# Effective & Healthy Teams: The Positive Performance Process Model in Service Organisations

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Happiness is not something granted to us, outside our own control, but attainable by effort and education (Aristotle, 350 BC).

La felicidad no es un efecto del azar sino a la vez, un don de los dioses y el resultado de nuestros esfuerzos, porque la felicidad es algo que obtenemos con la práctica de la virtud. No es el placer lo que constituye la esencia de la felicidad. El hombre es feliz cuando realiza bien su tarea propiamente humana, cual es el ejercicio de su potencia más noble, la razón (Aristóteles, 350 BC).

A mis padres, Ma Pilar y Vicente, con todo mi cariño.

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# Chapter I. Introduction

This thesis deals with topics set within the framework of the recently developed perspective of Positive Psychology, which aims to catalyse a change in Psychology from a preoccupation not only with repairing the worst things in life, but also building the best qualities in life (Seligman, 1999). This new perspective arises from the call for "the need to develop a proactive and positive approach emphasising strengths, rather than continuing in the downward spiral of negativity" (Luthans, 2002; p. 695). Hence, this perspective is a new positive social science studied from global research fields of Psychology that has the aim of improving the knowledge of the conditions and processes that contribute to the flourishing and optimal functioning of people, teams, and institutions (Gable & Haidt, 2005). In other words, the objective of positive psychology is to make people experience a good life and live in happiness (Csikszentmihaly, 2007).

Aristotle defined happiness in terms of living a good life, or flourishing, rather than "simply" as an emotion. Happiness in this older sense was used to translate the Greek *Eudaimonia*, (eu- well-being and daimonia- spirit) and it is still used in virtue ethics. Eudaimonia is constituted, according to Aristotle, not of honour or wealth or pleasure or power, but by rational activity in accordance with virtue over a complete life. Virtue plays a mediatory role between the extreme excesses and it manifests in the character as honesty, pride, friendliness, wittiness, rationality in judgment, friendships and scientific knowledge, among others. Therefore, Eudaimonism is a life philosophy that defines righteous actions as those which lead to well-being, thus holding well-being as having essential value (Aristotle, 350 BC).

Seligman agrees that Eudaimonia is one of the three life components that go to make up a *happy life*. First, Eudaimonia provides the *good life*, which means living with engagement. Second is the *meaningful life*, which means living with philanthropy and gratitude. Third, although less important, is the *pleasurable life*, which means living with positive emotions (M. Seligman, July 2008).

At the same time, happiness is considered one of the best indicators of well-being and health (Lyubomirsky, King, & Diener, 2005). People are healthy when they experience a good life, when they feel happy, they feel strong and virtuous and they enjoy well-being. However, keeping healthy in all the domains of life is a complicated affair. The global study of the well-being of the world's population that was carried out by the Gallup Institute took into consideration indicators of well-being and health in different life domains in 130 countries. These life domains were: law and order – which focused on safety and security; food and shelter – which focused on basic needs; economic conditions – which focused on finances; personal health – which focused on evaluating one's own physical condition and psychological feelings; and health at work – which focused on fulfilling work engagement. Results of this large study pointed out that levels of well-being at work were much lower than levels of well-being in other life domains in most of the countries that were studied (The Gallup Poll, 2007). This result becomes a big concern when, statistically speaking, people spend nearly one third of their life in their workplaces. Work experiences in fact deserve extra attention and remain an important area of research because work and non-work domains are interdependent. "People translate directly and indirectly health from work into other mental health outcomes" (Turner, Barling, & Zacharatos, 2002, p. 715). Hence, the need to contribute to health development at work

arises in order to achieve the optimal situation for workers to do their best every day (Luthans, 2002).

### I. Occupational health psychology for workers and teams

Occupational health psychology and workers

The Cambridge dictionary defines the adjective *healthy* as "feeling strong and well". Organisations often misunderstand this definition and usually take the concept of *health* as referring to a physical state of workers. However, as early as 1948 the World Health Organisation (WHO) defined health as "the state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". In this vein, health at work, following the overall concept as defined by the WHO, includes organisational, group, dyadic, and individual perspectives. As a result, it becomes more complex to define, explore, evaluate, intervene in and, moreover, improve the concept of occupational health (Turner et al., 2002).

The design and the construction of healthy workplaces is the main aim of the *Occupational Health Psychology* (OHP) discipline (Quick, Paulus, Whittington, Larey, & Nelson, 1996). Specifically, "OHP concerns the application of psychology to improving the quality of work life, and to protecting and promoting the safety, health and well-being of workers" (Sauter, Hurrell, Fox, Tetrick, & Barling, 1999, p. 199). Here, the notion of *protecting* refers to reducing exposure of workers to workplace hazards, while *promoting* refers to advancement and enhancement in the development of safety, health and well-being (National Institute for Occupational Safety and Health, 2008).

The OHP literature has developed several theoretical models for the promotion of health in the workplace (Schabracq, Winnubst, & Cooper,

1996). One thing most of these models have in common is the argument that one of the most important ways of improving the work experience is to design jobs so that they encourage workers to engage actively in their tasks and work environment.

One of the pioneering OHP models and which is constantly supported by new more up-to-date models is the *Job Characteristic Model* (JCM) described by Hackman and Oldham (1976). The JCM argues that the characteristics of the job structure (such as skill variety, autonomy or feedback) lead to workers' positive psychological states (i.e. job meaningfulness, job responsibility and knowledge of the job outcomes). In turn, several workers' attributes (such as the need for personal growth, knowledge and skills development and context satisfaction) will display positive personal and work outcomes in the form of high motivation, high satisfaction, and performance effectiveness. In this sense, the JCM emphasises that job structures are able to develop states of occupational well-being and effective performance in workers.

Additionally, another useful model that easily explains the importance of the characteristics of the job structure for workers' occupational well-being is the *Demand-Control Model* (D-CM). D-CM is a two-dimensional model formulated by Karasek (1979) and expanded by Karasek and Theorell (1990) which distinguishes four kinds of jobs structures or patterns and takes into consideration the psychological demands of the job and workers' suitable decision latitude (control). Every job structure or pattern, in turn, develops different psychological consequences in workers, such as high/low strain or low/high motivation. Hence, *active-perceived jobs* promote workers' confidence and active learning, while *relaxed-perceived jobs* lower workers' intrinsic motivation, and *passive-perceived and high strain-perceived jobs* 

promote workers' vulnerability and feeling overwhelmed. However, this model has been labelled as *too simplistic* because it does not take into consideration other job characteristics that may be just as important for workers' well-being.

In this vein, later developments of the D-CM have integrated social support as the third dimension of the model. The *Demands-Control-Support Model* (D-C-SM; Johnson & Hall, 1988) points out that high social support is a key issue for health at work because it can promote a sense of identity, group cohesion and better well-being (Beehr, 1995; De Jonge, Janssen, & Van Breukelen). In this sense, the organisational milieu is a vital issue for enhancing well-being.

The more recent *Job Demands-Resources Model* (JD-R) (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001), based on JCM and D-CM, includes job characteristics in a broader sense. This model shows that jobs have demands (i.e. job requirements that call for an effort from workers such as overload, tight deadlines or routine) and resources (i.e. job characteristics that help workers to overcome demands). The mismatch between the two determines the workers' well-being and the organisational outcomes. This model was extended to argue that two opposite processes can be developed (Schaufeli & Bakker, 2004).

