line with the finding of LePine et al.’s (2002) study which confirms the superiority of a second-order to the first order OCB construct. After all, as stated by the founder of this concept (Organ, 1988), OCB “in aggregate promotes the effective functioning of the organization” (p. 4).

Previous research also show that there is no universal agreement in terms of the dimensions that are used to measure OCB (Law, Wong, & Mobley, 1998; LePine et al., 2002; Piercy et al., 2006). The difficulty in searching for appropriate measures to define OCB in the present research is amplified by the unavailability of the previous work that examines OCB in a golf clubs setting. Due to this problem, the approach taken by Tsui et al. (1997) in developing an OCB scale has been used as a guideline to conceptualize OCB. Accordingly, a number of related studies have been critically analysed and finally, four domains of OCB which include altruism, loyalty, teambuilding and conscientiousness are selected and considered as sufficient in capturing the concept of OCB in this study. The following paragraph justifies for the exclusion of three other OCB domains (courtesy, sportsmanship and civic virtue) in the developed scale.

In the seminal study of Podsakoff et al. (1990), it is revealed that altruism is highly correlated with courtesy (r=0.86). This implies that altruism and courtesy are not distinctly different from each other. In other words, utilizing one of the dimensions is already sufficient to describe both of them. Meanwhile, based on the review of
previous literature, LePine and his associates (2002) notice that some of the behavioural elements of OCB overlap with each other. The example given is the overlap among loyalty, sportsmanship and civic virtue. This in other words means that the employment of only one of those dimensions is representative of the rest of other elements. All in all, although they are not included as parts of the OCB measures, through altruism and loyalty, the elements of courtesy, sportsmanship and civic virtue still exist in the OCB scale of this study. The items assessing OCB are pooled from various sources, including Smith et al. (1983), Podsakoff et al. (1990), Bettencourt et al. (2001), Yoon & Suh (2003), González and Garazo (2006), and Piercy et al. (2006).

3.4.7 ALTRUISM

Altruism refers to the act of helping coworkers or customers at the workplace regardless of whether it is within or outside the job descriptions (Organ, 1988; Podsakoff et al., 1990). To gauge this altruistic behavior, the respondents are asked about the extent to which they are willing to give up their time in order to help others who are in various difficult conditions such as those who are absent, with heavy workloads or with work-related problems. For the purpose of this study, the altruism items are developed based on the modification of indicators introduced by Podsakoff et al. (1990).
<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees are always willing to help others who are in trouble.</td>
<td>Podsakoff et al. 1990</td>
</tr>
<tr>
<td>2.</td>
<td>Employees like to coach others who lack certain skills.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Employees always give advices to others who have work-related problems.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees often cover for others who are absent.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employees like to help others who have heavy workloads.</td>
<td></td>
</tr>
</tbody>
</table>

### 3.4.8 LOYALTY

Several studies have measured loyalty as one of the OCB dimensions (i.e., Van Dyne, 1994; Bettencourt et al., 2001; González & Garazo, 2006). The overlapping of loyalty dimension with sportsmanship and civic virtue dimensions (LePine et al., 2002) implies that loyalty may also represent the elements of these two OCB domains (sportsmanship and civic virtue). In this study, loyalty is operationalized as “voluntary behaviors that demonstrate commitment and the promotion of the organization to outsiders” (Acquaah, 2004, p. 124). Referring to the loyalty instruments used by González & Garazo (2006) and Bettencourt et al. (2001), the loyalty variable is described by aspects that indicate employees’ attempts to help their golf clubs achieve productivity and promote them to outsiders.
Table 3.8: Loyalty Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees often tell outsiders how much they like working here.</td>
<td>Bettencourt et al., 2001; Gonzalez &amp; Garazo, 2006</td>
</tr>
<tr>
<td>2.</td>
<td>Employees are not willing to work extra hours.*</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Employees like to take the club’s logo everywhere they go.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees encourage friends and families to use the club’s services.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employees like to tell the club’s positive attributes to outsiders.</td>
<td></td>
</tr>
</tbody>
</table>

*Reverse score

### 3.4.9 TEAMBUILDING

Teambuilding is first introduced as a part of the OCB construct in a study conducted by Piercy et al. (2006). This new dimension is added because the researchers believe that a behavior that is supportive of team effectiveness is also instrumental in the overall performance of the organization. Most importantly, this sort of behavior is also a form of discretionary behaviors which is not prescribed in formal job descriptions. Since team-based performance is increasingly important in many business operations (Corcoran, Petersen, Baitch, & Barret, 1995; Hurley, 1998; Landy & Conte, 2006) including in sport organizations (Ross, 2008; Schnytzer & Weinberg, 2008), this study therefore views teambuilding as a critical component of OCB. As such, in this study, the teambuilding scale is adopted to assess the degree to which employees of golf clubs exhibit efforts aimed at encouraging and supporting each other as well as avoiding conflicts for the benefits of the group.
Table 3.9: Teambuilding Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees avoid from helping others in solving conflicts that occur among them.*</td>
<td>Piercy et al., 2006</td>
</tr>
<tr>
<td>2.</td>
<td>Employees encourage others to do well in their jobs.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Employees cheer up others who are in distress.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees consult with others before taking actions that might affect them.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employees often act as “peacemakers” when others have disagreements.</td>
<td></td>
</tr>
</tbody>
</table>

*Reverse score

3.4.10 CONSCIENTIOUSNESS

Similar to the description of “generalized compliance”, conscientiousness is a type of discretionary behaviors that is reflected by employees’ willingness to comply with the organization’s unwritten norms, rules, regulations and any procedures governing their work performances (LePine et al., 2002). Employees of high conscientiousness typically do what they “ought” to do even when no one is watching them (Chang & Chelladurai, 2003a). In order to measure this behavior, respondents are solicited to state the extent to which they adhere to the norm that characterizes them as “good employees” (Smith et al., 1983; Podsakoff et al., 1990).

Table 3.10: Conscientiousness Measurement

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Employees are often absent from work.*</td>
<td>Smith et al., 1983;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Podsakoff et al., 1990</td>
</tr>
<tr>
<td>2.</td>
<td>Employees are always punctual in coming to work.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Employees do not take unnecessary time off work</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Employees do not spend time in idle conversations.</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Employees conscientiously follow rules and procedures.</td>
<td></td>
</tr>
</tbody>
</table>

*Reverse score
3.4.11 MODERATING VARIABLE

When a relationship between variables is changed due to the change level of an additional variable, a moderating or contingency effect is said to exist in that relationship. The additional variable that causes the change effect is called a moderating variable (Cooper & Schindler, 2003; Hayes, 2005). A moderating variable can be metric or non-metric (Hair, Black, Babin, Anderson, & Tatham, 2006). In this study, a non-metric categorical variable which is known as the nature of employee job orientation (direct or indirect interactions with customers) is hypothesized to influence the model that proposes the mediating effect of OCB in the relationship between service-based HRM practices and perceived service quality. The data for this moderating variable are gathered from the respondents’ responses to the question that inquires the nature of their job orientations (“Which group of service your job is related to?”).

3.5 QUESTIONNAIRE

The data of this study are collected by using a survey method in a form of mailed questionnaires. The questionnaire is designed as a double-sided seven-page booklet (Appendix B). The front page of the questionnaire is a covering letter, coded with the name of a golf club written at the top right hand side. The cover letter provides brief information of the research project, requesting participation from the respondent, explaining how and when to return the completed questionnaire and assuring the respondent’s anonymity in any future publication related to this project. The code is used for a purpose of identifying the number of responses that are received from the
respective golf clubs. Those clubs that return less than three questionnaires are contacted again and requested to improve the rate of their responses.

There are three sections contained in the questionnaire. The first section requires respondents to circle the given statements which closely describe their demographic backgrounds. The second section consists of items intended to reveal the respondents’ perceptions regarding service-based HRM, their levels of OCBs and their perceptions of customers’ perceived service quality. In order to prevent the respondents from being aware of the measured constructs, the questions are not arranged in their own respective variables but in a random manner.

Using a six-point Likert scale (e.g., Howat et al., 1990; Murray & Howat, 2002; Taylor & Ho, 2005), respondents are asked to indicate the extent to which they agree with the stated statements, from “1” if they strongly disagree to “6” if they strongly agree. The reason for choosing an even number of Likert scale (six points) is to reduce the likelihood of respondents to give a mid-point or median value which represents their unwillingness to side in any position (agree or disagree). The mid-point value can be perceived as an indication of a neutral response and respondents are likely to select this value for purpose of quick completion of the task (Krosnick, 1991). “The indicated response [mid-point value] may therefore not truly reflect the respondents’ actual expectations or perceptions” (Coulthard, 2004, p. 488).

Another reason for discarding the mid-point value is related to cultural issues. Relevant studies from cultural literature have shown that Asian people in general are relatively
modest in giving their opinions (Kim & Jin, 2001; Laroche, Ueltschy, Abe, Cleveland, & Yannopoulos, 2004). To ensure harmonious relationships, the Asians tend to avoid giving scores that are extreme at the either side of a rating continuum. The mid-point value tends to be the most suitable response for typical Asians. Hence, by eliminating the mid-point score, the Asian respondents in this present study are somewhat discouraged from being neutral in their responses. Instead, they are “forced” to state either to disagree (between 1 and 3) or agree (between 4 and 6) with each statement written in the survey. The final section comprises of a blank space where respondents are requested to provide voluntary comments or inputs pertaining to anything related to the research project.

In the scale development process, the items have been modified from the previously established scales using the language of which they have been originally developed from. Considering the varying levels of English proficiency among Malaysian individuals in general, it is deemed necessary then to have the modified items translated into the first or national language of this country, that is Bahasa Malaysia. Due to several factors such as issues related to culture and translator’s competency, a simple translation process may distort the meaning of the original language (Zikmund, 2003; Wang, Lee, & Fetzer, 2006). In order to ensure the equivalence of meaning between the original and translated measures, a back-translation method, introduced by Brislin (1970) is adopted.

Widely used for maintaining the original meaning in the translated version (Behling & Law, 2000), the back-translation method requires the translated scale to be translated
back into the original language. The original and the back-translated versions are then compared for identification of inconsistencies (Brislin, Lonner, & Thorndike, 1973; Cha, Kim, & Erlen, 2007). It is recommended that the back-translation process is carried out by a person “whose native tongue is the language that will be used in the questionnaire” (Zikmund, 2003, p. 361). In this case, the questionnaire has been sent to a Malay linguistic lecturer to be back-translated into the English version. Both the original and the back-translated scales are then compared by another language expert. The results of comparison are then discussed with the advisors of this study and where necessary, some of the items in the translated scale have been modified accordingly.

3.6 SAMPLING

Sampling refers to the information regarding the characteristics of the population under study (Malhotra, 2004). The following sections discuss the study’s samples, sample size and sampling unit.

3.6.1 SAMPLES

The samples of this study are made of non-executive employees. Non-executive employees are selected here because in a service setting, the work results of the low-level employees most often than not, are more transparent than customers (Bowen & Ford, 2002). For purpose of testing hypothesis 12, (whether the proposed model in this study is moderated by the nature of the respondents’ job orientation), the samples are later divided into two. One sample comprises of non-customer-contact employees (n=160) and the other is customer-contact employees (n=160).
3.6.2 SAMPLE SIZE

It has been acknowledged by many researchers that the size of samples is important as it affects the magnitude of difference in covariance matrices (e.g., Hoyle, 1995; Kline, 1998; Loehlin, 2004). Samples which are below the appropriate number will be of little scientific value because the findings cannot be generalized as representative to the existing population (Bartlett, Kotrlik, & Higgins, 2001; Pallant, 2005). An analysis using structural equation modeling (SEM) technique generally expects a sample size that ranges from 150 to 200. However, a large sample size (e.g., 400 – 500), is more preferable as the larger the sample is, the easier the model to converge properly or achieve accurate solution (Anderson & Gerbing, 1988).

Based on the review of relevant literature, Schumacker and Lomax (2004) have concluded that the general guideline for adequate sample size which is agreeable to many researchers is anything larger than 150. One rule of thumb is to allow as few as five respondents for each parameter estimate if other multivariate assumptions are met (Bentler & Chou, 1987). In this study, the total number of parameter estimates (items) is 49 and in order to follow Bentler and Chou’s standard, the minimum sample size should be 245 (49 x 5). With 325 usable responses, the sample of the present study is clearly above the threshold size. As said by Bartlett et al. (2001, p. 50), “Using an adequate sample along with high quality data collection efforts will result in more reliable, valid, and generalizable results”.
3.6.3 SAMPLING UNIT

The sampling unit is where the samples are gathered from (Malhotra, 2004). In this study, the samples of non-executive employees are drawn from golf clubs located in Malaysia. Currently, there are 204 golf clubs in the country. To limit the scope, only privately-owned golf clubs with 18-hole courses are selected to be included in the study. A club directory list that is obtained from the Malaysian Golf Association (MGA) indicates that there are 84 golf clubs around Malaysia which have such characteristics (privately-owned with 18-hole golf course). After contacting the management of those 84 golf clubs through official letters, telephones and facsimiles, 68 of them have agreed to participate in this study.

3.7 DATA COLLECTION PROCESS

Ideally speaking, the selection of samples should be made based on a complete listing of all employees in all participating golf clubs. However, since disclosing employee profiles to the public is against any company policy, requesting for the addresses of employees for selection of samples and direct mailing purposes is certainly impossible. After several discussions with relevant golf club managers, the only method that is agreeable to them is; by mailing 10 questionnaires to each golf club management.

The distribution of questionnaire begin by mailing a package containing 10 questionnaires to the management of every participating golf clubs (n=68). Each questionnaire is attached with a self-addressed stamped return envelope and a key-chain as a token of appreciation for the respondent’s participation in the study. The
management then distributes the questionnaires to their non-executive employees. The management is also reminded to give five questionnaires to employees whose jobs are related to direct interactions with customers and another five copies to employees whose jobs do not involve customers. Those recipients of questionnaires are expected to return the completed questionnaire using the given self-addressed stamped return envelope. Nevertheless, they can also submit the completed questionnaires to the management since some of the club managements offer to collect those completed questionnaires from all participating employees and return them together in one big envelope. All in all, a total of 680 questionnaires (10 questionnaires x 68 golf clubs) have been mailed to 68 identified golf clubs.

Reminder phone-calls have been made one week after the mailing. Finally, several follow-up phone-calls have been made again to those clubs of which only few (less than 3) of their employees return the questionnaires.