The *health impairment process* explains how high demands and low resources lead to exhaustion of the workers' health. Workers suffer from *burn-out* and their performance outcomes are negative. The opposite process is *the motivational process*, which explains how high resources lead to an increase in workers' motivation. In other words, workers become *engaged* in their job and their performance outcomes are

positive. In this vein, occupational well-being is part of a process<sup>1</sup> that depends on the organisational milieu. Moreover, current research based on the *JD-R model* has shown that the motivational process is more strongly related to performance outcomes than the health impairment process (Bakker & Demerouti, 2008). In this sense, the model allows resources to become especially prominent in order to predict well-being and performance outcomes.

Additionally, Wilson, Dejoy, Vandenberg, Richardson and McGrath (2004) proposed the theoretical *Healthy Work Organisation Model* (HWOM). This model points out that five second-order domains explain workers' overall health. Organisational attributes perceived by workers (such as oriented values, policies and practices) influence their perceptions of the organisational climate and these, in turn, exert an influence on psychological work adjustment factors (satisfaction, efficacy, commitment and low stress) through the workers' perceptions of their job design and their job future. These psychological work adjustment factors ultimately affect workers' health and well-being through factors such as their overall health, depressive symptoms, alcohol, attendance behaviours, and tobacco use, among others (Wilson et al., 2004). Therefore, HWOM is a wide-ranging model that supports the notion that the organisational milieu is related to workers' occupational well-being and even to workers' overall health.

However, the OHP models that were reviewed do not take current work structures fully into account. In real jobs, most workers tackle demands together and also perform together in order to meet organisational goals (Turner et al., 2002).

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<sup>&</sup>lt;sup>1</sup> Process is understood as a set of activities that are mutually related or that interact to transform inputs into outputs (ISO 9000: 2008).

### Occupational health psychology and teams

A few studies that have looked at how team working and individual working are related with well-being found that working in teams is healthier than working individually (Turner et al., 2002; Van Mierlo, Rutte, Kompier, & Doorewaard, 2005). The reasons are to be found in the fact that teams provide social networks, companionship, emotional and practical assistance, and also help to fulfil the need to belong (Goldberg, 1972; Jahoda, 1982; Sonnetag, 1996). Moreover, the more defined the team entity is, the better individual well-being will be (Allen, 1996; Carter & West, 1999). This fact could explain why team structures are growing in society nowadays. Furthermore, several other reasons also arise (Rasmussen & Jeppesen, 2006). For instance, teams also reduce administration costs and salaries (DeSanctis & Poole, 1997), reduce repetitive tasks to strengthen job rotation, increase workers' autonomy (Trist & Bamforth, 1951), stimulate worker commitment, facilitate creativity and innovation (Bacon & Blyton, 2000; Meyer & Allen, 1997), increase workers' participation (Eberhard & Weber, 1996; Hodson, 2002), reduce the need for hierarchy and supervision, provide better solutions to problems and better integrated working relationships (Spreitzer, Cohen, & Ledford, 1999). Therefore, there is extensive agreement that teams seem to be a healthy and effective working structure for organisations.

But, what exactly is a *team?* The literature may still be a little bit confusing as regards the concept of team. Most of the definitions of teams could be a little biased. For example, some definitions explain the team's consequences on the team itself in order to clarify the difference between the concepts of *team* and *group*: "Teams are groups that develop a sense of shared commitment and strive for synergy among members" (Guzzo &

Dickson, 1996, p. 309). Later, some definitions focused on the structure of teams. Thus, teams are defined as complex, adaptive, dynamic systems (McGrath, Arrow, & Berdahl, 2000) existing in larger systemic contexts of people, tasks, technologies, and settings where members interact and continually cycle and recycle (Ilgen, Hollenbeck, Johnson, & Jundt, 2005). Further definitions describe the essential requirements for a team to exist when they refer to a group of workers that "is formally established, which is assigned some autonomy [...], and which performs tasks that require interdependence between members [...]" (Rasmussen & Jeppesen, 2006, p. 105).

Kozlowski and Bell (2003, p. 334) have recently provided a more comprehensive definition about what is meant by work-teams. Thus, they state that they are "collectives that exist to perform organisationally relevant tasks, share one or more common goals, interact socially, exhibit task interdependencies, maintain and manage boundaries, and are embedded in an organisational context that sets boundaries, constrains the team, and influences exchanges with other units in the broader entity". Therefore, teams as self-entities for work have specific characteristics and suffer complex internal processes that can affect the overall well-being and effectiveness of team members. Therefore, it makes no sense to study the individual well-being and effectiveness of every single worker in organisations that design their jobs by teams and which want to enhance the whole staff (Van Mierlo et al., 2005).

Few models have paid attention to teams and occupational well-being (Turner et al., 2002) and the *Michigan Organisational Stress Model* (MOSM) is one of them. This model, designed by Kahn, Wolfe, Quinn, Snoek and Rosenthal (1964) and extended by French and Caplan (1972), explains that job stress arises from the mismatch between the subjective

and objective environments. The best contribution of the MOSM to team research is the fact that the team level is the primary unit of analysis (after aggregating individual measures) (Kompier, 1996). The MOSM argues that the (objective and, later, subjective) team environment influences team workers' (cognitive, affective, physical, and behavioural) responses, moderated by properties of the person and, to a larger extent, by interpersonal relationships (i.e. social support). These responses, in turn, have a direct influence on the team's psychological and physical health. However, this model has been criticised because it lacks a design theory (Kompier, 1996).

The Resources, Experiences and Demands Model (RED-M), proposed by Salanova, Martínez, Cifre and Llorens (2007), takes into consideration personal resources (individual and group level) as predictors of both (job-related and non-job related) resources and both (job-related and non-job related) demands in order to accomplish and, occupational well-being finally, produce organisational consequences. Moreover, the RED-M takes into account the challenging and hindrance demands previously proposed by Lepine, Podsakoff & Lepine (2005). Then, it proposes that workers could perceive some demands as a threat but also as a challenge. Thus, several demands could also provide positive consequences (the so-called *challenge* demands). Therefore, values of the organisational milieu (i.e. demands and resources) depend on workers' own perceptions. In addition, this model describes how a spiral of positive or negative consequences could be produced, depending on the mismatch between the perception of demands and resources (Salanova, Bresó, & Schaufeli, 2005). Hence, the RED-M suggests that time is required to understand the evolution of workers' occupational well-being and organisational consequences. In

this sense, organisational consequences are also important for predicting future perceptions of personal resources and for later predicting the organisational milieu, occupational well-being, and forthcoming organisational consequences over time.

Additionally, the *Healthy Work Model* (HWM) was proposed by Turner et al. (2002). This integrative heuristic model explains how to create healthy work systems. Healthy work systems require good external environments and develop strategies of good work practices (i.e. autonomy, work teams and leadership) that enhance positive psychological processes and other mechanisms (i.e. trust, perceived control, organisational commitment) in order to raise healthy outcomes (i.e. well-being, physical safety and proactivity). This model is the only OHP model that highlights the fact that working in teams is a positive job structure for workers' well-being. However, as far as we know, to date this model has no empirical support.

Therefore, the OHP models that were reviewed focus on the organisational milieu and workers' occupational well-being. Additionally, most of them also describe how having healthy workers could improve the effectiveness of the organisation at an individual level. Most of these models also have only partial, not full, empirical or theoretical support. Possibly, the complexity of the models makes it difficult to test them in real workplaces or to explain them by only one theory. In this vein, scholars still argue that more robust OHP models and new work practices and processes that can help to create healthier workplaces are needed (Cotton, Dollard, & De Jonge, 2006; Turner et al., 2002).

Furthermore, more and more organisations are taking teams as vital structures of work. This fact is probably produced, as the literature argues, because working in teams could be healthier and more effective.

However, most of the OHP models do not pay enough attention to teams as current job structures. Additionally, the few OHP models that do attach any importance to teams do not highlight the relationship between team well-being and team effectiveness. This relationship has been robustly corroborated at individual level (Lyubomirsky et al., 2005) but more research is needed at team level (Van Mierlo et al., 2005). In order to conduct team level studies, the following considerations should be taken into account.

Studying teams implies dealing with issues at theory, measurement and analysis level. First, the theoretical approach should take the team as the smallest unit that can function as an undivided whole. The meaning of a construct may be different depending on the theoretical levels. Second, the reference item should be the team and only special constructs can be referenced to individuals. Third, statistical procedures should also be performed on a team level. Individual scores should be aggregated with a sufficient number of argumentations, and taking individual conclusions would be inappropriate. In this sense, team studies that follow the previous premises can provide better knowledge about the working mechanisms of teams (Van Mierlo et al., 2005). Therefore, in line with these argumentations, an OHP model focused on healthy and effective teams needs to take into account team theory, measurement and analyses in order to understand the evolution, functioning and consequences of teams.

### II. Work team performance & team effectiveness

The history of research on teams is depicted as broad waveforms that have risen to glory and fame only to sink soon into oblivion (Huici & Morales, 2004). Before the Second World War, few thinkers attempted to

explain how the collective soul, the group mind, the shared rules and the team entity worked (Le Bon, 1895, 2002; Lewin, 1951; McDougall, 1921; Sheriff, 1936). However, the Second World War become the golden time for the improvement of knowledge about teams. After that, teams were forgotten again until the 1980s, when team research began to head towards group experiments. Most of the research followed monocausal theories and designed simple group tasks in laboratory studies (Morelan, Hogg, & Heins, 1994).

Furthermore, the literature on teams focused mainly on studying what predicts *team effectiveness*. Team effectiveness consists of the consequences of the performance process, which is the result of the congruence between the work goal and the outcome (Beal, Cohen, Burke, & McLendon, 2003). Whereas team effectiveness is indicated by teamproduced outputs (quantity or quality, speed, customer satisfaction and so on), by the consequences that a team has for its members or by the enhancement of a team's capability to perform effectively in the future (Guzzo & Dickson, 1996), performance is defined as the process by which people try to achieve a given work goal (Roe, 1999).

Team performance theories seem to generally agree that teams follow a complex process in order to be effective as a team. For instance, Steiner (1972) previously described the team performance process as the collective actions that a team follows when confronted by a task. In addition, he highlights that team performance differs from individual performance because the former involves interpersonal exchange and coordination. Moreover, the effectiveness of team performance (actual productivity) depends upon the adequacy of the resources that are available (which determines a team's potential productivity as the

maximum level of performance) and the appropriateness of its processes (losses due to faulty processes).

In a similar way, McGrath (1984) suggested that team effectiveness depends on inputs that help to generate team processes with which to produce specific team outcomes. Actually, after more than 25 years, current team theories still support the idea that teams could follow an I-P-O (Input-Process-Output) process in order to be effective. However, there seems to be a consensus on the need to study affective, cognitive and motivational mediatory states (labelled emergent states<sup>2</sup>) rather than pure processes between team inputs and outputs. Moreover, the existence of reciprocal feedbacks between inputs, mediators and outputs is also suggested (Ilgen et al., 2005). For this reason, current approaches argue that team effectiveness could be better explained through an I-M-O-I (Input-Mediator-Output-Input) process (Ilgen et al., 2005).

Team effectiveness based on the I-M-O-I process depends on three phases. The first is a previous phase that is called *forming*, where the team develops a self-entity. This stage includes all the factors that enable and constrain members' interaction. It includes organisational, team and personal factors. Together these are able to create a specific organisational milieu that is the cause for accomplishing team effectiveness (Mathieu, Maynard, Rapp, & Gilson, 2008). Then, job design has been described as a vital aspect for teams in order to allocate their resources, develop collective trust, and plan strategies to achieve future aims (Ilgen et al., 2005; Marks, Mathieu, & Zaccaro, 2001; Mathieu, Gilson, & Ruddy, 2006). In this sense, the organisational milieu that was stressed earlier in this chapter as an essential issue to enhance occupational well-being by

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<sup>&</sup>lt;sup>2</sup> Team emergent states are the *cognitive, motivational and affective states of teams that characterise properties of the teams and that are typically dynamic in nature and vary as a function of team context, inputs, processes, and outcomes* (Marks et al., 2001, p. 357).

OHP models (i.e. the JCM model, the extended JD-R model) are also stressed by the I-M-O-I team approach as an essential issue for enhancing team performance and team effectiveness.

The second phase is called *functioning* and refers to when the team goes into action, that is to say, when it starts to work. In this line, this phase comprises the functions to accomplish the team's task and the interaction between members. At this time, special attention should be paid to the emergent states that may act as mediators of the performance process.

Focusing on Steiner's theory, the appropriateness of team performance derives from its abilities to push together in the same direction and having a collective willingness to contribute to the collective effort (1972). In other words, the outcomes of coordination and motivation processes will determine team effectiveness (Wilke & Meertens, 1993). Hence, emergent states that are a consequence of team coordination and motivation could be playing a mediatory role in team performance. Furthermore, scholars have argued that psychological states of teams of a cognitive-competent and affective-motivational nature may be crucial for understanding team effectiveness (Rasmussen & Jeppesen, 2006). Accordingly, OHP models have also argued that positive psychological states of this nature are related and may enhance workers' effectiveness. For instance, the RED-M (Salanova et al., 2007) points out that competence and efficacy beliefs, and in turn affective-motivational work-engagement, may enhance organisational states such as effectiveness. Therefore, if teams develop positive emergent states of a cognitive-competent and affective-motivational nature then they are likely to become healthy and effective teams.

Finally, in the last phase, called *finishing*, the team completes one episode of the developmental cycle and could begin a new one. This means that the team can be dissolved or can continue working on new job tasks. When a team continues working, team performance is developed over time through new influences from previous performance processes. Therefore, previous outputs probably become inputs that influence future inputs or emergent states (Mathieu et al., 2008).

Whether the team will continue to work or not usually depends on its effectiveness. In order to check the effectiveness of the team, performance outputs are compared with team goals that were previously established by the organisation (Ilgen et al., 2005). The difficulty in assessing team effectiveness comes from the fact that it is necessary to ensure that the indicators are providing good information. For this reason, measures should be objective and useful for future organisational improvements. Therefore, specific effectiveness indicators oriented towards the context are needed to determine whether the team is effective and to establish a plan for future improvements.

In fact, the literature focused on teams recommends studying specific environments, specific interaction processes and specific outcomes that involve teams across time (Guzzo & Dickson, 1996). This is one of the reasons why this PhD thesis has focused on one specific context of service organisations. Society is moving this sector forwards. Current statistical data from population and economy research indicate that more than 60% of the total economic activity in most developed countries is focused on the services sector. Additionally, half of the income in every household is used to purchase services. Moreover, service organisations are increasingly more frequently using teams as their main job structures and this trend is growing exponentially (Carmeli, 2008; Spreitzer et al.,

1999). Thus, the context of service organisations needs to be described beforehand in order to gain a better understanding of the nature of service-oriented teams, their organisational milieu, their states of health and their effectiveness.

### III. Work teams in service organisations

Service organisations are those that provide something that is necessary to satisfy the needs of society through a sequence of activities that do not necessarily result in the possession of any kind of tangible goods. Service organisations comprise education, transport, hospitality, bank and finances, leisure activities, culture and public administration, among many others. Service organisations are different from other kinds of organisations. These differences are summarised in the characteristics of the outcomes and in the characteristics of the performance process. Furthermore, they may influence both team workers' and also customers' responses.