3.8 CONTENT VALIDITY

Face or content validity is “a subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand” (Malhotra, 2004, p. 269). In this case, it is to verify that the instruments are appropriate to be used for employees of golf clubs. Content validity can be determined by having a panel of experts examining whether the items sufficiently describe the constructs being measured in the context being studied. For this research, eight individuals who are familiar with HRM and golf club management have been selected to evaluate the instruments. Three individuals are pure HRM scholars, two are sport management lecturers who are also
avid golfers and the other three are staff of three golf clubs. The comments and suggestions that have been given by those individuals are thoroughly discussed with the advisors of this study and where necessary, changes have been made to the original questionnaire.

3.9 PILOT TEST

None of the previous research, whose scales are adapted from in this study, is conducted in a golf club setting. Hence, although the scales might have been found to have high instrument reliability in their respective research work, the modifications and integrations of the scales’ items with items from other research’ scales might cause the new developed scales unreliable in this present context. In order to ensure that the measurements developed for this particular study possess the level of reliability which is generally accepted in the literature, a pilot study has been carried out for this purpose.

A total of one hundred questionnaires have been personally handed over to personnel executives of five golf clubs located at the Klang Valley. Through the attached cover letter, respondents have been requested to complete the questionnaires and return them to the executives in-charge within two weeks. A week after the submission of the questionnaires, the executives in-charge have been reminded by phone-calls of the forthcoming questionnaire collection. For a response rate of 60%, a total of 60 completed questionnaires have been personally retrieved.
Aiming at reducing random error in measurement, reliability testing identifies the extent to which a measurement is internally consistent in measuring whatever it is supposed to measure (Ary et al., 1996; Fraenkel & Wallen, 2000). The internal consistency of a measurement can be ascertained by examining the Cronbach’s alpha value, produced from a reliability analysis output.

The results of pilot study are displayed in Table 3.11 below. According to Nunnally (1978), Cronbach’s alpha is a superior estimate of a measure’s internal consistency. A value that ranges from 0.5 to 0.6 is considered sufficient in the early stages of research. As shown in Table 3.11, the lowest value of Cronbach’s alpha is 0.671 (Teambuilding) while the highest is 0.874 (Loyalty). None of the instrument subscales indicates any value that is below the Nunnally’s minimum level. Overall, the pilot test has confirmed that all instruments that are going to be used in this study have achieved an adequate level of reliability.
Table 3.11: Results of Pilot Study (n=60)

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service-based HRM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support at Work</td>
<td>5</td>
<td>0.788</td>
</tr>
<tr>
<td>Training</td>
<td>5</td>
<td>0.729</td>
</tr>
<tr>
<td>Reward System</td>
<td>5</td>
<td>0.813</td>
</tr>
<tr>
<td>Supervisory Assistance</td>
<td>5</td>
<td>0.777</td>
</tr>
<tr>
<td>Performance Appraisals</td>
<td>5</td>
<td>0.806</td>
</tr>
<tr>
<td><strong>Organizational Citizenship Behaviour</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Altruism</td>
<td>5</td>
<td>0.691</td>
</tr>
<tr>
<td>Loyalty</td>
<td>5</td>
<td>0.874</td>
</tr>
<tr>
<td>Teambuilding</td>
<td>5</td>
<td>0.671</td>
</tr>
<tr>
<td>Conscientiousness</td>
<td>5</td>
<td>0.698</td>
</tr>
<tr>
<td><strong>Perceived Service Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Service Quality</td>
<td>5</td>
<td>0.748</td>
</tr>
</tbody>
</table>

An alternative to establish reliability is by inspecting the item-to-total correlations of each measurement scale. Item-to-total correlations provide information on the degree of correlations among indicators of the same scale (Lu, Lai, & Cheng, 2007). An item with a value that is less than 0.5 is considered very weak and plays very little role in conceptualizing the given factor (Carmines & Zeller, 1979). As exhibited in Table 3.12, two items are found to be correlating very low with the respective factors (TB1=0.259, CN2=0.155). However, the two items have been decided to be retained and used for the final study for three reasons. One, the small size of the samples might have caused the values to be low. Two, both items are drawn from the scales of which the reliability have been well established in the past respective studies. Finally, three, the scales of the corresponding items have shown acceptable reliability (α≥0.5) even with the presence of these two items. So, although the current values appear to be very insignificant, there are reasons to believe that these values will be improved in the subsequent analysis where the sample size is relatively large. Because of this belief, these low items are kept for the final study.
Table 3.12: Item-to-total Correlations

<table>
<thead>
<tr>
<th>Support at Work</th>
<th>Training</th>
<th>Reward System</th>
<th>Supervisory Assistance</th>
<th>Performance Appraisals</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW1 0.717</td>
<td>TR1 0.681</td>
<td>RS1 0.691</td>
<td>SA1 0.709</td>
<td>PA1 0.714</td>
</tr>
<tr>
<td>SW2 0.584</td>
<td>TR2 0.451</td>
<td>RS2 0.658</td>
<td>SA2 0.555</td>
<td>PA2 0.647</td>
</tr>
<tr>
<td>SW3 0.560</td>
<td>TR3 0.422</td>
<td>RS3 0.614</td>
<td>SA3 0.556</td>
<td>PA3 0.596</td>
</tr>
<tr>
<td>SW4 0.529</td>
<td>TR4 0.512</td>
<td>RS4 0.543</td>
<td>SA4 0.524</td>
<td>PA4 0.557</td>
</tr>
<tr>
<td>SW5 0.453</td>
<td>TR5 0.417</td>
<td>RS5 0.513</td>
<td>SA5 0.437</td>
<td>PA5 0.472</td>
</tr>
<tr>
<td>Altruism</td>
<td>Loyalty</td>
<td>Teambuilding</td>
<td>Conscientiousness</td>
<td>Perceived Service Quality</td>
</tr>
<tr>
<td>AL1 0.527</td>
<td>LO1 0.822</td>
<td>TB1 0.259</td>
<td>CN1 0.617</td>
<td>PSQ1 0.600</td>
</tr>
<tr>
<td>AL2 0.433</td>
<td>LO2 0.781</td>
<td>TB2 0.643</td>
<td>CN2 0.155</td>
<td>PSQ2 0.608</td>
</tr>
<tr>
<td>AL3 0.463</td>
<td>LO3 0.740</td>
<td>TB3 0.615</td>
<td>CN3 0.671</td>
<td>PSQ3 0.602</td>
</tr>
<tr>
<td>AL4 0.399</td>
<td>LO4 0.735</td>
<td>TB4 0.445</td>
<td>CN4 0.464</td>
<td>PSQ4 0.394</td>
</tr>
<tr>
<td>AL5 0.414</td>
<td>LO5 0.467</td>
<td>TB5 0.318</td>
<td>CN5 0.337</td>
<td></td>
</tr>
</tbody>
</table>

For purpose of correlating employees’ perceptions of service quality to those of customers’, further analysis on the perceived service quality scale has been performed. The results have demonstrated that an eigenvalue greater than one has generated one factor with a total variance of 58% and with a significant Bartlett’s test of sphericity, the KMO is 0.713. All these values provide evidence on the existence of the instrument’s construct validity. This evidence allows for the use of these data for correlation analysis.

In addition to the one hundred questionnaires that have been personally handed over to the management of five golf clubs, fifty other questionnaires have also been passed up at the same time. These questionnaires however, are to be completed by the clubs’ members who frequent the clubs to play golf at least once a week. In these questionnaires, the golfers’ perceptions of the clubs’ service quality are solicited. For a response rate of 80%, 40 completed questionnaires have been retrieved. The reliability
and validity of the instrument for this sample have been established by a Cronbach’s alpha value of 0.769, total variance of 69% (eigenvalue greater than 1 yielded one factor), KMO value of 0.719 and the Bartlett’s test of sphericity is less than 0.001. In short, the results prove that this scale when utilized on customer samples, generate excellent construct reliability and validity. Thus, the data are valid and reliable to be correlated with the data collected from the employee sample.

For the correlation test purposes, the sizes of the analyzed samples have to be equal. Hence, 40 cases have been randomly selected from the portion of the employee sample to match the 40 subjects in the golfer sample. The employees’ responses on the perceived service quality dimension are then correlated with the golfers’. Similar to the studies (e.g., Johnson 1996; Yoon et al., 2001; Scotti et al., 2007) that have correlated the perceptions of service quality between these two samples (employees and customers), a significant and positive correlation is also displayed here. As shown in table Table 3.13 below, the correlation between employee and customer perceptions of service quality is significant with a Pearson Correlation value of 0.425.

<table>
<thead>
<tr>
<th>Total Customers</th>
<th>Pearson Correlation</th>
<th>Total Customers</th>
<th>Total Staffs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Total Customers</td>
<td></td>
<td>1</td>
<td>0.425(**)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>40</td>
<td>0.006</td>
</tr>
<tr>
<td>Total Staffs</td>
<td>0.425(**)</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>0.006</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
3.10 DATA ANALYSIS PROCEDURES

As discussed earlier, the main objective of this study is to investigate the relationships among service-based HRM practices, OCB, perceived service quality and the nature of employee job orientation (direct or indirect interaction with customers). To achieve that objective, a relevant model has been developed and proposed. The results of investigation will be generated by several statistical tests, using Statistical Package for Social Sciences 15 (SPSS 15) and AMOS 7 software. The following are discussions of the procedures for analyzing the data.

3.10.1 SCALES PURIFICATION

Twelve hypotheses (H1 – H12) have been formulated in response to the propositions stated in this study. Before testing the hypotheses, the utilized instruments will have to undergo a scale purification process which involves examinations of Cronbach’s alpha and item-to-total correlations (Churchill, 1979). Item-to-total correlations refer to the correlations of indicators with their own respective factors (Lu et al., 2007), while Cronbach’s alpha is a measure that gauges the extent to which an internal consistency exists among the indicators within the same factor (Malhotra, 2004). Churchill’s (1979) method of such a scale purification process is found to be a common practice in many empirical studies (e.g., Koufteros, 1999; Koufteros, Vonderembse, & Doll, 2001; Chang and Chelladurai, 2003(b), Bauer, Sauer, & Schmitt, 2005; Lu et al., 2007).

In addition to the assessment of the Cronbach’s alpha and item-to-total correlations, Lu et al. (2007) also suggest the purification of scales to be conducted based on an evaluation of exploratory factor analysis (EFA) results. EFA is a type of factor analysis
that is used to identify the number of latent variables that underlies a complete set of items (Coakes & Steed, 2003). This analytic approach is considered exploratory because the links between the indicators and factors are unknown or uncertain. Since in this study, most of the items have been developed and integrated from a combination of previous research, it is imperative to ensure that they are correctly connected to their underlying factors. To accomplish that, the use of EFA in this study is therefore deemed necessary.

However, prior to the analysis of EFA, the value of Kaiser-Meyer Olkin (KMO) has to be referred to. KMO is a measure of sampling adequacy that tests the appropriateness of using EFA. A value close to 1 implies the presence of significant correlations among items and this enables the EFA to produce distinct and valid factors (Field, 2000). According to Kaiser (1970), a value below 0.5 is unacceptable and thus, EFA should not be performed. A value between 0.5 and 0.7 is considered mediocre, 0.7 and 0.8 is good, 0.8 and 0.9 is great and above 0.9 is superb. Another inspection is on the Bartlett’s test of sphericity value. This measure reports the result of the null hypothesis which states the original correlation matrix is an identity matrix (Field, 2000; George & Mallery, 2003). A significant value of Bartlett’s test of sphericity indicates further support to the appropriateness of using EFA in the study.

There are two types of rotations in the analysis of EFA. One is orthogonal using Varimax method and the other is oblique rotation using direct oblimin method. The first rotation mode assumes that factors are uncorrelated and independent of each other when rotated. The second one allows factors to be correlated with each other
(Zikmund, 2003). Varimax orthogonal rotation is chosen to be used in this study because as compared to the oblique method, this form of rotation is more robust and it is able to simplify factor loadings which in turn enable easy interpretation (Churchill & Iacobucci, 2002).

Factor loadings are another important values to be assessed when performing EFA. They represent the strength of relationships between indicators and the latent variables or factors. A coefficient of greater than 0.5 demonstrates an acceptable loading (Hair et al., 2006), and therefore is used as the cut-off point in this study. Another relevant analysis is regarding the eigenvalue that reflects the amount of total variance explained by the emerging factors. Common research practices usually accept and interpret factors with eigenvalue larger than 1 (De Vaus, 2002; Pallant, 2005). Finally, based on the EFA results, convergent validity can be established when all items load strongly on one factor and discriminant validity can be verified when the item loadings load weakly on all other factors (Zikmund, 2003; Brown, 2006).

### 3.10.2 MULTIVARIATE ASSUMPTIONS

For multivariate assumptions purposes, the existence of normality, outliers, linearity, homoscedasticity, and multicollinearity are assessed in the data.
3.10.2a NORMALITY, OUTLIERS, LINEARITY AND HOMOSCEDASTICITY

Normality is used to describe a curve that is symmetrical and bell-shaped. The highest score frequency is depicted in the middle with lower frequencies towards the extremes (Gravetter & Wallnau, 2000). Normality can be determined by assessing the variables’ levels of skewness and kurtosis. According to Miles and Shevlin (2001, p. 74), “if the value of skew or kurtosis (ignoring any minus sign) is greater than twice the standard error, then the distribution significantly differs from a normal distribution”. However, these authors also caution that the skewness and kurtosis values greatly depend on the sample size. “the larger your sample size, the less departures from normality matter” (p. 74).

Outliers are cases that have out-of-range values as compared to the majority of other cases. The presence of outliers in the data may distort statistical test results (Hair et al., 2006). Outliers can be detected from the residual scatterplot. According to Tabachnick and Fidell (2007), cases that have a standardized residual of more than 3.3 or less than -3.3 as displayed in the scatterplot are considered as outliers. However, a few outliers in large samples are common and most of the time, taking any action is not necessary.

Another important assumption is that the relationship between independent and dependent variables is linear and should exhibit homoscedasticity. The violation of these assumptions will underestimate the extent of the correlation between the variables and this will result a degradation of analysis (De Vaus, 2002). Linearity is assumed when a straight-line relationship is presence between the two variables.
(independent and dependent variables) (Hair et al., 2006). The fulfillment of this assumption leads to the existence of homoscedasticity, a desirable condition where “dependent variables exhibit equal levels of variance across the range of predictor variables” (Stamatis, 2001, p. 140). The examination of these assumptions can be performed by conducting partial regression plots and regression standardized residuals (Pallant, 2005).