First, service organisations do not produce goods in a direct way. In consequence, most of the outcomes are intangible, inseparable, heterogeneous and perishable (Zeithaml, Parasuraman, & Berry, 1985). In other words, outcomes cannot be tasted, touched or segregated, may be different for each person and cannot be stocked (Martínez-Tur, Peiró, & Ramos, 2001).

Second, job tasks in service organisations are performed in different conditions than is the case in other sectors. In service organisations the performance process takes place while the customers are present. Therefore, service-oriented teams are constantly under evaluation while they perform and their effectiveness depends on customers' responses. In fact, customer responses to the purchased service (cognitions, affection

and intentions) are crucial for ensuring organisational benefits (Brown & Mitchell, 1993; Grau, Gracia, & Salanova, 2009; Han, Kwortnik, & Wang, 2008; Price, Arnould, & Tierney, 1995; Zeithaml et al., 1985). Hence, service effectiveness may comprise customer responses to the service provided as a consequence of the performance of the service-oriented teams.

Additionally, service can be provided in different ways and customers can interfere at any time in the performance process, which forces team workers to improvise constantly (Schneider, White, & Paul, 1998). Therefore, the absence of set work patterns in service jobs gives rise to a high level of role ambiguity. Moreover, service-oriented teams often have to perform using emotional labour<sup>3</sup> (Price, Arnould, & Deibler, 1994).

Therefore, service-oriented team workers have to cope with complex jobs differently from those in other sectors, and probably have one of the most demanding and stressful jobs. While they have to work in teams, interacting and coordinating with their colleagues, at the same time they also have to interact with customers, who are responsible for evaluating service effectiveness. In such contexts, interactions could easily produce affective motivational contagion and shared cognitions between team members, but they can also have consequences on customers' responses.

Hence, healthy and effective teams in service organisations could develop in a different way to other organisations. Moreover, both issues (health and effectiveness) could be strongly related because of the high

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This concept was introduced by Hochschild (1983) as the performance of various forms of emotion in the context of paid employment. This requires *effort, planning and control to express organisationally desired emotions during interpersonal transactions* (Morris & Feldman, 1996, p. 987).

rates of interaction. However, as far as we know, there are no approaches that focus on studying healthy and effective teams in service organisations. A model of healthy and effective teams for service organisations is therefore proposed. To do so, this PhD thesis links and orients the OHP perspective and the I-M-O-I approach to specific service-oriented teams, while also taking into consideration the main findings from research on service organisations.

### Positive organisational milieu

The literature dealing with service organisations agrees that service effectiveness is difficult to achieve if organisations do not establish organisational values such as a climate oriented towards the service (Little & Dean, 2006; Dimitriades, 2007). This is probably because developing customer-oriented values is essential to clarify team members' roles and establish common goals (Liao & Chuang, 2004). In this regard, literature and research findings again recommend the creation of a positive organisational milieu as a basic step. This argument is in agreement with the OHP models that recommend a positive organisational milieu to enhance occupational well-being and effectiveness and also with the I-M-O-I approach, which recommends a positive organisational milieu to enhance team functioning and team effectiveness.

Hence, from different approaches the literature agrees that a positive organisational milieu is needed. For instance, Schneider et al. (1998) pointed out that there are some fundamental issues that may improve service effectiveness. Specifically, teams in service organisations should focus on an organisational milieu that support and help customer values to improve workers' occupational well-being and service effectiveness. Accordingly, this PhD thesis takes into account three premises. First, strong organisational climates that collect the shared

perceptions of the organisational environment such as rules, aims, social support and innovation are needed (González-Romá, Lloret, & Peiró, 1995). Second, a specific strong service climate that includes all the perceptions shared by the team of the strategies that are rewarded, supported and expected with regard to customer service are needed (Schneider et al., 1998). Third, organisational tools that are perceived by service-oriented teams as facilitators to avoid job obstacles are needed. Taken as a whole, this means that team workers receiving help, support and/or key values from the organisation to deal with customers' needs could increase their service effectiveness, but it also means they could maintain good levels of occupational health. However, creating a positive organisational milieu with a strong organisational climate, service climate and organisational facilitators is not enough.

### Positive emergent states

Earlier we highlighted the importance of the active role played by workers and their interaction in enhancing occupational well-being and team effectiveness. In service organisations, the role of service-oriented workers becomes critical (Dimitriades, 2007). The reasons for this are that being in contact with customers allows service-oriented teams to transmit organisational customer-oriented values and, at the same time, to receive direct and accurate feedback about what the customers receive and what they had expected prior to receiving it (Little & Dean, 2006; Narver & Slater, 1990). Thus, they have privileged information about organisational values and customers' responses. Moreover, their behaviour is the intangible component of service quality assessed by customers (Price et al., 1995). Service-oriented workers therefore are not simply passive links between organisations and customers, but active people who represent their organisation.

Hence, the generation of positive emergent states in service organisations during team performance can be crucial for service effectiveness. For instance, affective-motivational states have been significantly related to workers' and teams' effectiveness in tourist establishments (Barsade, Ward, Turner, & Sonnenfeld, 2000; Engelbrecht, 2006; Salanova et al., 2005). Additionally, these affective-motivational components, such as work engagement<sup>4</sup> and vigour<sup>5</sup>, are considered to be good indicators of occupational well-being and can be strongly shared by members of the same team (Bakker & Demerouti, 2008).

Therefore, positive emergent states of an affective-motivational nature describe collective states of occupational well-being that may influence service effectiveness. Moreover, cognitive-competent states oriented towards the service that is provided have shown significant relations with service effectiveness in service organisations. For example, collective perceptions of role-prescribed and extra-role behaviours (Liao & Chuang, 2004; Tsaur & Lin, 2004) influenced the service effectiveness perceived by customers. In this regard, when service-oriented teams share the beliefs that the team has the ability to serve customers effectively in an integrative and coordinative way, this will probably be related to the service effectiveness perceived by customers.

Additionally, positive emergent states of a cognitive-competent nature may also be perfectly good indicators of the levels of the teams' states of occupational well-being. The concept of *Mental Health* is defined by the WHO as "a state of well-being in which every individual realises his or her own potential, can cope with the normal stresses of life, can

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<sup>&</sup>lt;sup>4</sup> Work engagement is defined as *a persistent, positive motivational state of fulfilment in employees* (Maslach, Schaufeli, & Leiter, 2001, p. 417).

<sup>&</sup>lt;sup>5</sup> Vigour that is produced by intrinsic and extrinsic motivation *reflects activation and energy, effort and persistence* of the motivated behaviour, as well as goal directness in terms of concentration on a specific work goal (Salanova & Schaufeli, 2008, p. 118).

work productively and fruitfully, and is able to make a contribution to her or his community" (2009). That is, people need to feel strong and perceive themselves as useful in order to be mentally healthy.

Therefore, both positive emergent states as indicators of states of occupational well-being resulting from team interaction processes could be developed within a positive organisational milieu in order to exert a positive influence on service effectiveness.

### Service effectiveness

Taking into account the specific context of service organisations, as was previously argued, team performance could produce positive consequences in customers that become crucial indicators of service effectiveness. In fact, there is a growing number of findings that suggest that customers' cognitive evaluations of service quality (Deshpandé, Farley, & Webster, 1993; Schneider et al., 1998; Storbacka, Strandvik, & Grönroos, 1994), affective responses produced in service encounters (Dubé & Schmitt, 1991; Laros & Steenkamp, 2003; Nyer, 1997; Price et al., 1995; Ruth, Brunel, & Otnes, 2002) and service loyalty intentions (Bowen & Shoemaker, 1998; Duffy, 2003; Han et al., 2008; Mattila, 2006; Oliver, 1999) produce innumerable benefits for service organisations.

Thus, service effectiveness could be measured by three types of customer responses, depending on their nature: cognitive, affective and conative. The first could be customer service quality, which is the discrepancy between consumer expectations and the actual performance of an organisation (cognitive response) (Grönroos, 1984). The second is customers' positive affective responses, which are caused by the service that is provided (Price et al., 1995) and defined as the affective response to the perception of the attributes that make up a product and/or service (affective response) (Mano & Oliver, 1993). And the third is customers'

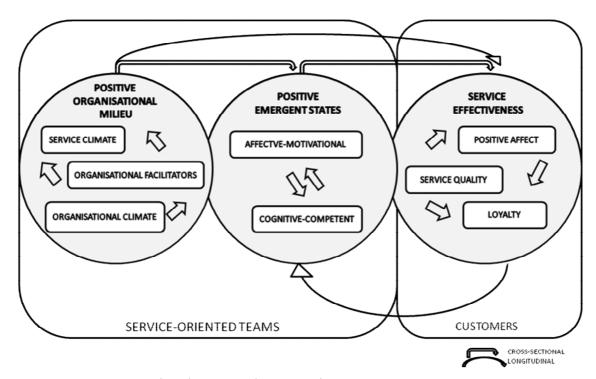
future loyalty intentions, which are defined as "the extent to which a customer recommends and expresses a preference for the future use of a particular company" (conative response) (Caruana, 2002, p. 813).

The cognitive-affective-conative framework explains that these simultaneous responses constitute the customer's attitudinal process, which occurs when workers' performance is able to trigger an intention of behaviour in customers (Oliver, 1999). Therefore, if the service is well provided, then the interaction between workers and customers produces positive evaluations, positive affective responses and loyalty intentions (McCain, Jang, & Hu, 2005).

Furthermore, multiple interactions between customers and team workers may relate positive customer responses with future positive emergent states. This argument is in line with Ilgen et al. (2005) and Mathieu et al. (2008), who point out that the I-M-O-I process has multiple causal and reciprocal feedback interactions. Outputs are even likely to become inputs that influence future inputs or emergent states. In this sense, service effectiveness could have an influence on states of occupational well-being as well as on their positive perceptions of the organisational milieu of future cycles. Therefore, team performance in service organisations could be understood as a cyclical reciprocal process. Thus, studying team performance in service organisations over time is essential for testing the existence of reciprocal relationships – a fact that is defended by most researchers (Mathieu et al., 2008).

The following diagram (Figure 1) explains the model used in this PhD thesis, which is focused on team performance for providing service effectiveness and keeping occupational well-being in a longitudinal time.

Figure 1. Effective & healthy teams in service organisations over time.



### IV. Aims of the thesis & chapter plan

As explained in this theoretical review, the aim of positive psychology approaches is to achieve the optimal state for people, teams and organisations. Particularly in the work and organisational context, health is at lower levels than in other domains of life and the amount of research being carried out on occupational well-being has increased and improved considerably in recent years. However, despite the considerable growth in the number of work-team structures in developed societies, current theoretical approaches to OHP focus mainly on the relationship between individual occupational well-being and effectiveness. Moreover, theoretical approaches regarding teams, such as the I-M-O-I, have traditionally focused on studying the effectiveness of teams but have hardly ever looked at their occupational well-being. Therefore, there is still a wide line of research to be conducted on the combination of healthy and effective teams. Additionally, the fact that society is moving towards the third sector and the important role that affective-motivational and cognitive-competent states may play in this sector invite this PhD thesis to focus on the specific context of teams in service organisations. More specifically, it aims to concentrate on the study of healthy and effective teams in service organisations over time.

This PhD thesis intends to further the knowledge about how service effectiveness can be explained by team performance, which is developed through a positive organisational milieu and improved by the positive emergent states produced during team interaction (i.e. affective-motivational and cognitive-competent states). At the same time, it also deals with how team effectiveness can explain future positive emergent states.

This PhD thesis thus comprises six chapters with interdependent objectives and research questions. This first one focused on clarifying the meaning of healthy and effective teams in service organisations through a theoretical review of Occupational Health Psychology perspectives and the I-M-O-I approach oriented towards service organisations. This chapter also tried to shed light on several *key concepts* such as occupational well-being, team performance process and service effectiveness, which are important to be able to follow the evolution of the next chapters.

The second chapter focuses on clarifying the components of team effectiveness in service organisations. That is, it examines whether service-oriented teams are able to produce positive consequences on customers as the main indicators of service effectiveness (Brown & Mitchell, 1993). In this sense, the objective of Chapter 2 is to analyse the generation of the cognitive-affective-conative process (i.e. service quality, positive affect, loyalty process) that leads customers to become loyal (Oliver, 1999).

In accordance with the results from Chapter 2, the third chapter examines whether service effectiveness may be produced when service-oriented teams have a positive organisational milieu available to them. It also looks at whether teams develop positive emergent states of a cognitive-competent nature. Thus, the main objective of Chapter 3 is to simultaneously test the influence of two resources that service-oriented teams can use to improve service effectiveness (operationalised by service quality). The first is the perceptions of organisational values and facilitative strategies oriented towards creating a positive organisational milieu (operationalised by organisational climate, service climate and organisational facilitators) (Schneider et al., 1998). The second is the generation of positive emergent states of a cognitive-competent nature (operationalised by perceptions of their own service behaviour during service transactions) (Bettencourt & Brown, 1997).

In the same line as Chapter 3, the fourth chapter aims to further our knowledge about how service effectiveness can be maximised by service-oriented teams. Taking the results from Chapter 3 as its basis, Chapter 4 considers the need to extend the study of positive emergent states produced by team interaction. Chapter 4 therefore takes into account positive emergent states of a cognitive-competent nature but also of an affective-motivational nature. It is assumed that they are outcomes of the motivation and coordination of team interaction that influence service effectiveness (Steiner, 1972; Wilke & Meertens, 1994). In other words, its main purpose is to test whether there is a "gain process" in the team performance (Hackman & Wageman, 2005) that provides service effectiveness (operationalised by service quality). Specifically, a gain process generated within a positive organisational milieu (i.e. organisational facilitators) through positive emergent states of an

affective-motivational nature (operationalised by collective work engagement) and of a cognitive-competent nature oriented to the service (operationalised by relational service competence).

After identifying a positive organisational milieu and positive emergent states as the main issues of study for service effectiveness, the fifth chapter considers the need to examine the longitudinal evolution followed by service effectiveness. Thus, the aim of Chapter 5 is to test service effectiveness longitudinally from a positive perspective of the I-M-O-I approach (Ilgen et al., 2005). Specifically, this study claims that when organisations provide organisational a positive milieu (operationalised by Input facilitators), team interaction generates the positive emergent states (operationalised by Mediator of a cognitivecompetent and affective-motivational nature) and both can enhance the service effectiveness reported by customers (operationalised by Output service quality and loyalty). Additionally, this chapter also discusses whether service effectiveness produces reciprocal causal effects on teams in service organisations.

Finally, Chapter 6 concludes with a discussion of the findings of the whole thesis in order to gain a better understanding of how healthy and effective teams are produced, kept and enhanced over time in service organisations. Moreover, it also includes the theoretical and methodological contributions, practical implications for practitioners and outlines the main conclusions drawn from this thesis.

## V. Summary in Spanish

Esta tesis doctoral se sitúa dentro de la perspectiva de la Psicología Positiva cuyo objetivo es alcanzar el estado óptimo de las personas, grupos y organizaciones. Particularmente esta tesis doctoral se centra en el contexto organizacional y del trabajo, donde se sitúan los niveles de salud más bajos comparados al resto de dominios de la vida. Durante estos últimos años, el estudio de la Salud Ocupacional ha aumentado y mejorado exponencialmente. Sin embargo, a pesar del uso crecimiento de estructuras grupales en las organizaciones, estas aproximaciones teóricas se centran principalmente en estudiar la relación individual de la salud ocupacional y su efectividad en el trabajo.