3.10.2b MULTICOLLINEARITY

Multicollinearity means there is high intercorrelations among the independent variables. In investigating relationships between independent and dependent variables, the presence of multicollinearity can cause several problems including inaccurate results of regression coefficient estimation (Tabachnick and Fidell, 2007). One of the ways to check for the presence of multicollinearity in the data is by assessing the tolerance and the variable inflation factor (Pallant, 2005). Tolerance is a value that measures the degree of the independent variable’s variability that is not explained by the other independent in the model and it is computed by using the formula 1-R² for each variable. Variance inflation factor (VIF) is the inverse of Tolerance and is calculated simply by inverting the tolerance value (1 divided by Tolerance). An indication of multicollinearity is when the value of Tolerance is less than 0.10 and VIF is more than 10 (Belsley, Kuh, & Wiklund, 1980).

3.10.3 CONFIRMATORY FACTOR ANALYSIS

In this study, a confirmatory factor analysis (CFA) is used to validate the proposed measurement model. CFA is a technique where it analyses the extent to which the
specification of the assigned factors matches the data collected in the study (Segar & Grover, 1993; Chau, 1997; Brown, 2006). Unlike EFA of which the factors are computed from statistical results, the existence of factors in CFA is justified by the set of measured variables specified by a measurement theory. In that sense, the measurement theory plays a crucial role in CFA because without a strong support from it, the proposed model will not likely be in consistent with reality (Hair et al., 2006).

CFA assesses the measurement model by examining the constructs’ unidimensionality, reliability and validity (Garver & Mentzer, 1999; Brown 2006). The existence of unidimensionality can be established by evaluating the goodness-of-fit (GOF) of the proposed model (Bagozzi & Baumgartner, 1994; Garver & Mentzer, 1999), and each of the variable’s direction of path and significant level (Garver & Mentzer, 1999). The goodness-of-fit (GOF) measures describe how well the proposed model “approximates” the collected data (Narsky, 2003). A model with good fit provides a valid platform for researchers to subsequently analyze the hypothesized relationships among constructs.

The model of this study is evaluated using multiple fit criteria namely the chi-square statistics ($\chi^2$), degree of freedom (df), p-value of the chi-square statistic (Satorra & Bentler, 1988), relative chi-square ($\chi^2$/df; Carmines & McIver, 1981), comparative fit index (CFI; Bentler, 1990), the root mean square error of approximation (RMSEA; Saenz, Marcoulides, Junn, & Young, 1999), and the standardized root mean square residual (SRMR; Kline 1998; Hair et al., 2006;). The choice of those indices satisfy the requirement prescribed by Hair et al., (2006) who state that,
“A researcher need not report all of these indices [all available fit indices] because of the redundancy among them. However, the researcher should report at least one incremental index and one absolute index, in addition to the $\chi^2$ value and the associated degrees of freedom. At least one of the indices should be a badness-of-fit index [e.g., SRMR]. A model reporting the $\chi^2$ value and degrees of freedom, the CFI, and the RMSEA will often provide sufficient unique information to evaluate a model.” (p.748).

Construct reliability is best understood as “…the degree to which measures are free from error and therefore yield consistent results” (Peter, 1979, p. 6). Otherwise stated, it seeks to confirm that the scales are measuring the concepts of study (Hair et al., 2006). This quality can be determined by assessing the item reliability (squared multiple correlation), composite reliability and average variance extracted. Given that the survey instruments have been appropriately developed through a comprehensive review of related literature and then have been refined based on the suggestions from relevant experts, both the face and content validity of the instruments of this study therefore have been confidently established (Bohrnstedt, 1983; Kaplan & Sacuzzo, 1993; Abdullah, 2005). Through CFA, evidence of construct validity can be obtained, that is by examining the extent to which items of the same latent variable are measuring the same construct (convergent validity) and at the same time, they do not measure constructs other than their own (discriminant validity) (Garver and Mentzer, 1999).

3.10.4 STRUCTURAL EQUATION MODELING

This study employs a structural equation modeling (SEM) as the statistical technique to analyze the hypothesized relationships. All other multivariate techniques are either from a family of dependence or independence statistical techniques. Only SEM has the
characteristics of both groups because the foundations of SEM are derived from multiple regression analysis (dependence technique) and factor analysis (independence technique) (Hair et al., 2006).

What makes SEM a more powerful and popular than other multivariate techniques (Shah & Goldstein, 2006) is that, besides having an attractive graphical modeling interface that makes model interpretation an easy task (Kumar, Smart, Maddern, & Maull, 2008), SEM can examine a chain of dependence relationship concurrently. As asserted by Hair et al. (2006, p. 706), “None of the previous techniques [except SEM] enable us to assess both measurement properties and test the key theoretical relationships in one technique”. SEM reveals the structure of interrelationships among the studied variables by using a series of equations similar to multiple regression technique and by modeling interactions, nonlinearities, correlated independents, measurement errors, correlated error terms, and multiple latent independents/dependents, all at the same time (Kumar et al., 2008).

SEM can be performed by adopting the one-step approach or two-step approach. In the one-step approach, the estimation of both the measurement and structural relationships of an SEM model is carried out simultaneously in a single analysis. On the other hand, the two-step approach separates the estimation in two different analyses. The two-step approach is more preferable among researchers because this approach overcomes the problems particularly related to interpretational confounding (Burt, 1976) and misspecification (Lance, Bollen, Kirby, Curran, Paxton, & Chen, 2007) which are quite inherent in the one-step approach (Gallagher, Ting, & Palmer, 2008).
Based on Anderson and Gerbing’s (1988) two-step approach, Byrne (2001) outlines two important procedures in the application of SEM. The first one concerns with the series of structural equation that represent the causal processes observed in the study. The second part is the depiction of these structural links in a pictorial path model. In this graphical picture, the hypothesized relationships proposed in the model can then be statistically analyzed and the results that are produced can simultaneously verify the extent to which the model fits the data. “If the goodness of fit is adequate, the model argues for the plausibility of postulated relations among variables; if it is inadequate, the tenability of such relations is rejected” (p.3). In other words, hypothesis testing is performed only when the model has already achieved acceptable level of goodness of fit.

3.11 CONCLUSION

There are a number of ways to investigate the relationships among the variables that are examined in the current research. Because of the quantitative nature of this work which is descriptive and requires the utilization of one sample of respondents at one point of time, a single cross-sectional descriptive research characterizes the design of this study. The data are collected through survey using mailed and self-administered questionnaires. The survey instruments are developed based on previous research work and modified accordingly in order to suit the context of study. A pilot test has been carried out to ensure the instruments are generally reliable and valid to be used in the final study. Several statistical techniques which are employed for the purpose of hypotheses testing have been elaborately discussed in this chapter.
CHAPTER 4
RESULTS

4.1 INTRODUCTION

This study employs a structural equation model (SEM) technique to reveal the relationships among service-based HRM practices, OCB, perceived service quality (PSQ) and the nature of employee job orientation. The study instruments are purified by analyses of item-to-total correlations, Cronbach’s alpha, and factor loadings. As a prerequisite to SEM analysis, the measurement model is validated using CFA. The results of all analyses are reported in this chapter.

4.2 RESPONSE RATES

Upon approval of the management of 68 golf clubs, ten questionnaires have been sent to each of them through registered mail. These ten questionnaires have been completed by their non-executive employees whose jobs are related to direct or indirect interaction with customers. In summary, a total of 680 questionnaires have been sent to the respective golf clubs.

390 responses later have been received for a response rate of 57%. This number is reduced into 325 (48%) once the data have been screened, checked and cleaned. The nature of the variables is inspected and the data are then ready for further analyses.
### 4.3 DESCRIPTIVE CHARACTERISTICS

Table 4.1: Descriptive Characteristics of Respondents (n = 325)

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>N</th>
<th>%</th>
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<tr>
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<td></td>
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<tr>
<td>Customer-contact service</td>
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</tr>
<tr>
<td>Non-customer-contact service</td>
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<td>49.2</td>
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<td><strong>Total</strong></td>
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</tr>
<tr>
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<td>1.5</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
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<tr>
<td>30 – 40 years old</td>
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<tr>
<td>&gt;40 years old</td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
<td><strong>Missing</strong></td>
<td>4</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
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<td></td>
</tr>
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<td>147</td>
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</tr>
<tr>
<td>Female</td>
<td>173</td>
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<tr>
<td><strong>Total</strong></td>
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<td>98.5</td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td>5</td>
<td>1.5</td>
</tr>
<tr>
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<td><strong>Total</strong></td>
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<tr>
<td><strong>Missing</strong></td>
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<tr>
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</tr>
<tr>
<td>Non-Malay</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>Qualification</strong></td>
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<td>Secondary level</td>
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<td>45</td>
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<td><strong>Total</strong></td>
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<td>98.2</td>
</tr>
<tr>
<td><strong>Missing</strong></td>
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<td><strong>Tenure</strong></td>
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<td>&lt;5 years</td>
<td>155</td>
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<td>5 – 15 years</td>
<td>136</td>
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<tr>
<td>&gt;15 years</td>
<td>29</td>
<td>8.9</td>
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<td><strong>Total</strong></td>
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</tr>
<tr>
<td><strong>Missing</strong></td>
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<td>1.5</td>
</tr>
<tr>
<td><strong>Income</strong></td>
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</tr>
<tr>
<td>&lt;RM1,001</td>
<td>192</td>
<td>59.1</td>
</tr>
<tr>
<td>RM1,001 – RM2,000</td>
<td>113</td>
<td>34.8</td>
</tr>
<tr>
<td>&gt;RM2,001</td>
<td>15</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>320</td>
<td>98.5</td>
</tr>
<tr>
<td><strong>Missing</strong></td>
<td>5</td>
<td>1.5</td>
</tr>
</tbody>
</table>
Table 4.1 reports that the samples in general, are equally represented by non- and customer-contact employees (49% each). The majority of the samples are below 30 years old which is 47% of the total population, 53% of them are female workers while 59% are married. With a percentage of 87%, the Malays appear to be the dominant race in the samples. The qualification that is frequently checked by the respondents is the secondary or school level (84%). There are three groups of seniority, those who have worked less than 5 years, between 5 and 15 years and more than 15 years. Among these three group categories, the biggest population is those who have worked less than 5 year period (48%). Finally, most of the subjects earn below RM1,001 a month (59%). Overall, the samples are consisting of equal number of non- and customer-contact employees, dominated by the staff who are below 30 years old, female, married, Malays and qualified with school level certificates. Most of them have less than 5 year experiences and earn a monthly salary of less than RM1,001.

4.4 SCALES PURIFICATION

According to Churchill (1979), the scale can be purified by assessing its item-to-total correlation and Cronbach’s alpha. The results are reported in Table 4.2 below.

Table 4.2: Mean, Standard Deviation, Item-to-total Correlation and Cronbach’s alpha

<table>
<thead>
<tr>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Item-to-total Correlations</th>
<th>Cronbach’s alpha</th>
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</thead>
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<td><strong>Support at Work</strong></td>
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<td>SW1</td>
<td>4.22</td>
<td>1.270</td>
<td>0.917</td>
<td>0.967</td>
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<tr>
<td>SW2</td>
<td>4.21</td>
<td>1.274</td>
<td>0.934</td>
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</tr>
<tr>
<td>SW3</td>
<td>4.22</td>
<td>1.278</td>
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<tr>
<td>SW4</td>
<td>4.16</td>
<td>1.346</td>
<td>0.812</td>
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<td>SW5</td>
<td>4.25</td>
<td>1.256</td>
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<tr>
<td><strong>Training</strong></td>
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<tr>
<td>TR1</td>
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<td>1.620</td>
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<td>1.540</td>
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<tr>
<td>Items</td>
<td>Mean</td>
<td>SD</td>
<td>Item-to-total Correlations</td>
<td>Cronbach’s alpha</td>
</tr>
<tr>
<td>--------------------</td>
<td>------</td>
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<td>TR3</td>
<td>3.45</td>
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<td>TR4</td>
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</tbody>
</table>

Using the conventional cut-off point of 0.5 (Carmines & Zeller, 1979), three items are identified as weak as their item-to-total correlations are below the threshold value (PA5=0.334, TB1=0.222 and CN2=0.281). The rest of other items indicate acceptable item-to-total correlation scores which range from 0.537 (SA4) to 0.944 (SW3). As for the Cronbach’s alpha, all subscales report values which are well above the satisfactory standard (α≥0.75, Nunnally, 1978; Churchill, 1991; Litwin, 1995). The results range from 0.815 (Performance Appraisals) to 0.967 (Support at Work).

In order to further support the scale purification decision, Lu et al. (2007) suggest an exploratory factor analysis (EFA) is performed on each construct. The EFA is then conducted using principal component analysis and Varimax rotation methods with Kaiser normalization (Kinnear & Gray, 1997). Prior to the analysis of EFA, the appropriateness of using EFA is determined by the results of KMO and Bartlett’s test of sphericity (Tehrani, 2004). As displayed in Table 4.3, service-based HRM, OCB and PSQ constructs respectively achieves a KMO statistic value of 0.880, 0.876 and 0.756. Based on the guidelines specified by Kaiser (1970), the KMO values obtained by service-based HRM and OCB are considered great and the KMO of PSQ is good. The encouraging KMO and significant Bartlett’s test of sphericity results as shown by all constructs, allow for the application of EFA in this study.
Table 4.3: KMO and Bartlett's Test for the Constructs of Service-based HRM, OCB and PSQ

<table>
<thead>
<tr>
<th></th>
<th>Service-based HRM</th>
<th>OCB</th>
<th>PSQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>0.880</td>
<td>0.876</td>
<td>0.756</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
<td>6933.517</td>
<td>6263.222</td>
</tr>
<tr>
<td>df</td>
<td></td>
<td>300</td>
<td>190</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Next is the interpretation of the EFA results. The decision on retaining items is made on Kaiser’s criterion which only tolerates those factors that have an eigenvalue value greater than one (Bryman & Cramer, 2001). The results of EFA for service-based HRM, OCB and PSQ constructs are presented in Table 4.4, 4.5 and 4.6 respectively.
### Table 4.4: The EFA Results of Service-Based HRM Construct

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW1</td>
<td>0.898</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>SW2</td>
<td>0.900</td>
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<tr>
<td>SW3</td>
<td>0.903</td>
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<td></td>
</tr>
<tr>
<td>SW4</td>
<td>0.789</td>
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<tr>
<td>SW5</td>
<td>0.913</td>
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<td></td>
</tr>
<tr>
<td>TR1</td>
<td></td>
<td>0.840</td>
<td></td>
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<td></td>
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<tr>
<td>TR2</td>
<td></td>
<td>0.890</td>
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<td></td>
</tr>
<tr>
<td>TR3</td>
<td></td>
<td>0.877</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR4</td>
<td></td>
<td>0.879</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR5</td>
<td></td>
<td>0.848</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RS1</td>
<td></td>
<td></td>
<td>0.794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RS2</td>
<td></td>
<td></td>
<td>0.699</td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>RS4</td>
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<td></td>
<td>0.757</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RS5</td>
<td></td>
<td></td>
<td>0.814</td>
<td></td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td>0.569</td>
<td></td>
</tr>
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<tr>
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<td></td>
<td></td>
<td>0.794</td>
<td></td>
</tr>
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<tr>
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<td></td>
<td>0.775</td>
<td></td>
</tr>
<tr>
<td>PA1</td>
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<td></td>
<td></td>
<td>0.815</td>
</tr>
<tr>
<td>PA2</td>
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<td></td>
<td></td>
<td></td>
<td>0.775</td>
</tr>
<tr>
<td>PA3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.767</td>
</tr>
<tr>
<td>PA4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.818</td>
</tr>
<tr>
<td><strong>PA5</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>0.347</strong></td>
</tr>
</tbody>
</table>

| % of Variance | 18.446 | 15.189 | 14.814 | 12.955 | 11.975 |

a. Total variance extracted by 4 factors = 73%
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Varimax with Kaiser Normalization.
Table 4.5: The EFA Results of OCB Construct

<table>
<thead>
<tr>
<th>FACTOR</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL1</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL2</td>
<td>0.888</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL3</td>
<td>0.766</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL4</td>
<td>0.907</td>
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<tr>
<td>AL5</td>
<td>0.912</td>
<td></td>
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<tr>
<td>LO1</td>
<td></td>
<td>0.876</td>
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<td></td>
</tr>
<tr>
<td>LO2</td>
<td></td>
<td>0.834</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO3</td>
<td></td>
<td>0.750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO4</td>
<td></td>
<td>0.881</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO5</td>
<td></td>
<td>0.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TB1</td>
<td></td>
<td></td>
<td>0.336</td>
<td></td>
</tr>
<tr>
<td>TB2</td>
<td></td>
<td></td>
<td>0.776</td>
<td></td>
</tr>
<tr>
<td>TB3</td>
<td></td>
<td></td>
<td>0.864</td>
<td></td>
</tr>
<tr>
<td>TB4</td>
<td></td>
<td></td>
<td>0.894</td>
<td></td>
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<tr>
<td>TB5</td>
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<td></td>
<td>0.862</td>
<td></td>
</tr>
<tr>
<td>CN1</td>
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<td></td>
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<td>0.884</td>
</tr>
<tr>
<td>CN2</td>
<td></td>
<td></td>
<td>0.359</td>
<td></td>
</tr>
<tr>
<td>CN3</td>
<td></td>
<td></td>
<td>0.880</td>
<td></td>
</tr>
<tr>
<td>CN4</td>
<td></td>
<td></td>
<td>0.692</td>
<td></td>
</tr>
<tr>
<td>CN5</td>
<td></td>
<td></td>
<td>0.838</td>
<td></td>
</tr>
<tr>
<td>% of Variance</td>
<td>20.368</td>
<td>18.931</td>
<td>16.794</td>
<td>16.608</td>
</tr>
</tbody>
</table>

a. Total variance extracted by 4 factors = 73%
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Varimax with Kaiser Normalization.

d. Total variance extracted by 1 factor = 71%
e. Extraction Method: Principal Component Analysis.
f. Rotation Method: Varimax with Kaiser Normalization.

As indicated in Table 4.4, 4.5 and 4.6, an eigenvalue of more than one yields five factors in service-based HRM, four factors in OCB and one factor in PSQ. The number
of factors that fall into those variables is in accordance with what have been theoretically predicted in this study. Both the service-based HRM and OCB constructs extracts 73% while the construct of PSQ extracts 71% of the total variance. Consistent with the results of item-to-total correlations earlier, the same three items are found to be weak, as their factor loadings are lower than 0.5, the threshold value for “practical significance” (Hair et al., 2006). The identified items are PA5 (0.347), TB1 (0.336) and CN2 (0.359).

Based on Hair et al.’s (2006) guidelines, items of the underlying constructs are retained if:

1. they load 0.5 or more on a factor
2. do not load more than 0.5 on two factors, and
3. their item-to-total correlation values are larger than 0.4.

In this case, all items satisfy Hair et al.’s factor loading standard except for items PA5, TB1 and CN2. The results of item-to-total correlations and factor loadings have consistently indicated that these items are below the respective cut-off values. Because of this reason, the three items are decided to be eliminated from the study. When they are deleted, the Cronbach’s alphas of their own respective scales are improved. For example, the deletion of PA5 has increased the Cronbach’s alpha from 0.815 to 0.856, TB1, from 0.847 to 0.937 and CN2, from 0.845 to 0.916.

As the number of items has been reduced in the service-based HRM and OCB constructs, reliability and EFA tests are once again performed on them respectively.
The results of the analyses (item-to-total correlations, factor loadings, % of variance and Cronbach’s alpha) are shown in Table 4.7 and 4.8 below.

Table 4.7: Results of Item-to-total Correlations, Factor loadings, % of Variance and Cronbach’s Alpha of Service-Based HRM Constructs

<table>
<thead>
<tr>
<th>Item-to-total correlation</th>
<th>Support at Work</th>
<th>Training</th>
<th>Reward System</th>
<th>Supervisory Assistance</th>
<th>Performance Appraisals</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW1</td>
<td>0.917</td>
<td>0.899</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW2</td>
<td>0.934</td>
<td>0.902</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW3</td>
<td>0.944</td>
<td>0.906</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW4</td>
<td>0.812</td>
<td>0.793</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW5</td>
<td>0.932</td>
<td>0.915</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR1</td>
<td>0.750</td>
<td></td>
<td>0.840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR2</td>
<td>0.826</td>
<td></td>
<td>0.891</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR3</td>
<td>0.812</td>
<td></td>
<td>0.878</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR4</td>
<td>0.799</td>
<td></td>
<td>0.879</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR5</td>
<td>0.762</td>
<td></td>
<td>0.847</td>
<td></td>
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</tr>
<tr>
<td>RS1</td>
<td>0.726</td>
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<td></td>
<td>0.790</td>
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</tr>
<tr>
<td>RS2</td>
<td>0.587</td>
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<td></td>
<td>0.696</td>
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<tr>
<td>RS3</td>
<td>0.845</td>
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<td>0.836</td>
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<tr>
<td>RS4</td>
<td>0.724</td>
<td></td>
<td></td>
<td>0.766</td>
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</tr>
<tr>
<td>RS5</td>
<td>0.816</td>
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<td></td>
<td>0.819</td>
<td></td>
</tr>
<tr>
<td>SA1</td>
<td>0.625</td>
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<td>0.581</td>
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<td>SA2</td>
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<td>0.801</td>
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<tr>
<td>SA3</td>
<td>0.780</td>
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<td>0.799</td>
<td></td>
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<tr>
<td>SA4</td>
<td>0.537</td>
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<td>0.723</td>
<td></td>
</tr>
<tr>
<td>SA5</td>
<td>0.725</td>
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<td></td>
<td>0.771</td>
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</tr>
<tr>
<td>PA1</td>
<td>0.781</td>
<td></td>
<td></td>
<td></td>
<td>0.814</td>
</tr>
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<td>PA2</td>
<td>0.657</td>
<td></td>
<td></td>
<td></td>
<td>0.776</td>
</tr>
<tr>
<td>PA3</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td>0.757</td>
</tr>
<tr>
<td>PA4</td>
<td>0.628</td>
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<td></td>
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<td>0.825</td>
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<td>% of Variance</td>
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<td>15.806</td>
<td>15.259</td>
<td>13.537</td>
<td>11.792</td>
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<tr>
<td>Cronbach’s alpha</td>
<td>0.97</td>
<td>0.92</td>
<td>0.89</td>
<td>0.87</td>
<td>0.86</td>
</tr>
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</table>

a. Total variance extracted by 4 factors = 76%, KMO = 0.883, Bartlett’s Test p<0.001
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Varimax with Kaiser Normalization.
Table 4.7 illustrates that there are five factors (eigenvalue >1) that make up the concept of service-based HRM. The total variance that is accounted for by these five factors is 76%. Each factor is identified as support at work, training, reward system, supervisory assistance and performance appraisals and respectively, they explain 19%, 16%, 15%, 14% and 12% of the total variance.

Table 4.8: Results of Item-to-total Correlations, Factor loadings, % of Variance and Cronbach’s Alpha of OCB Constructs

<table>
<thead>
<tr>
<th>Component</th>
<th>Item-to-total correlation</th>
<th>Altruism</th>
<th>Loyalty</th>
<th>Teambuilding</th>
<th>Conscientiousness</th>
</tr>
</thead>
<tbody>
<tr>
<td>AL1</td>
<td>0.706</td>
<td>0.771</td>
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</tr>
<tr>
<td>AL2</td>
<td>0.872</td>
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</tr>
<tr>
<td>AL3</td>
<td>0.662</td>
<td>0.758</td>
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<td></td>
</tr>
<tr>
<td>AL4</td>
<td>0.899</td>
<td>0.906</td>
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</tr>
<tr>
<td>LO1</td>
<td>0.857</td>
<td>0.877</td>
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</tr>
<tr>
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<td>0.786</td>
<td>0.839</td>
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<td>0.881</td>
<td>0.885</td>
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<tr>
<td>LO5</td>
<td>0.717</td>
<td>0.780</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>TB2</td>
<td>0.717</td>
<td></td>
<td></td>
<td>0.790</td>
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</tr>
<tr>
<td>TB3</td>
<td>0.844</td>
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<td>0.874</td>
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</tr>
<tr>
<td>TB5</td>
<td>0.923</td>
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<td>0.872</td>
<td></td>
</tr>
<tr>
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<td></td>
<td></td>
<td></td>
<td>0.896</td>
</tr>
<tr>
<td>CN3</td>
<td>0.891</td>
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<td></td>
<td></td>
<td>0.883</td>
</tr>
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<td>CN4</td>
<td>0.638</td>
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<td></td>
<td></td>
<td>0.703</td>
</tr>
<tr>
<td>CN5</td>
<td>0.804</td>
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<td></td>
<td></td>
<td>0.843</td>
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<td>% of Variance</td>
<td>22.120</td>
<td>21.128</td>
<td>18.534</td>
<td>17.894</td>
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<tr>
<td>Cronbach’s alpha</td>
<td>0.93</td>
<td>0.91</td>
<td>0.94</td>
<td>0.83</td>
<td></td>
</tr>
</tbody>
</table>

a. Total variance extracted by 4 factors = 80%, KMO = 0.878, Bartlett’s Test p<0.001
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Varimax with Kaiser Normalization.
In Table 4.8, four factors (eigenvalue >1) are revealed to be the components that underlie the construct of OCB. The factors are labeled as altruism, loyalty, teambuilding and conscientiousness. With a respective variance of 22%, 21%, 19% and 18%, the four factors explain 80% of the total variance in the OCB construct.

In summary, after the scales are purified, all the remaining items show loadings that are well above 0.5, item-to-total correlations that are greater than 0.5 and Cronbach’s alphas that exceed 0.75. The results of EFA support the earlier predictions regarding the factors which converge under the scales theoretically proposed in this study. At this preliminary analysis stage, the results of reliability and factor analyses have presented sufficient evidence of unidimensionality in the constructs proposed to be utilized in the subsequent analyses (Lu et al., 2007).

4.5 MULTIVARIATE ASSUMPTIONS

Multivariate analysis such as performed in this study requires several assumptions to be met. Violations of assumptions can lead to a number of problems which ranges from inaccurate results of significant coefficients to biased and wrong predictions of the hypothesized relationships (Hair et al., 2006).

4.5.1 NORMALITY, OUTLIERS, LINEARITY AND HOMOSCEDASTICITY

Based on Miles and Shevlin’s (2001) guideline, skewness and kurtosis values of greater than twice their respective standard errors are indicative of non-normal distributions. Using these values (skewness>0.27, kurtosis >0.54) as benchmarks, Table 4.9 shows that some variables are significantly skewed (i.e., Support at Work,
Supervisory Assistance, Performance Appraisals, Altruism, Teambuilding and Conscientiousness) and peaked (i.e., Training, and Conscientiousness). However, since some other variables are below the specified values, it can be concluded that the data in general, do not seriously depart from normality. Furthermore, issues of non-normality should not be a concerned here because of the study’s large sample size (n=325).

Hair et al, (2006) highlight that for sample sizes of 200 or more, the “detrimental effect of nonnormality” is negligible (p.80). The decision to treat the results as negligible in this case is further supported by Tabachnick & Fidell (2007) who explain that in a large sample, variables with significant skewness or kurtosis “often does not deviate enough from normality to make substantive difference in the analysis” (p.80). Nevertheless, for purpose of understanding the extent to which normality distribution is assumed in the sample (Hair et al., 2006), results of graphical plots are analyzed.

<table>
<thead>
<tr>
<th>Table 4.9: The Levels of Skewness and Kurtosis of All Variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Support at Work</td>
</tr>
<tr>
<td>Training</td>
</tr>
<tr>
<td>Reward System</td>
</tr>
<tr>
<td>Supervisory Assistance</td>
</tr>
<tr>
<td>Performance Appraisals</td>
</tr>
<tr>
<td>Altruism</td>
</tr>
<tr>
<td>Loyalty</td>
</tr>
<tr>
<td>Teambuilding</td>
</tr>
<tr>
<td>Conscientiousness</td>
</tr>
<tr>
<td>Perceived Service Quality</td>
</tr>
</tbody>
</table>
As presented in Appendix C, visual inspections of the graphical plots do not indicate any pattern of non-linearity (e.g., the dots are far from a straight-line relationship) and heteroscedasticity (the dots are not concentrated in the center but spread out across the scatterplot graph) and no extreme outliers are found as all cases are generally located at the specified residual range (between 3.3 and -3.3). These results show that there is no serious case of outliers in the data and as such, evidence of linearity and homoscedasticity are obtained in the relationship between independent and dependent variables of this study. In short, based the graphical plots, the variables in the samples reasonably exhibit univariate normality.