Por otro lado, las aproximaciones teóricas basadas en el estudio de los equipos se han centrado tradicionalmente en la efectividad pero pocas veces en el bienestar ocupacional de los equipos. Por tanto, todavía existe una amplia línea de investigación por desarrollar que estudie la combinación de equipos saludables y eficaces. Además, el hecho de que la sociedad avanza hacia el tercer sector y el rol tan importante que podrían jugar los estados afectivo-motivacionales y cognitivo-competenciales grupales en este sector, invitan a esta tesis doctoral a centrar su estudio en el contexto de los equipos en las organizaciones de servicios. Más específicamente, esta tesis doctoral tiene por objetivo estudiar el desarrollo de equipos saludables y eficaces a lo largo del tiempo. Para ello, se intenta profundizar en el conocimiento de cómo la efectividad en el servicio puede ser explicado por el desempeño grupal, el cual es desarrollado a través unas condiciones organizacionales positivas (estructurales y ambientales) y mejorado por los estados emergentes positivos (afectivo-motivacionales y cognitivo-competentes) producidos durante la interacción grupal. A su vez, se trata de mostrar como la efectividad grupal puede explicar estados emergentes positivos futuros.

Cada uno de los estudios de esta tesis doctoral presenta sus propios objetivos y, consecuentemente, implicaciones teóricas, metodológicas y prácticas. De ahí el Capítulo 2 explica las consecuencias positivas que los

equipos orientados al servicio pueden producir en sus clientes. Los resultados muestran que un buen servicio puede producir un proceso cognitivo-afectivo-conativo en los clientes que les lleva a ser leales. Tras este, los capítulos 3 y 4 clarifican como desarrollar la efectividad en las organizaciones de servicios. El capítulo 3 se centra en estudiar el poder que tienen dos tipos de recursos para alcanzar la efectividad en el servicio. Los resultados muestran que la efectividad en el servicio puede ser producida cuando los equipos orientados al servicio poseen unas condiciones organizacionales positivas [operacionalizado por (op.) clima organizacional, clima de servicio y facilitadores organizacionales] pero también cuando los equipos generan estados emergentes cognitivo-competenciales positivos (op. percepciones compartidas de la conducta de servicio del equipo durante el servicio).

El capítulo 4 amplia los resultados del capítulo 3 al profundizar en el conocimiento sobre cómo la efectividad puede ser maximizada por la interacción positiva de los miembros de equipo. Los resultados mantienen que la interacción de los miembros puede producir ganancias en el proceso de rendimiento. Los estados emergentes positivos de ambas naturalezas, esto es cognitivo-competentes (op. competencia de servicio de carácter relacional) y afectivo-motivacional (op. work engagement colectivo), juegan roles mediadores clave. Por tanto, se muestra que no sólo los estados cognitivo-competentes sino que también los afectivomotivacionales enriquecen la relación entre las condiciones organizacionales positivas y la efectividad en el servicio.

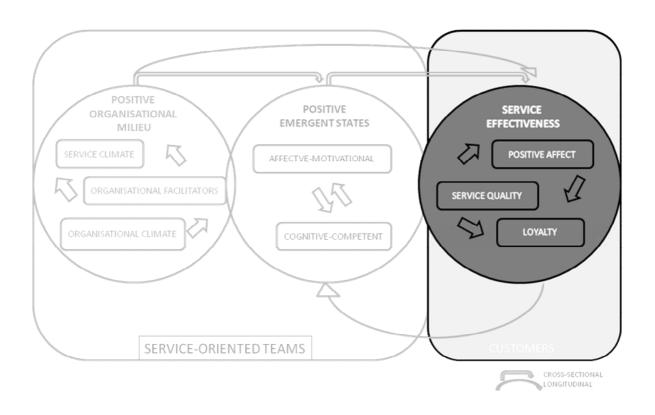
Después de clarificar el proceso por el cual la efectividad en el servicio se desarrolla de forma cross-seccional, el Capítulo 5 estudia la evolución de la efectividad del servicio longitudinalmente. Los resultados señalan que en unas condiciones organizacionales ambientales y de

estructura positivas (op. facilitadores organizacionales), el equipo mejora su efectividad en el servicio evaluada por los clientes (op. calidad de servicio y lealtad) a lo largo del tiempo. A su vez, la efectividad en el servicio influye en los estados emergentes positivos futuros (op. estados de naturaleza cognitivo-competentes y afectivo-motivacionales).

Por tanto, los resultados procedentes de los diferentes capítulos señalan que el rendimiento grupal presenta tres grandes líneas de estudio: primero condiciones organizacionales positivas que comprenden facilitadores organizacionales, y clima organizacional y de servicio; segundo estados emergentes de dos naturalezas (cognitivo-competentes y afectivo-motivacional); y tres efectividad en el servicio construida a través de las respuestas cognitivas, afectivas y motivacionales de los clientes como la calidad de servicio, las respuestas afectivas y la lealtad.

Por último, esta tesis proporciona una serie de implicaciones teóricas, metodológicas y prácticas haciendo especial hincapié en la importancia de tener en cuenta el contexto en la investigación debido a su influencia en todos los aspectos a estudiar, en la necesidad de ampliar el estudio de los equipos debido a que es una estructura laboral muy utilizada y en la importancia de estudiar la salud ocupacional de los equipos y de forma positiva, de tal forma que se desarrollen nuevas formas de trabajo que no solo mejoren el rendimiento de los equipos sino que a largo plazo sean capaces de mantener e incluso mejorar los estados positivos emergentes.

# Chapter II. Service Effectiveness



Chapter 2 is currently in press by the following reference: Gracia, E., Bakker, A. & Grau, R. (2010). Customer's Positive Affective Responses in Service Encounters: Following the Cognitive-Affective-Conative Process to maintain Loyal Customers. *Cornell Hospitality Quarterly.* (JCR IMMEDIACY INDEX = 0.061; SOCIOLOGY = 59/100).

#### Abstract

The central aim of this study is to test whether customers follow the cognitive-affective-conative process in service encounters. To achieve this, separate constructs are used to clarify the specific role of customers' positive affective responses in enhancing customer loyalty. The sample included 586 hotel customers and 571 restaurant customers from 120 Spanish establishments. The results of the Multi-Group Structural Equation Modeling analyses confirmed the proposed hypothesis that service quality relates positive affective responses and these, in turn, relates customer loyalty. Thus, positive affective responses partially mediate the relationship between service quality perceptions and customer loyalty in hotels and restaurants simultaneously. Practical implications are discussed.

Keywords: customer loyalty; positive affective responses; service quality

#### I. Introduction

Service organizations pay close attention to the information customers provide about the quality of the services they provide. There are two reasons for this: they want to improve their performance (Brown & Mitchell, 1993) and they also seek to keep their customers in order to save costs. Acquiring a new customer may cost about eight times more than retaining one they already have (Schneider, White, & Paul, 1998). Therefore, implementing a customer loyalty strategy may provide many benefits for service organizations (Han, Kwortnik, & Wang, 2008; Mattila, 2006).