4.5.2 MULTICOLLINEARITY

As suggested by Pallant (2005), multicollinearity among independent variables can be examined by the Tolerance and VIF values resulted from the analysis of standard multiple regression between the independent and dependent variables. Remedies for multicollinearity problems should be considered to be taken if the Tolerance value shows less than 0.10 and VIF more than 10 (Belsley et al., 1980). In this case, the results of the standard multiple regression pertaining to the multicollinearity issue as displayed in Table 4.10 and 4.11 indicates that all Tolerance and VIF values are above the cut-off values. As such, there are no detrimental correlations among the independent variables of the study.
Table 4.10: Tolerance and VIF Values of Service-Based HRM Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support at Work</td>
<td>0.623</td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>0.982</td>
</tr>
<tr>
<td></td>
<td>Reward System</td>
<td>0.631</td>
</tr>
<tr>
<td></td>
<td>Supervisory Assistance</td>
<td>0.569</td>
</tr>
<tr>
<td></td>
<td>Performance Appraisals</td>
<td>0.752</td>
</tr>
</tbody>
</table>

a Dependent Variable: OCB

Table 4.11: Tolerance and VIF Values of OCB Variables

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Altruism</td>
<td>0.744</td>
</tr>
<tr>
<td></td>
<td>Loyalty</td>
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<tr>
<td></td>
<td>Teambuilding</td>
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</tr>
<tr>
<td></td>
<td>Conscientiousness</td>
<td>0.633</td>
</tr>
</tbody>
</table>

a Dependent Variable: PSQ

4.6 MEASUREMENT MODEL

“No valid conclusions exist without valid measurement” (Hair et al., 2006, p. 770).

Hence, before the proposed model is interpreted for hypotheses testing purposes, a confirmatory factor analysis (CFA) is performed to validate the measurement model.

Cheng (2001) has noted that there are two alternatives of validating a measurement model. It is either by running a CFA on each individual variable or on all of them simultaneously. In order to improve the psychometric properties of the measures, the author suggests the second alternative. He argues that a measurement which is found to be in good fit (based on individual variable test) will not guarantee an equally acceptable fit when it is concurrently analyzed together with other variables of the
same model. He states that an “inconsistency of such results is attributed to the unexpected relationships between indicators and non-underlying constructs” (p.653). The simultaneous test of all latent variables with their respective indicators is also adopted by many researchers such as Clark, Dobbins, and Ladd, (1993), Gwinner and Swanson (2003), and Lu et al. (2007).

In line with Cheng’s (2001) argument and the procedure adopted by those mentioned researchers, a CFA using AMOS 7 is performed on all variables at the same time.
Figure 4.1: The Measurement Model
Garver and Mentzer (1999) assert that a measurement model is tested for evaluations of the model’s:

1. unidimensionality
2. construct reliability
3. construct validity

### 4.6.1 UNIDIMENSIONALITY

With 945 degrees of freedoms, the model of this study yields a $\chi^2$ value of 2321.532. Using a Type I error rate of 0.05, the $\rho$-value associated with this result is 0.000. The large $\chi^2$ and significant $\rho$-value suggest that the observed sample and SEM estimated covariance matrices are significantly not equal and this is indicative of an unfit model. However, researchers are constantly cautioned against using a $\chi^2$ statistics index as the sole determinant of the model’s fit (Rigdon, 1996; Byrne, 2001; Narsky, 2003; Hair et al., 2006; Tsuji, Bennet, & Zhang, 2007). Tickle, Hull, Sargent, and Dalton (2006) state that “Although we report the $\chi^2$ goodness-of-fit test, it is widely acknowledged to have a variety of undesirable properties such as a bias towards significance with large sample sizes” (p. 122). An alternative to this measure is a relative likelihood ratio between a $\chi^2$ and its degrees of freedom ($\chi^2$/df). According to Eisen, Wilcox, and Leff (1999), a relative likelihood ratio of 5 or less is considered an acceptable fit. Since the value of $\chi^2$/df for this model is 2.457, this measurement model is considered to have achieved an adequate fit.
Proposed by Bentler (1990), CFI index is measured based on non-centrality, least affected by sample size and not linked to statistical significance test. By convention, CFI value should be equal or greater than 0.9 in order to support the fit of the model (Bentler, 1990; Hoyle, 1995; Kline, 1998; Sureshchandar, Rajendran, & Anantharaman, 2002; Kulas et al., 2007). Using this as a benchmark, it is assured that 90% (or more) of the covariations in the data are explained by the given model. The CFI value that is produced by the model in this study is 0.907 and therefore, it satisfies the CFI requirement.

RMSEA is another goodness-of-fit (GOF) index which is commonly found in the literature. It measures discrepancy per degree of freedom. The closer to zero the value of RMSEA is, the lesser the variances and covariances are left unexplained (Saenz et al., 1999). It is suggested that an RMSEA value that is less than 0.05 is regarded as good fit, between 0.05 and 0.08 is considered acceptable fit, 0.08 and 0.10 is deemed as marginal fit, and a value larger than 0.10 is concluded as poor fit (Browne & Cudeck, 1992). Since the proposed model yields a RMSEA value of 0.067, it means that only about 7% of the variance and covariances are left unexplained, making the fit of the model reasonably acceptable.

Also known as a badness-of-fit, an SRMR index gauges the average difference between the hypothesized and observed variances and covariances in the model, based on standardized residuals (Hair et al., 2006). A model with an SRMR value of 0.10 or lower is considered as good fit (Kline 1998). With SRMR value of 0.050, the model of this study exceeds the given cutoff point. In short, the results of the GOF index indicate
that the measurement model fits the data quite well ($\chi^2=2321.532$, df=945, $\chi^2$/df=2.457, 
p=0.000, CFI=0.907, RMSEA=0.067, SRMR=0.050).

Apart from the assessment of the model’s fit, the element of unidimensionality can also be determined by examining the items’ path directions and significant levels. This information can be obtained from the regression weight output as shown by Table 4.13 below. The parameters’ variances compared across groups are shown in the “Estimate” column. Based on the results, the value of each parameter estimate, which ranges from 0.801 (LO to LO3) to 1.529 (PSQ to PSQ4) is all positive. When the estimates are divided by their respective standard error (S.E), they produce values which are called critical ratios (C.R). A C.R score that is larger than 1.96 is significant at 0.05 level (Byrne, 2001). All C.R values as shown in the table are greater than 1.96, indicating the achievement of significance level. The highest value of C.R is 57.110 (CN to CN3) while the lowest is 8.997 (SA to SA4). In the AMOS output, the significance of C.R is calculated and prepared by the software. As illustrated in the last column of Table 4.13, all parameters are shown to be significant.

In summary, since the values of all parameters’ estimates are all positive and significant, this implies that all items are significantly associated with their respective latent variables as hypothesized in this study. Hence, besides the achievement of acceptable model fit presented earlier, the existence of unidimensionality in this model is further supported by the items’ positive and significant path directions.
Table 4.12: Regression Weights

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW1 &lt;----------</td>
<td>SW</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SW2 &lt;----------</td>
<td>SW</td>
<td>1.020</td>
<td>0.029</td>
<td>35.268***</td>
</tr>
<tr>
<td>SW3 &lt;----------</td>
<td>SW</td>
<td>1.039</td>
<td>0.027</td>
<td>37.795***</td>
</tr>
<tr>
<td>SW4 &lt;----------</td>
<td>SW</td>
<td>0.934</td>
<td>0.041</td>
<td>22.593***</td>
</tr>
<tr>
<td>SW5 &lt;----------</td>
<td>SW</td>
<td>1.015</td>
<td>0.028</td>
<td>36.810***</td>
</tr>
<tr>
<td>TR1 &lt;----------</td>
<td>TR</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR2 &lt;----------</td>
<td>TR</td>
<td>1.053</td>
<td>0.060</td>
<td>17.492***</td>
</tr>
<tr>
<td>TR3 &lt;----------</td>
<td>TR</td>
<td>1.029</td>
<td>0.060</td>
<td>17.130***</td>
</tr>
<tr>
<td>TR4 &lt;----------</td>
<td>TR</td>
<td>1.021</td>
<td>0.061</td>
<td>16.813***</td>
</tr>
<tr>
<td>TR5 &lt;----------</td>
<td>TR</td>
<td>0.944</td>
<td>0.060</td>
<td>15.776***</td>
</tr>
<tr>
<td>RS1 &lt;----------</td>
<td>RS</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RS2 &lt;----------</td>
<td>RS</td>
<td>.847</td>
<td>0.080</td>
<td>10.564***</td>
</tr>
<tr>
<td>RS3 &lt;----------</td>
<td>RS</td>
<td>1.342</td>
<td>0.077</td>
<td>17.395***</td>
</tr>
<tr>
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<td>RS</td>
<td>1.166</td>
<td>0.083</td>
<td>14.032***</td>
</tr>
<tr>
<td>RS5 &lt;----------</td>
<td>RS</td>
<td>1.278</td>
<td>0.076</td>
<td>16.869***</td>
</tr>
<tr>
<td>SA1 &lt;----------</td>
<td>SA</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA2 &lt;----------</td>
<td>SA</td>
<td>1.397</td>
<td>0.086</td>
<td>16.297***</td>
</tr>
<tr>
<td>SA3 &lt;----------</td>
<td>SA</td>
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<td>0.084</td>
<td>14.351***</td>
</tr>
<tr>
<td>SA4 &lt;----------</td>
<td>SA</td>
<td>.818</td>
<td>0.091</td>
<td>8.997 ***</td>
</tr>
<tr>
<td>SA5 &lt;----------</td>
<td>SA</td>
<td>1.237</td>
<td>0.088</td>
<td>13.987***</td>
</tr>
<tr>
<td>PA1 &lt;----------</td>
<td>PA</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA2 &lt;----------</td>
<td>PA</td>
<td>0.831</td>
<td>0.058</td>
<td>14.265***</td>
</tr>
<tr>
<td>PA3 &lt;----------</td>
<td>PA</td>
<td>0.947</td>
<td>0.052</td>
<td>18.186***</td>
</tr>
<tr>
<td>PA4 &lt;----------</td>
<td>PA</td>
<td>0.820</td>
<td>0.064</td>
<td>12.877***</td>
</tr>
<tr>
<td>AL1 &lt;----------</td>
<td>AL</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL2 &lt;----------</td>
<td>AL</td>
<td>1.192</td>
<td>0.065</td>
<td>18.206***</td>
</tr>
<tr>
<td>AL3 &lt;----------</td>
<td>AL</td>
<td>0.907</td>
<td>0.072</td>
<td>12.537***</td>
</tr>
<tr>
<td>AL4 &lt;----------</td>
<td>AL</td>
<td>1.261</td>
<td>0.066</td>
<td>19.127***</td>
</tr>
<tr>
<td>AL5 &lt;----------</td>
<td>AL</td>
<td>1.284</td>
<td>0.063</td>
<td>20.308***</td>
</tr>
<tr>
<td>LO1 &lt;----------</td>
<td>LO</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO2 &lt;----------</td>
<td>LO</td>
<td>0.938</td>
<td>0.043</td>
<td>21.918***</td>
</tr>
<tr>
<td>LO3 &lt;----------</td>
<td>LO</td>
<td>0.801</td>
<td>0.056</td>
<td>14.258***</td>
</tr>
<tr>
<td>LO4 &lt;----------</td>
<td>LO</td>
<td>1.047</td>
<td>0.040</td>
<td>26.380***</td>
</tr>
<tr>
<td>LO5 &lt;----------</td>
<td>LO</td>
<td>0.886</td>
<td>0.049</td>
<td>17.974***</td>
</tr>
<tr>
<td>TB2 &lt;----------</td>
<td>TB</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TB3 &lt;----------</td>
<td>TB</td>
<td>1.242</td>
<td>0.075</td>
<td>16.589***</td>
</tr>
<tr>
<td>TB4 &lt;----------</td>
<td>TB</td>
<td>1.324</td>
<td>0.071</td>
<td>18.540***</td>
</tr>
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<td>TB5 &lt;----------</td>
<td>TB</td>
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<td>18.140***</td>
</tr>
<tr>
<td>CN1 &lt;----------</td>
<td>CN</td>
<td>1.000</td>
<td></td>
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</tr>
</tbody>
</table>
### 4.6.2 Construct Reliability

Construct reliability is defined as “...the degree to which measures are free from error and therefore yield consistent results” (Peter, 1979, p. 6). Otherwise stated, it demonstrates the degree to which the scale indicators reflect an underlying factor. Construct reliability can be ascertained by assessing the item reliability (squared multiple correlation), composite reliability and average variance extracted.

Table 4.13: Item Reliability, Standardized Regression Weights, Composite Reliability and Average Variance Extracted

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>CN3</td>
<td>0.964</td>
<td>0.017</td>
<td>57.110</td>
<td>***</td>
</tr>
<tr>
<td>CN4</td>
<td>0.764</td>
<td>0.048</td>
<td>15.954</td>
<td>***</td>
</tr>
<tr>
<td>CN5</td>
<td>0.861</td>
<td>0.028</td>
<td>30.549</td>
<td>***</td>
</tr>
<tr>
<td>PSQ1</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSQ2</td>
<td>1.160</td>
<td>0.093</td>
<td>12.512</td>
<td>***</td>
</tr>
<tr>
<td>PSQ3</td>
<td>1.282</td>
<td>0.101</td>
<td>12.659</td>
<td>***</td>
</tr>
<tr>
<td>PSQ4</td>
<td>1.529</td>
<td>0.102</td>
<td>15.029</td>
<td>***</td>
</tr>
</tbody>
</table>

***p<0.001
<table>
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<tr>
<th></th>
<th>Std. Reg. Weight</th>
<th>P</th>
<th>$r^2$</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supervisory Assistance</strong></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>SA1</td>
<td>0.698</td>
<td></td>
<td></td>
<td>0.487</td>
<td>0.882</td>
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<td>0.691</td>
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</tr>
<tr>
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<td></td>
<td>0.655</td>
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</tr>
<tr>
<td><strong>Performance Appraisals</strong></td>
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<tr>
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<td>0.861</td>
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<td>0.741</td>
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<td><strong>0.436</strong></td>
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<tr>
<td><strong>Altruism</strong></td>
<td></td>
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<td>0.932</td>
<td>0.738</td>
</tr>
<tr>
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<tr>
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<td></td>
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<td>0.978</td>
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<td>0.871</td>
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<tr>
<td>LO5</td>
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<td><strong>Teambuilding</strong></td>
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<td>0.806</td>
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<td></td>
<td></td>
<td>0.790</td>
<td></td>
</tr>
<tr>
<td>TB4</td>
<td>0.987</td>
<td></td>
<td></td>
<td>0.974</td>
<td></td>
</tr>
<tr>
<td>TB5</td>
<td>0.964</td>
<td></td>
<td></td>
<td>0.929</td>
<td></td>
</tr>
<tr>
<td><strong>Conscientiousness</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.864</td>
<td>0.774</td>
</tr>
<tr>
<td>CN1</td>
<td><strong>0.998</strong></td>
<td></td>
<td></td>
<td>0.996</td>
<td></td>
</tr>
<tr>
<td>CN3</td>
<td>0.956</td>
<td></td>
<td></td>
<td>0.913</td>
<td></td>
</tr>
<tr>
<td><strong>CN4</strong></td>
<td><strong>0.665</strong></td>
<td></td>
<td></td>
<td><strong>0.442</strong></td>
<td></td>
</tr>
<tr>
<td>CN5</td>
<td>0.863</td>
<td></td>
<td></td>
<td>0.745</td>
<td></td>
</tr>
<tr>
<td><strong>Perceived Service Quality</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.801</td>
<td>0.632</td>
</tr>
<tr>
<td>PSQ1</td>
<td>0.680</td>
<td></td>
<td></td>
<td>0.462</td>
<td></td>
</tr>
<tr>
<td>PSQ2</td>
<td>0.746</td>
<td></td>
<td></td>
<td>0.556</td>
<td></td>
</tr>
<tr>
<td>PSQ3</td>
<td>0.755</td>
<td></td>
<td></td>
<td>0.570</td>
<td></td>
</tr>
<tr>
<td>PSQ4</td>
<td>0.970</td>
<td></td>
<td></td>
<td>0.941</td>
<td></td>
</tr>
</tbody>
</table>

***p<0.001
In Table 4.13, item reliability is represented by the $r^2$ value reported by each measured indicator. The magnitude of this value reflects the amount of variance that is accounted for by the latent variable associated with the item (Koufteros, 1999; Lu et al., 2007). To be accepted as a reliable item, it is required to have at least 50% of the variance ($R^2 \geq 0.5$) (Bollen, 1989). As shown in Table 4.10, eight of the indicators are found to have low item reliability ($RS2=0.347$, $SA1=0.487$, $SA4=0.265$, $PA4=0.436$, $AL3=0.437$, $LO3=0.448$, $CN4=0.442$, $PSQ1=0.462$). These flaws however are considered acceptable since not only the paths that linked these items to their respective latent variables show significant p-values, the rest of other items yielded $R^2$ values above 0.5, ranging from 0.509 (PA2) to 0.996 (CN1). Thus, in terms of item reliability, the model is claimed to have reasonable construct reliability.

According to many researchers, a scale is deemed to have a reasonable internal consistency if the CR value (for standardized estimates) is 0.6 or higher (Nunnally, 1978; Aubert, Rivard, & Patry, 1996; Lawson-Body & Limayem, 2004). Based on the results reported in Table 4.13, all indicators obtained good CR values which range from 0.801 (Perceived Service Quality) to 0.969 (Support at Work). The results therefore prove that the constructs are highly reliable as they are very consistent in explaining the variances constituted in them.

Another important aspect of construct reliability is the average of variances extracted (AVE) for each individual construct. Average variance extracted is an estimate that calculates the average amount of variances in indicators that are accounted for by the underlying factor (Taylor & Hunter, 2003). A reliable variable is when its AVE
achieves 0.5 or greater (Fornell & Larcker, 1981). This cut-off value assures that at least 50% or more of the variances in the observed variables are explained by the set of indicators.

An observation from Table 4.13 reveals that none of the variables have an AVE value below 50%. The lowest AVE is generated by the Supervisory Assistance and Performance Appraisals variables, both with a percentage of 60.8 and the highest AVE is scored by support at work variable with a percentage of 86.2. Therefore, it is conclusive to state that the constructs in the model are reliable as the measures of average variance extracted supersede the value typically outlined in the literature.

**4.6.3 CONSTRUCT VALIDITY**

Construct validity can be determined by examining the extent to which items of the same latent variable are measuring the same construct (convergent validity) and when the items do not measure constructs other than their own (discriminant validity) (Garver & Mentzer, 1999).

Based on Campbell and Fiske’s (1959) work, Ahire and Devaraj (2001) define convergent validity as “the degree to which multiple methods of a construct, yield the same results” (p.321). The existence of convergent validity is verified when the standardized factor loadings (standardized regression weights) are significant ($p<0.001$) and above the recommended value of 0.7 (Segar, 1997; Gefen, Straub, & Boudreau, 2000; Byrne, 2001; Hair et al., 2006; Lu et al., 2007).
It can be seen from table 4.13 that the p-values of all items with respect to their respective factors indicate significant scores. This means that convergent validity is presence in the model. Convergent validity is further established by the results of high factor loadings (standardized regression weights), ranging from 0.514 (SA4) to 0.998 (CN1). Although by convention, 0.6 is below the ideal threshold level, Hair et al. (2006) allow for a minimum value of 0.5 as long as the overall fit of the model remains acceptable. In this case, the earlier analysis has shown that the overall fit of the model is good and therefore, based on Hair et al.’s guideline, items with less than 0.6 loadings such as 0.514 (SA4) is considered acceptable. The positive results related to the items’ significance levels and the overall results of factor loadings have reasonably confirmed the existence of convergent validity in each of the construct in the model.

The procedures for determining the presence of discriminant validity is first, obtain the AVE score from each latent variable. Second, compare with the squared correlation value that is shared between it and other variables (Fornell & Larcker, 1981). Discriminant validity is established if the AVE score is higher than the squared correlation that is shared between two variables (Fornell & Larcker, 1981; Lawson-Body & Limayem, 2004).

Presented in a matrix, Table 4.14 exhibits the outcomes pertaining to the discriminant validity of each construct proposed in the model. The AVE values are reported diagonally while the squared correlations values are shown below the diagonal. The results show that the lowest average AVE value is 0.608 (Supervisory Assistance and Performance Appraisals) and none of the squared correlation value falls above this
score. This indicates that all the ten variables utilized in this study are distinct constructs, indicating an existence of discriminant validity.

Table 4.14: Results of Average Variance Extracted and Squared Correlations of Each Construct

<table>
<thead>
<tr>
<th></th>
<th>SW</th>
<th>TR</th>
<th>RS</th>
<th>SA</th>
<th>PA</th>
<th>AL</th>
<th>LO</th>
<th>TB</th>
<th>CN</th>
<th>PSQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>SW</td>
<td>0.862</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR</td>
<td>0.001</td>
<td>0.695</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RS</td>
<td>0.256</td>
<td>0.000</td>
<td>0.637</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SA</td>
<td>0.367</td>
<td>0.003</td>
<td>0.312</td>
<td>0.608</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>0.218</td>
<td>0.000</td>
<td>0.215</td>
<td>0.245</td>
<td>0.608</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AL</td>
<td>0.161</td>
<td>0.010</td>
<td>0.052</td>
<td>0.155</td>
<td>0.125</td>
<td>0.738</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LO</td>
<td>0.285</td>
<td>0.001</td>
<td>0.346</td>
<td>0.382</td>
<td>0.196</td>
<td>0.127</td>
<td>0.690</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TB</td>
<td>0.215</td>
<td>0.003</td>
<td>0.146</td>
<td>0.272</td>
<td>0.194</td>
<td>0.224</td>
<td>0.138</td>
<td>0.806</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CN</td>
<td>0.233</td>
<td>0.002</td>
<td>0.192</td>
<td>0.256</td>
<td>0.166</td>
<td>0.186</td>
<td>0.233</td>
<td>0.253</td>
<td>0.774</td>
<td></td>
</tr>
<tr>
<td>PSQ</td>
<td>0.244</td>
<td>0.003</td>
<td>0.226</td>
<td>0.272</td>
<td>0.221</td>
<td>0.207</td>
<td>0.311</td>
<td>0.222</td>
<td>0.187</td>
<td>0.632</td>
</tr>
</tbody>
</table>

Note: Values for the diagonal elements are those for the average variance extracted. Values below the diagonal are squared correlations

In short, the exploratory evaluations of the measurement model have demonstrated that the items, constructs and overall model have displayed elements of unidimensionality, construct reliability and construct validity. Therefore, it is concluded that the measurement model fits quite well with the data and as such, the outcomes of this study can be reasonably generalized as representative of the targeted population.

4.7 OCB AS A SECOND ORDER MODEL

OCB has been recommended by priori theoretical structure that it is a second order construct comprising of multiple dimensions. For a statistical reason, this has to be established by first, ensuring that the dimensions of this construct are indeed correlated with each other and second, the model demonstrates the structural relationship between the dimensions (Byrne, 2001; Hair et al., 2006; Schmidt, 2005). Garver and Mentzer
(1999) also add that “Whether specifying constructs in the measurement model as a first or second order, it is imperative that both the first order and second order measurement (phases) models be tested for unidimensionality and reliability” (p.38).

In the first step, the correlations of OCB dimensions are analysed and the results are depicted in Figure 4.2 below. The Goodness-of fit statistics report that the model fits the data very well ($\chi^2=335.618$, $df=132$; $P<0.001$; $\chi^2/df=2.543$; $CFI=0.967$; $RMSEA=0.069$; $SRMR=0.042$). Evidence of unidimensionality is further supported when the model shows that all the parameter estimates are significant and item loadings are higher than 0.5 (Anderson & Gerbing, 1988; Kline, 1998).

Figure 4.2: OCB – The Measurement Model
In the second step, the structural relationships between the OCB dimensions are examined by comparing the proposed model (second-order construct) with two other alternative models namely, the first-order and one-factor model. This comparison is important as it provides an additional test for common method bias (Davvy, Kinick, & Scheck, 1997). The following graphs (Figure 4.3) illustrate the models to be compared with.

Figure 4.3: The Competing OCB Models

Table 4.15: Comparative Fit Statistics & Indexes for Competing Models of OCB

<table>
<thead>
<tr>
<th>Model</th>
<th>$\chi^2$</th>
<th>df</th>
<th>P&lt;0.001</th>
<th>$\chi^2$/df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second-order OCB</td>
<td>335.618</td>
<td>132</td>
<td>0.000</td>
<td>2.543</td>
<td>0.967</td>
<td>0.069</td>
<td>0.042</td>
</tr>
<tr>
<td>First-order OCB</td>
<td>329.615</td>
<td>130</td>
<td>0.000</td>
<td>2.535</td>
<td>0.968</td>
<td>0.069</td>
<td>0.037</td>
</tr>
<tr>
<td>One-factor OCB</td>
<td>3961.196</td>
<td>135</td>
<td>0.000</td>
<td>29.342</td>
<td>0.379</td>
<td>0.296</td>
<td>0.167</td>
</tr>
</tbody>
</table>
As shown in Table 4.15 above, the worst overall fit is exhibited by the one-factor model ($\chi^2=3961.196$, df=135, $p<0.000$, $\chi^2$/df=29.342, CFI=0.379, RMSEA=0.296, SRMR=0.167). In this case, the one-factor model is therefore rejected. When the second- and first-order model is compared, it is seen that both of them yield near identical GOF results. With a difference of 2 degree of freedoms ($\Delta$df), the chi-square difference of $\Delta\chi^2=6.003$ is not significant ($p>0.001$). Since both models produced acceptable fit and there is no significant chi-square difference between the two, the proposed (second-order) model is preferable in this study. The reasons are; the second-order OCB is suggested by theoretical structure (Organ, 1988; LePine et al., 2002) and using second-order model will increase the validity of the construct (Garver & Mentzer, 1999; Byrne, 2001; Hair et al., 2006). Hence, on the bases of priori theoretical status and construct validity of the scale, the second-order OCB is chosen to be used in this study.

4.8 STRUCTURAL MODEL

Once the proposed model has been validated by the CFA, the model can now be tested using SEM for hypotheses testing purposes. In this stage, the predictive validity is considered achieved when the correlations (standardized regression weights or structural regression coefficients, $\beta$) between the observed variables are substantial in magnitude and statistically significant (Garver & Mentzer, 1999). Figure 4.4 exhibits the structural model to be tested using SEM technique.
The analysis of SEM on the proposed model has generated results which are illustrated in Table 4.16 below. Except for the non-significant p-value, which is common when a sample size is larger than 200 (Tickle et al., 2006), all of the other displayed fit indices appeared to be superseding the cut-off values commonly suggested in the literature. As such, it can be concluded that the fit of the proposed model is reasonably good.

Table 4.16: The Overall Fit of the Proposed Structural Model

<table>
<thead>
<tr>
<th></th>
<th>$\chi^2$</th>
<th>df</th>
<th>P&lt;0.001</th>
<th>$\chi^2$/df</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Model</td>
<td>2395.610</td>
<td>970</td>
<td>0.000</td>
<td>2.470</td>
<td>0.904</td>
<td>0.067</td>
<td>0.058</td>
</tr>
</tbody>
</table>
4.8.1 HYPOTHESIS TESTING

The results of structural coefficients exhibited in Figure 4.5 are now used to examine hypotheses H1, H2, H3, H4, H5 and H6 below.

**H1. Support at work has a significant relationship with OCB**

The path that connects support at work to OCB yields a significant coefficient value of 0.269 (SE=0.027; C.R=4.478). In other words, support at work is significantly correlated with employee OCBs. The results therefore supported H1.

**H2. Training has a significant relationship with OCB**

The link between training and OCB as shown in Figure 4.5 generated a coefficient value of 0.069 and this is not significant at 0.001 (SE=0.018; C.R=1.636; p=0.102). This means that training has no significant relationship with OCB. Hence, H2 is not supported in this study.

**H3. Reward system has a significant relationship with OCB**

The coefficient value for the route from reward system to OCB is 0.194 (SE=0.031; C.R=3.375). Thus, H3 is supported, indicating a significant relationship between reward system and OCB.

**H4. Supervisory assistance has a significant relationship with OCB**

With a coefficient value of 0.393 the association between supervisory assistance and OCB is deemed to be significant (SE=0.045; C.R=5.417). These data provide support to H4.
**H5. Performance appraisals have a significant relationship with OCB**

As shown in Figure 4.5, the coefficient value that is produced between performance appraisals and OCB is 0.221. This is a significant results (SE=0.027; C.R=3.863). In effect, this path is also considered significant and as such supports H5.

In general, except for training (H2), all paths from service-based HRM practices to OCB are significant, indicating supports to all the respective hypotheses (H1, H3, H4, and H5). Among these significant paths, the highest coefficient values is scored by supervisory assistance-OCB link (β=0.393) and the lowest one is shown by reward system-OCB link (β=0.194). This result implies that among the observed service-based HRM practices, the strongest predictor of OCB is supervisory assistance while the weakest is reward system.