There are several ways by which organizations can save costs & improve their performance through loyal customers. Firstly, it is easier to satisfy loyal customers. Loyal customers are efficient customers because they have a specific need. Secondly, customers talk about the company to their friends and acquaintances in a positive way. This is known as "word-of-mouth communication" and it is a type of advertising that does not entail any costs. Thirdly, loyal customers trust the brand. If the company makes a mistake, customers will call to complain and this allows problems to be solved quickly. Thus, loyal customers give the company a second opportunity and they help to identify weak points. Fourthly, a certain familiarity with the company also exists. Loyal customers know about special offers and other auxiliary benefits, and this may lead to better sales. Finally, loyal customers may recruit new customers. They bring their friends, relatives and colleagues with them and they show the best of the company (Duffy 2003). Hence, organizations should invest in loyal customers and this implies that organizations should know how loyalty could be developed.

The literature available on customer loyalty reveals two main predictors of customer loyalty. The first predictor is customer cognitions. Customers' perceptions of the service quality received seem to be the strongest predictor of future customer behavior (Sirohi, McLaughlin & Wittink, 1998). The second predictor of customer loyalty is customers' affective response. Laboratory studies inducing customers' positive and negative affective responses have shown that customers' affective responses could also influence future customer attitudes, such as customer repurchase behavior (Laros & Steenkamp, 2003).

Moreover, recent studies on customer satisfaction have found that satisfaction could be also a strong predictor of future loyalty intentions (Marzo, Martínez-Tur, Ramos & Peiró, 2002; Oliver, 1999). Satisfaction is an overall evaluation based on previous expectations of a cognitive, affective and conative nature (Petty, Wegener, & Fabrigar, 1997). Thus, the importance of customer cognitions and affective responses in obtaining loyal customers is highlighted once more. Nevertheless, the specific role of customers' affective responses in real service encounters has still to be clarified (Bennet, Hartel, & McColl-Kennedy, 2005). In this respect, the present study aims to examine the specific role played by customers' affective responses in the process that leads customers to become loyal hotel and restaurant customers.

# Predictors of Customer Loyalty: Cognition vs. Affect

Customer loyalty is the extent to which a customer recommends and expresses a preference for the future use of a particular company (Caruana, 2002, 813). Several studies that focused on hotels and restaurants have found that customer loyalty can be predicted by

customers' evaluations of service quality (e.g. Salanova, Agut, & Peiró, 2005).

It is widely agreed that the concept of service quality refers to a customers' subjective evaluation. Based on this approach, a service quality model (Parasuraman, Zeithaml, & Berry, 1985) was proposed in order to provide better knowledge for improving customers' service quality ratings. This model argues that several gaps are produced between service stakeholders (managers, boundary workers and customers), their expectations and the real service. Thus, the gap between customer perceptions and the real received service is the main cause of low service quality ratings. Moreover, service quality is not perceived as a unidimensional concept. Hence, the SERVQUAL scale (Parasuraman, Zeithaml, & Berry, 1988) of service quality was developed in order to evaluate service quality, to analyze gaps, and to allow practitioners to improve service quality ratings. The SERVQUAL scale was initially composed of 10 dimensions and later shortened to five universal dimensions (reliability, responsiveness, assurance, empathy and tangibles).

The SERVQUAL scale has become one of the most frequently and empirically validated scales used in different settings (Atilgan, Akinci, & Aksoy, 2003). Moreover, its dimensions may have a different structure in different settings or may differ in importance depending on the features of the setting. For instance, in a hotel study conducted in Turkey, the five universal dimensions of SERVQUAL had to be adapted in order to explain more quantity of the variance of customers' overall service quality in an international environment (Akbaba 2006). Results showed that the most highly ranked items were the tangible features of the hotel, followed by understanding and caring, adequacy in service supply assurance, and convenience. In this respect, the structural stability of service quality

dimensions may also be kept (or not) for Spanish hotels and restaurants, which are the key settings of the present study.

Moreover, service quality is labeled as one of the main predictors of customer loyalty. Several studies have compared the predictive strength of service quality with other predictors of customer loyalty and have found that service quality had the strongest effect among all the predictors on store loyalty intentions (Bloemer, Ruyter, & Wetzels, 1999). For example, the effect of service quality, perceived relative price, sales promotion perceptions, and perceived value was studied in 160 grocery stores (Sirohi et al. 1998). Results showed that even though perceived value had no effect on customer loyalty, service quality did have both a direct and an indirect influence on loyalty.

Thus, research has shown that service quality is one of the most important predictors of customer loyalty, but not the only one. Several studies reported in the literature have found that the strength of the relationship between service quality and customer loyalty decreases when customer satisfaction mediates the relationship (e.g. Lam, Shankar, Erramilli & Murphy, 2004). The fact that satisfaction is a construct of a cognitive, affective and conative nature (Dubé & Schmitt, 1991) suggests that customers' affective responses could also exert an influence on customer loyalty. Yet, satisfaction incompletely reflects the complexity and richness of an affective response (Erevelles 1998). Satisfaction studies, however, do not clarify the role of purely affective responses from the customer in predicting customer loyalty.

This argument was corroborated by an empirical research (Baumann, Burton, Elliott, & Kehr, 2007) that tested how service quality (also measured using the SERVQUAL scale) influenced overall satisfaction and affective responses in different ways. The proportion of variance that

the service quality measured by SERVQUAL accounted for differed in each concept (62% for satisfaction and 72% for affective responses). In addition, results found that service quality was able to predict short-term loyalty behaviors while affect was able to predict short- and long-term loyalty behaviors. Moreover, affective response was the strongest predictor of loyalty intentions among bank customers, more so than satisfaction and service quality. Therefore, satisfaction and affect are indeed different in nature and affect may influence customer loyalty.

Customers' affective response is defined as the affective response to the perception of the attributes that compose a product and/or service (Mano & Oliver, 1993). As was argued above, purely affective responses from the customer may complement cognitive perceptions in order to predict post-consumption behaviors. However, while the role of emotions has been tested extensively in advertising, marketing decisions in services is an area that needs to be developed (Erevelles 1998). Indeed, very few empirical studies have tested the direct effect of customers' affective response on customer loyalty or other intentions in real service settings.

As early as 1987, a field study (Westbrook, 1987) found that affect could explain a significant part of the variance of word-of-mouth behaviors. However, this relationship was moderated by the involvement in the product/use situation (product involvement, in which the customer desires to talk about the purchase and the gratifications it affords, self-involvement, in which the customer seeks to gain attention, recognition, or status in telling others about the purchase, and other-involvement, where the customer seeks to help other consumers by sharing his or her knowledge or experiences).

Recently, a hotel and restaurant field study found that customers' negative affective responses to service failures significantly influence their

overall satisfaction with hotels, and that affective responses have no effect on restaurants (Smith & Bolton, 2002). However, this study does not focus on the positive consequences that positive affective responses produce on customers of hotels and restaurants. Additionally, research conducted on hotels found that some customer emotions could be evoked by hotels and, moreover, that luxury hotels produced the strongest emotions (Barsky & Nash, 2002). Furthermore, customers who experienced positive emotions were willing to pay more than customers who did not. Emotions were also found to be significantly related to the customers' intention to return to the hotels.

Summing up, the literature suggests that there are two separate main predictors of customer loyalty: cognitive evaluations regarding the service received, and positive affective responses to this service. However, the specific role of positive affective responses is still not clearly specified in the customer loyalty process in service field studies. Therefore, an empirical test of an integrated approach may improve the body of knowledge about customer loyalty behaviors. The purpose of the present study is thus to integrate the two and to examine the role of cognitive and affective responses in order to test whether they are complementary components of the customer loyalty process.

# Building the Loyalty Process

The significance of customer cognitions and affective responses in enhancing customer loyalty could be explained by the cognitive-affective-conative framework (McCain, Jang, & Hu, 2005, 466). This framework argues that customers follow an attitudinal process to become loyal. The first step is cognitive development. This occurs when the available information is evaluated by customers. This phase comprises

service quality evaluations in service encounters. The second step is affective development. This takes place when receiving the service, and when the customer experiences several affective responses related to the service encounter. Finally, the last step is conative development, which occurs when a customer decides to formulate a behavioral intention that is influenced by the positive cognitive and positive affective evaluation of the service encounter (Oliver, 1999).