**H6. OCB has a significant relationship with perceived service quality**

The significant relationship between OCB and PSQ is revealed by the coefficient value of 0.716. This value is also significant (SE=0.140; C.R=7.485). In short, there is evidence to state that employee OCBs are a significant determinant of perceived service quality. Hence, H6 is supported.

Hypothesis 7, 8, 9, 10 and 11 are predictions that concern with OCB as the mediating variable. James, Mulaik, and Brett, (2006) assert that the goal of SEM in testing mediation is “…to contrast alternative models and identify those that appear to offer useful explanations versus those that do not” (p.243). For this purpose, the complete mediation model is recommended to be taken as the focal or baseline parameter. The
reason is that in mediation test, the complete mediation model is the most parsimonious mediation model and “parsimonious models are taken as the theoretical baselines in science because they are the easiest to reject” (James et al., 2006, p. 240). With this spirit, a partial mediation model is used as an alternative model. A complete mediation is confirmed when the chi-square difference between the mediation and alternative (partial mediation) model is not significant. The non-significant change difference implies that the change which is made on the proposed model (complete mediation) does not significantly add to the improvement of the model’s overall fit (Griffin, 1977; Wang, Law, Hackett, Wang, & Chen, 2005; Saparito & Colwell, 2007).

The mediation test begins by first, obtaining the GOF measures of the proposed complete mediation model. Next, for comparison purposes, direct lines that connect the independent variables (SW, TR, RS, SA, and PA) to the dependent variable (perceived service quality) are added in the existing model. This new structural model is called a partial mediation model. The new overall fit generated by the partial mediation model is then compared with the overall fit yielded earlier by the proposed model (complete mediation model). The results of this mediation test are reported in Table 4.17.

| Table 4.17: The Overall Fit of the Complete Mediation and Partial Mediation Model |
|-----------------------------------------------|---|---|---|---|---|---|---|
|                                             | $$\chi^2$$ | df  | P<0.001 | $$\chi^2$/df | CFI | RMSEA | SRMR  |
| Complete Mediation                          | 2395.610   | 970 | 0.000   | 2.470          | 0.904 | 0.067 | 0.058 |
| Partial Mediation                           | 2392.801   | 965 | 0.000   | 2.480          | 0.903 | 0.068 | 0.058 |
| Difference (\(\Delta\)) between complete and partial mediation models | 2.809      | 5   | 0.000   | 0.010          | 0.001 | 0.001 | 0.000 |
As shown in Table 4.17, the fit of the partial mediation model generates very little difference from that of the complete mediation model. To determine if the change is significant, the difference in chi-square between both models is examined. For a chi-square difference of 2.809, with 5 degrees of freedom, the associated p-value is not significant (p=0.729). Thus, the additional paths created within the complete mediation model do not cause any significant change to the overall fit of the original model. As such, for parsimonious reason (James et al., 2006), the partial mediation model is rejected and the complete mediation model which is proposed in this study is accepted. For hypotheses testing purposes, Figure 4.5 provides the parameter estimates of the related paths (the complete mediation model).
H7. OCB mediates the relationship between support at work and perceived service quality

As shown in Figure 4.7, both direct effects of support at work on OCB (β=0.269) and OCB on PSQ (β=0.716) are significant. Referring to the results of indirect effects reported in the output of AMOS (Appendix), it is indicated that the indirect path which connects support at work to PSQ through OCB is 0.193. Based on Sobel test calculation (Soper, 2004), this indirect effect value is significant (Sobel test = 4.549). Hence, with a significant magnitude of indirect coefficient value, OCB appears to be a strong mediator, indicating a support to H7.
**H8. OCB mediates the relationship between training and perceived service quality**

For a variable to be recognized as a mediator, one of the conditions is, a significant effect must be established between independent and mediator variables (Baron & Kenny, 1986). In this study, the results show that the direction from training to OCB is found to be non-significant ($\beta=0.069$, S.E=0.018, C.R=1.636, p=0.102) while the path from OCB to PSQ is significant ($\beta=0.716$, S.E=0.140, C.R=7.485, p<0.001). Using Baron and Kenny’s guideline, since the path from training (independent variable) to OCB (mediator variable) is not significant, OCB as a mediator therefore is not supported in this relationship. This non-significant result is also supported by the generated value of non-significant Sobel test (3.067). Hair et al. (2006) add that, “Small indirect effects (i.e., less than 0.08) are rarely of interest and seldom add to the substantive conclusions.” (p.870). In short, OCB does not mediate the relationship between training and perceived service quality in this study. This result is further confirmed by the non-significant and trivial size of the indirect effect as shown in that relationship. In sum, H8 is not supported.

**H9. OCB mediates the relationship between reward system and perceived service quality**

With a significant coefficient value of 0.194 that is shown by the relationship between reward system and OCB and 0.716 between OCB and PSQ, it is concluded that OCB functions as the mediator in the relationship between reward system and PSQ. The route from reward system to PSQ via OCB is represented by a significant coefficient value of 0.139 (Sobel test = 3.960). As such, it is claimed that OCB is a significant
mediator in the relationship between reward system and PSQ. This means that H9 is supported with a significant value of indirect effect.

**H10. OCB mediates the relationship between supervisory assistance and perceived service quality**

As indicated in Figure 4.5 earlier, the paths between supervisory assistance and OCB (β=0.393) and between OCB and PSQ (β=0.716) are both significant. The product of those direct effects resulted a significant indirect effect of 0.282 (Sobel test = 4.413). These findings confirm the significant role of OCB in mediating the relationship between supervisory assistance and PSQ. Thus, H10 is supported.

**H11. OCB mediates the relationship between performance appraisals and perceived service quality**

Finally, since both links that tie performance appraisals to OCB (β=0.221) and OCB to PSQ (β=0.716) are significant, OCB then is again found to be playing a mediating role here. The significant indirect effect of performance appraisals on PSQ (through OCB) is 0.158 (Sobel test = 4.337). All these results conclude that OCB serves as a significant mediator in the relationship between performance appraisals and PSQ. Otherwise stated, H11 is supported with a significant magnitude of indirect effect.

All in all, the role of OCB as the mediator is strongest in the supervisory assistance-PSQ link (β=0.282) and weakest in reward system-PSQ link (β=0.139). In conclusion, this study has confirmed that except for the training-PSQ link, the effects of other
service-based HRM practices on the perceived service quality are mediated by the OCB.

Finally, to examine the last hypothesis in this study (H12), the model is analyzed again but this time, in two separate samples (non- and customer-contact employees). The results of the model’s overall fit in both samples are displayed in Table 4.18 below.

<table>
<thead>
<tr>
<th>Samples</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>P&lt;0.001</th>
<th>( \chi^2/df )</th>
<th>CFI</th>
<th>RMSEA</th>
<th>SRMR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-customer-Contact Staff (n=160)</td>
<td>2479.096</td>
<td>970</td>
<td>0.000</td>
<td>2.556</td>
<td>0.830</td>
<td>0.099</td>
<td>0.070</td>
</tr>
<tr>
<td>Customer-contact Staff (n=160)</td>
<td>2169.894</td>
<td>970</td>
<td>0.000</td>
<td>2.237</td>
<td>0.829</td>
<td>0.088</td>
<td>0.073</td>
</tr>
</tbody>
</table>

**H12. The nature of employee job orientation (direct or indirect contact with customers) moderates the proposed model**

Using the same SEM model structure, the fit that is produced in the non- and customer-contact samples are somewhat similar as both of them achieved adequate fit (non-customer-contact, CFI=0.830, RMSEA=0.099, SRMR=0.070; customer-contact, CFI=0.829, RMSEA=0.088, SRMR=0.073). The results mean that although marginal, the model fits quite well in both samples. Thus, it can be concluded that the model is not moderated or affected by the nature of employee job orientation, in terms of whether the employees interact directly or indirectly with customers in performing their daily work. Hypothesis 12 is therefore not supported in this study.
4.9 ANSWERS TO RESEARCH QUESTIONS

Based on the results of hypotheses testing, all the research questions that have been posed in Chapter 1 earlier are answered below;

6. Are service-based HRM practices significantly related to OCB?
   Yes, except for training. Training is not related to OCB.

7. Which service-based HRM practice has the strongest and weakest effect on OCB?
   Among all of the examined service-based HRM practices, the strongest predictor of OCB is supervisory assistance while the weakest is reward system.

8. Is OCB significantly related to perceived service quality?
   Yes.

9. Does OCB mediate the relationship between service-based HRM practices and perceived service quality?
   OCB does not mediate the link between training and perceived service quality but it significantly mediates in all other links between service-based HRM practices and perceived service quality.

10. Are the significance of the relationships among service-based HRM practices, OCB and perceived service quality determined by the nature of employee job orientations, namely non- and customer-contact employees?
    No. The reason being the model is not moderated by the nature of employee job orientation.
4.10 CONCLUSION

For a response rate of 48%, 325 cases are used to be the samples of the study. Based on analyses of item-to-total correlations, Cronbach’s alpha and factor loadings (EFA), three items are considered weak and therefore dropped from the scales. The assessment of the sample size, values of skewness, kurtosis, Tolerance, VIF and visual inspection of standardized residuals and scatterplots, provide evidence on the non-violation of the several multivariate assumptions. The validity of the data is further determined by subjecting them to CFA. Multiple fit indices are then examined and most of them showed values that are above the minimum standards as prescribed in the literature. The analyses of unidimensionality, construct reliability and validity are also positive and overall, they have lent support to the compatibility of the proposed model with the given data. Before the data are sent to SEM for hypotheses testing purposes, the test to confirm OCB as a second order construct is performed. Based on theory and statistical results, it has been decided that OCB is best conceptualized as a second-order construct in the proposed model. Finally, using SEM, the paths in the structural model are analyzed and the analyses have reported that three of the twelve hypotheses have not been supported. These findings will be discussed further in the next chapter.
CHAPTER 5
DISCUSSION OF RESULTS AND CONCLUSION

5.1 INTRODUCTION

This chapter devotes to a summary and discussions of the twelve hypotheses tested earlier. Limitations of the study and directions for future research will also be highlighted and elaborated.

5.2 RESULTS OF HYPOTHESES

Although human resources have been recognized as a vital variable in the success of sport businesses, exploration of human resource topic using empirical research is relatively very little in the literature of sport management. Specifically, the nature of service industry and its relations to the way human resources is managed has been given little attention by researchers so far. How the incorporation between these two elements lead to employee service related behaviours and subsequently influence customers’ perceptions of service quality have never been examined. But most importantly the question of how these relationships occur in a sport setting has never been raised. Hence, for the purpose of enlarging the study of sport management, particularly in the area of human resource management, the present study has tested twelve hypotheses and the results are as follows:
<table>
<thead>
<tr>
<th>Hypothesis Number</th>
<th>Hypothesis</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Support at work has a significant relationship with OCB</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Training has a significant relationship with OCB</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Reward system has a significant relationship with OCB</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Supervisory assistance has a significant relationship with OCB</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>Performance appraisals have a significant relationship with OCB</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>OCB has a significant relationship with perceived service quality</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>OCB mediates the relationship between support at work and perceived service quality</td>
<td>Supported</td>
</tr>
<tr>
<td>H8</td>
<td>OCB mediates the relationship between training and perceived service quality</td>
<td>Not Supported</td>
</tr>
<tr>
<td>H9</td>
<td>OCB mediates the relationship between reward system and perceived service Quality</td>
<td>Supported</td>
</tr>
<tr>
<td>H10</td>
<td>OCB mediates the relationship between supervisory assistance and perceived service quality</td>
<td>Supported</td>
</tr>
<tr>
<td>H11</td>
<td>OCB mediates the relationship between performance appraisals and perceived service quality</td>
<td>Supported</td>
</tr>
<tr>
<td>H12</td>
<td>The nature of employee job orientation (direct or indirect contact with customers) moderates the proposed model</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

Table 5.1: A Summary of Hypotheses Testing
5.3 DISCUSSIONS

The first five hypotheses are established based on the proposition that postulates the existence of relationships between service-based HRM practices and OCB. Except for training, all other service-based HRM practices are shown to be predictors of OCB. The findings overall show similarities to Social Exchange Theory where people are believed to behave in a way that reciprocates the treatment they receive from the involving party. In other words, if employees perceive the organizations are treating them well, they will return the kindness by performing their jobs well too. This service-based HRM-OCB relationship however has never been examined by any previous study. The current results therefore cannot be compared with any available literature.

The next proposition is about the spillover effect of OCB on the perceived service quality. As reasoned out by Bienstock et al. (2003), OCB is a predictor of service quality because this behaviour aids employees to entertain unpredictable customers in unpredictable situations, provide important input to the management and refrain themselves from creating unnecessary conflicts within the organization. The influence of OCB on service quality has been confirmed in the contexts of restaurant (Walz & Niehoff, 1996), insurance (Bell & Menguc, 2002), travel agencies (Yoon & Suh, 2003) and retail banking (Castro et al., 2004). The main concern of this study is not to dispute the strength of OCB in playing a significant role in the promotion of organizational service quality, but to further validate its capability in the context of profit-oriented sport organizations, a context in which OCB has never been studied before.
Consistent with the studies mentioned earlier, the result from hypothesis 6 concludes that employees with high OCBs, described by this study as those who are always ready to help (altruism), concerned with group performance (teambuilding), loyal to their organization (loyalty) and conscientious (conscientiousness), are indicators of service quality in golf clubs. In short, golf clubs is also a context where OCB functions as a very influential factor in the achievement of high service quality.

In the study of HRM, a growing concern is voiced by many scholars regarding the mechanism that ties HRM to organizational performance. Thus, hypotheses 7, 8, 9, 10, and 11 offer to explain the underlying process that relates service-based HRM to perceived service quality. The mediator that is proposed to exist in this relationship is OCB.

Without the involvement of a mediating variable, it is actually unconvincing to relate HRM practices to the outcome of the organizations such as the perceived service quality. This however is no longer a problem because when the results of the present study indicate the acceptance of the full mediated model rather than the partial mediated model, the hypotheses that predict the significant role of OCB in the relationships between service-based HRM practices and perceived service quality (except for the training-service quality relationship) are supported. This means that, there is indeed a significant relationship between HRM practices and service quality except that the effects are not direct but indirect. Perhaps, that is the main reason why previous studies often reveal significant but small sizes of coefficient values in the regression of HRM and organizational performances. It is all because employee-related
behaviours receive the most immediate impacts of HRM practices before they are transported to the perceived service quality. Hence, it is understandable to expect the small but significant values of the direct effect of HRM practices on organizational outcomes. The findings nevertheless cannot be compared with any past studies since to date, this model has never been put forward by any research work before.

The final proposition has been made based on the idea that customer-contact employees are the strategic core workforce of the firms. This idea has been conceived after reviewing past service studies. The review observes that most of the studies utilized customer-contact employees as their study samples. The reason given is that customer-contact employees directly interact with customers and whatever feelings they have towards their firms will have more effects on customers than those who interact with customers indirectly. The result of the present study however does not support this proposition.

On the other hand, the results are consistent with Schneider’s (1993) view that considers all types of employees in the service industry, translate their attitudes towards the treatment they receive from the organizations into their jobs, regardless of whether they are dealing with customers or not. The rationale behind it is customers observe every cue that is present during their service experiences. All the cues include not only the physical interactions with employees but the interactions with the systems, processes and the environment of the service firms. Such intangible interactions require contributions from employees whose jobs not only related to entertaining customers but everything else that is specified in the job descriptions, such as taking care of the
golf playing field, the cleanliness of the building and the clubs’ inventories. This argument is also strengthened by the various service quality instruments available in the literature, specifying facets of service quality that are related to the work performance quality of both employee types.

In conclusion, except for the training aspect, this study has shown that service-based HRM such as support at work, reward system, supervisory assistance and performance appraisals affect employee OCBs and these in effect influence employee perceived service quality. Hence, the model that proposes the mediating effects of OCB in the relationship between service-based HRM variables and perceived service quality is validated in the context of golf clubs.

5.4 IMPLICATIONS TO RESEARCH AND PRACTICE

The underlying theme of this research is that when employees’ commitments to perform well are made easier by the management’s support in the form of favourable support at work, reward system, supervisory assistance and performance appraisals, “both employees and consumers are likely to react positively – that is, employees should have feelings of satisfaction [in this context, OCB], not frustration, and so on; customers should feel great about the quality of the service they receive” (Schneider, 1980, p. 54).

The major implication of this study is on the research development of sport management study in the area of human resource management. As stated by Doherty (1998) in her review of organizational behaviour in sport, “If the proportion of
literature that focused on OE [organizational effectiveness] is an indication, it would seem that we know relatively little about OE, including the contribution of human resources [in sport]” (p.18). The author has suggested more sport related research to be conducted using an HRM framework. Except for a very few number of studies (e.g., Dixon, 2002; Taylor & Ho, 2005), empirical evidence related to HRM in sport organizations is extremely limited. Therefore, besides benefiting human resources managers of sport organizations in heightening their organizational performances, this study also advances the theory of sport management in the aspect of human resource management.

Furthermore, it has been acknowledged in the HRM literature that empirical evidence is lacking on the HRM-performance relationship within a customer-focused setting (Schneider, 1994, 2004; Morrison, 1996). Hence, apart from addressing this HRM-customer-focused relationship issue, this study provides an understanding of the mediating process through which HRM practices might have an impact on performance. By investigating the efficacy of HRM practices in promoting the quality of services through OCB as the mediating property, this study therefore helps to expand the HRM theory through the sport management literature.

Most HRM researchers have utilized heavily tested HRM scales such as high commitment (Walton, 1985), high-involvement (Lawler, 1992), and high performance work system (Becker & Huselid, 1998) in their studies. Wood, De Menezes, & Lasaosa (2003) have noted that these scales which have been interchangeably termed by various scholars actually refer to an HRM system which involves “flexible job assignments,
rigorous and selective staffing, extensive training and development, developmental and merit-based performance appraisal, competitive compensation, and extensive benefits” (Takeuchi, Lepak, Wang, & Takeuchi, 2007, p. 1069).

However, despite these seemingly effective measures of HRM, many HR managers are still relatively uninformed on which HR activities to be practiced within their organizations (Kane, Crawford, & Grant, 1999; Kaye, 1999; Hsu & Leat, 2000; Gratton & Truss, 2003) especially those that concern with developing employees of high OCBs. In relation to this scaling issue, this present study suggests measures of service-based HRM concept based on the conceptualization of HRM practices that have been used in service research (e.g., Schneider & Bowen, 1985; Tornow & Wiley, 1990; Wiley, 1991; Jackson & Schuler, 1992; Johnson, 1996; Lytle et al., 1998; Schneider et al., 1998; Rogg et al., 2000; Yoon et al., 2001) and utilize the measures to gauge service-based HRM in golf clubs, a business context which has never been study hitherto. Hence, by employing a new combination of service-based HRM practices to represent service-oriented HRM, this study has contributed upon existing literature on the conceptualization of HRM for service industry, particularly those operating in the context of sport environment.

In addition, despite the fact the human resources have more potential than other organizational resources to be the major source of competitive advantage (Resource-based theory), human resources have always been the first to be targeted at when the organizations decide to minimize operational costs. One of the factors attributed to this phenomenon is the assumption that employees are often ineffective resources and
therefore they have frequently become the “unnecessary source of costly overhead” (Bowen & Greiner, 1986, p. 35). This is evidence when challenged by difficult financial situations, most firms resort to retrenchment of manpower as one of their immediate actions. Based on the results of the current study, this retrenchment strategy can be considered especially detrimental because it has been shown that employees’ behaviours connect the chain that links organizations to customers.

It is also revealed in this study that there is a significant and positive relationship between employee OCBs and customer perceived service quality ($\beta=0.716$). This means that the levels of employee OCBs go hand in hand with the levels of the perceived service quality. The finding supports the contention that whatever employees feel towards their jobs and organizations will be mirrored to customers. Otherwise stated, when employees are satisfied, customers will also be satisfied and vice versa..

It has been well established in the literature that OCB is a voluntary or discretionary behaviour which is not stated or written in the employee job descriptions. Although the demonstration of this behaviour is not formally required by the organizations, it is highly important in the achievement of organizational competitive advantage. According to previous organizational behaviour research, high level of OCB exists in an employee who is satisfied with the job-related treatment received from his or her organization. As shown by this study, employee satisfactions which subsequently stimulate their levels of OCBs are resulted from the ways employees are managed specifically in terms of the provisions of positive support at work, reward system, supervisory assistance and performance appraisals. The significant connections from
these variables to OCB and OCB to customer perceived service quality provide reasons for HR managers to assert the importance of human resources in the generation of profits for the organizations.

Perhaps, with such a strong support of the associations between the observed HRM variables and service quality outcome, it is timely for the HR managers to justify their roles in the strategic development of organizations. As employees are evidently critical determinants of service quality, their needs and wants require deserving attention and resources from the top management of the organization. Hence, if the organizations intend to improve the current level of service quality, the management should pay more attention to the present practices of HRM with regard to support at work, reward system, supervisory assistance, and performance appraisals. For example, based on the current states of employee support at work, the management may want to allocate more relevant equipment and machineries to employees or allowing more flexibility in the employee work designs.

Contrary to the findings typically found in the literature, training is found to have no significant relationship with employee OCBs (p=0.102). The small value of regression coefficient leads to a non-significant indirect effect of training on service quality (β=0.049). According to Elmadağ et al. (2008), there are two reasons that might cause such findings. One is the domination of high experienced employees in the samples and two, the quality of training might be perceived as ineffective by the participating employees. Should these two factors are eliminated from the study, there is high likelihood for the relationship to be significant. After all, based on most previous
research, the relationship between training and service-related outcomes is most often than not, found to be significant (e.g., Wiley, 1991; Lux et al., 1996; Rogg et al., 2001; Strong & Harris, 2004; Tsaur & Lin, 2004; Yoo & Park, 2007).

The implication for HR managers with regard to this non-significant finding is to be aware of the quality of the training provided to employees. Once they are perceived as ineffective by employees, the expected positive impacts of training on perceived service quality will not be materialized. In essence, it is always good to make continuous evaluations on the contents of the training so that it is deemed to be meaningful to employees. Employees’ perceptions of training is critical because based on prior empirical studies, this factor influences the achievement of positive customer perceptions of service quality.

Another implication that can be made from this study is the result regarding the non-moderating effect of the nature of employee job orientations in the proposed model. Using the concept introduced by Delery and Shaw (2001), only customer-contact employees (the strategic core workforce) will significantly connect service-based HRM practices to service quality (through OCB). When the results show no moderation, that means that regardless of whether the employees are directly or indirectly in contact with customers, the model is valid in both samples. This also shows that in sport organizations such as golf clubs, the strategic core workforce includes both types of employees, non- and customer-contact employees. Further, in order to enhance the service quality, the firms have to improve the levels of OCBs among all of their non-executive employees, without discriminating whether they are non- or customer-
contact employees. The improvement can be done by implementing service-based HRM strategies through aspects of support at work, reward system, supervisory assistance and performance appraisals.

Based on the moderation finding revealed in this study, the Schneider and Bowen’s (1993) idea to suggest the embracement of service culture to all employees is particularly legitimate in this context. This points out to the fact that all employees, regardless whether they are in direct or indirect contact with customers, evidently require the sort of management which is focused towards a climate for employee well-being (service-based HRM). That is because, as disclosed by this study, service-based HRM practices (i.e., support at work, reward system, supervisory assistance and performance appraisals) have the elements that can foster high OCBs among those employees and these particular behaviours have been found to be facilitative in the attainment of favourable customer perceptions of service quality.

The clerks for example, although they do not have direct interactions with customers such as those staff at the registration counter, also need to be convinced that they have been treated well by the management. Through aspects of support at work, reward system, supervisory assistance and performance appraisals, the management can communicate to these clerks that the emphasis of the HRM is on their well-being. As soon as this aspiration is well-perceived by the clerks, there is a high tendency for them to repay the management’s kindness by demonstrating above-average work performances. As theorized and supported in numerous research works, employee
performances will influence the efficiency of the firms’ administrations which in corollary affect the customers’ perceptions of service quality.

In the opposite scenario, employees who are dissatisfied with the way they are managed will likely to have low levels of OCBs. Previous studies have suggested that low levels of OCB employees will have no or little inclinations to do things more than what they are expected to do. So, when this happens, the paper works that are needed to be done in time for example, will not be materialized efficiently by these low OCB clerks. As a result of the mediocre level of paper work preparations, the relevant outcomes such as golf competition events would be just other ordinary events with below or average level of performances. Competitive advantage as desired by all companies will definitely not be attained by the firms that have low OCB employees.

In short, this particular finding suggests that the strategic core workforce of golf clubs includes both types of employees namely non- and customer-contact employees. As such, in order to promote high service quality, the sport managers are recommended to plan for service-based HRM strategies (i.e., support at work, reward system, supervisory assistance and performance appraisals) to be implemented on both of these groups of employees.
5.5 LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

Although the study has accomplished the stated objectives, the generated findings must be interpreted in the lights of several limitations. First, it is conducted in a specific setting. While implications can be made, the generalizability of the results must be viewed within the context of this study (i.e., golf clubs). Further validation of the model is required to verify the existence of relationships in a different contextual environment such as tourism, education or telecommunication industry.

Based on the review made by Dean (2004), the results of studies that test the causal chain from customer’s experience to the ultimate organizational measures, particularly, financial outcome, have been mixed. This means, there is a possibility that in this case, the outcome of service evaluation that has been used as the dependent variable in this study, may not be able to imply anything on the bottom line performance of the organization. Failure to relate the perceived service quality with the ultimate indicator of the organization’s performance, such as the financial outcome, is the second limitation of this study. Cautions therefore are required when perceived service quality is generalized as the potential property in affecting the profitability of an organization. In short, further studies should be performed to confirm the link between customer perceived service quality and the ultimate performance indicators of sport organizations (i.e., financial outcomes).

Specific facets of service-based HRM and OCB have been selected for the study because of their significant relevance to service quality as shown by previous research. As the third limitation in this study, it is possible that other facets of service-based
HRM and OCB can produce the same results. Continuous research efforts must be carried out to explore the mediating effect of OCB with the combination of other relevant dimensions (i.e., loyalty, sportsmanship) in the link between other facets of service-based HRM (i.e., recruitment/selection) and service quality.

The fourth limitation concerns with the use of OCB as the second-order construct in this study. Although this method is consistently adopted in many past studies, individual examination of the mediating effect of each OCB dimension would allow for greater understanding and explanation of the relationships among the observed variables in the model. Therefore, it is advisable that future studies enrich the understanding by explaining which OCB dimension has the strongest/ weakest mediating effect on the relationships between variables of service-based HRM and service quality.

The final limitation is pertaining to the study samples which are dominated by senior employees. Using Elmadağ et al.’s (2008) justification, the domination of samples by this type of employees is given as the most probable reason for the non-significant relationship that is found between training and perceived quality. The same pattern of results seems to be produced when the same characteristic of samples is presence (majority of respondents are senior employees). Thus, there is basis to believe that employee tenure may have a significant role in the relationship between HRM practices (i.e., training) and employee behaviours. Future research are therefore suggested to explore this intuition further.
5.6 CONCLUSION

Sport managers have realized that there are certain limitations to the inputs of technology, however advanced. With enough money, any organization can acquire highly sophisticated facilities. But only those that possess workforce with the proper behaviours will be able to utilize the hi-tech resources and generate revenue from them. Ultimately, it is the employees who are going to make a difference between success and failure in the sport business.

This study has shown that service organizations can achieve excellent level of service quality by ensuring that their employees are satisfied with the way they are managed specifically in the aspects related to support at work, reward system, supervisory assistance and performance appraisals. Once these aspects of HRM are perceived by employees as beyond and above satisfactory, they will reciprocate by exhibiting OCBs which in turn enhance the level of service quality as perceived by customers. Although further research are needed to refine the study framework, this research serves as an initial inquiry for sport management scholars in their efforts to explain the underlying process that relate HRM practices to sport organizational performances.

To sum up, the first purpose of this study is to propose a model that depicts OCB as the mediator in the relationship between service-based HRM and perceived service quality. This particular model is predicted to be moderated by the nature of employee job orientation. The first task of this study has been accomplished when, based on the extensive review of literature, a model designed to achieve the first aim of this study is developed and introduced in Chapter 2.
The second main purpose of this study is to validate the developed model in the context of golf clubs. After undergoing data analysis procedures and hypotheses testing using SEM technique, the results have shown that the model fits well with the collected data. This implies that, in the context of golf clubs, (except for training) OCB is found to be a strong mediator in the relationship between service-based HRM practices and perceived service quality and these relationships are relevant among all non-executive employees (regardless of the nature of their job interactions – direct or indirect interactions with customers). With the revelation of these findings, the second aim of this study has been fulfilled and the study is therefore complete.
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