Although researchers have found that a cognitive-affective-conative process could be followed by customer loyalty (Caruana 2002; Olsen 2002), this process has only been studied with customer satisfaction as a proxy of affect. Therefore, the influence of customer affectivity on customer loyalty, as a consequence of the service received, has still to be clarified empirically.

Therefore, this study will focus on the importance of the affective response that customers feel as a consequence of service encounters in two kinds of hospitality establishments: restaurants and hotels. The paper then goes on to examine whether customers' perceptions of service quality and customer affectivity should be taken into account to improve customer loyalty. In this regard, this study will test whether the customers in the two different samples follow the cognitive-affective-conative process that helps them become loyal, in order to check the robustness of the model. On the basis of the literature review, the following hypotheses were formulated:

Hypothesis 1. Customer perceptions of service quality will be positively related to customer loyalty toward hotels and restaurants.

Hypothesis 2. Customer perceptions of service quality will be positively related to the positive affective response that customers

feel as a consequence of the service they receive at hotels and restaurants.

Hypothesis 3: Customers' positive affective response will be positively related to customer loyalty toward hotels and restaurants.

Hypothesis 4: Customers' positive affective response will mediate the relationship between customer perception of service quality and customer loyalty. In other words, customer loyalty will follow the cognitive-affective-conative process in hotels and restaurants.

#### II. Method

## Sample and Procedure

The sample consisted of 1157 customers from 120 Spanish establishments (586 hotel customers and 571 restaurant customers). Seventy percent of the establishments were of a three-star rating, while the rest were of a four-star rating. Sixty percent of the hotels target holiday customers while forty percent specialize in business customers. The restaurants were a complementary hotel service for the hotel customers and also for other customers. Only hotel customers who stayed longer than three nights were asked to participate in the study. The inclusion criterion for restaurants was that customers had either lunch or dinner there. From a list of customers from each establishment, ten customers were randomly selected and invited to participate in the study.

Questionnaires were handed out after the service had been purchased. Hotel customers filled in the questionnaire when checking out, while restaurant customers filled in the questionnaire when paying their bill. Customers needed ten minutes to complete the questionnaire. Moreover, researchers were present to help customers in case of

difficulties with filling in the questionnaires. Confidentiality and anonymity of answers were guaranteed. The customer response rate was 96% (4% of customers refused to answer the questionnaire).

The sample can be described as follows: 52% of the sample were males and 43% females (gender was not reported for 5%). The mean age was 43 years (SD = 14.70), 60% were married and 29% were single, while the remaining 11% did not provide this information.

#### Measures

Service quality was assessed with an adapted version of the SERVQUAL questionnaire (Parasuraman et al., 1988). The measurement scale of service quality was designed based on the performance instead of the gap measure because captures more explained variance (Cronin & Taylor, 1994). This instrument was used to ask customers about the extent to which they agreed (using a 7-point rating scale ranging from 1, strongly disagree, to 7, strongly agree) with items representing five separate dimensions (3 items for each dimension). These dimensions were as follows: reliability, referring to the ability to perform the promised service dependably and accurately, e.g., "When I arrived at the hotel/ the restaurant, the services were available as I had expected" (Cronbach's alpha  $[\alpha]$  was .76); responsiveness, defined as the willingness to help customers and provide a prompt service, e.g., "The employees of the hotel/ the restaurant provided a prompt service" (a was .83); assurance, referring to the knowledge and courtesy of employees and their ability to inspire trust and confidence, e.g., "The employees of the hotel/ the restaurant earned our trust" (a was .69); empathy, indicating caring and individualized attention toward customers, e.g., "The employees of the hotel/ the restaurant understood each customer's special needs" (a was

.87); and *tangibles*, referring to physical facilities, equipment, and staff appearance, e.g., "The restaurant/ the hotel cleanliness and hygiene were excellent" (α was .86).

Customers' positive affective response was measured with the scale for positive affect (Edell & Burke, 1987) using three items. The three items were: "I felt pleased while this hotel/restaurant provided the service", "I felt happy with the services provided by this hotel/restaurant", and "I felt enthusiastic about the service provided by this hotel/restaurant" (1 = strongly disagree, 7 = strongly agree). The internal consistency of this scale was good:  $\alpha$  was .91.

Customer loyalty was assessed with four items that measured the likelihood of customers' returning to the hotel or restaurant for further service and engaging in word-of-mouth behaviors (positive and negative word-of-mouth intention, intention of coming back and excellence perception). An adaptation (Martínez-Tur, Ramos, Peiró, & Gacía-Buades, 2001) of the original scale (Swan & Oliver, 1989) was used. An example of an item is "I will recommend this hotel/restaurant to other people" (1 = strongly disagree, 7 = strongly agree).  $\alpha$  was .87. Higher scores indicated greater customer loyalty.

# Analyses

The factorial structure of the SERVQUAL scale was tested for the overall sample of customers and for separate types of establishments. Confirmatory factor analyses (CFAs), as implemented by the AMOS program (Arbuckle, 1997), were performed to check the five universal dimensions that were proposed. Additionally, several extra statistical analyses (ANOVAs) were run to test whether gender influenced any study variable.

After that, Multi-Group Structural Equation Modeling (MGSEM) analyses were performed in order to test -simultaneously for hotel and restaurant customers- whether the relationship between the service quality and customer loyalty that customers had perceived during the service they received was mediated (Baron & Kenny, 1986) by customers' positive affective response. That is, whether the fit of the model was invariant (Byrne 2001) between hotels and restaurants. There are several reasons for using hotels and restaurants simultaneously in MGSEM. The first reason is methodological. The objective of conducting MGSEM is to test the generalizable nature of the measurement of the constructs in the hypothesized model. This statistical cross-validation allows restaurant and hotel samples to be compared simultaneously using the same measurement instrument in order to test whether both groups satisfy the assumption that they are equal by examining whether different sets of path coefficients are invariant. The second reason is theoretical. The confirmation of one theory in different service contexts implies that this theory is robust. The third reason is practical. The hotels and restaurants that participated in this study share the same location. Most restaurants are located physically inside the hotel and act as a complementary service. Moreover, most are self-dependent but pertain to the same enterprise. Practitioners can simplify managerial strategies to keep customers loyal to both places by taking into account the parallel cognitions and affective responses of both hotels and restaurants.

The Absolute Goodness-of-Fit Indices were also calculated, that is to say, the Chi-square goodness-of-fit statistic ( $\chi^2$ ), the Root Mean Square Error of Approximation (RMSEA), the Goodness-of-fit index (GFI) and the Adjusted Goodness-of-Fit Index (AGFI). Non-significant values of  $\chi^2$  indicate that the hypothesized model fits the data. However,  $\chi^2$  is sensitive

to sample size, so that the probability of rejecting a hypothesized model increases as sample size increases. To overcome this problem, computation of relative goodness-of-fit indices is strongly recommended (Bentler 1990). RMSEA values smaller than .08 indicate an acceptable fit and values greater than 0.1 should lead to model rejection (Browne & Cudeck, 1993). In contrast, the distribution of the GFI and the AGFI is unknown, so that no statistical test or critical value is available (Jöreskog & Sörbom, 1986).

AMOS provides several fit indices that reflect the discrepancy between the hypothesized model and the baseline, *Null model*. In the present analyses, the relative goodness-of-fit indices that were computed and used were: the Non-Normed Fit Index (NNFI), the Incremental Fit Index (IFI), and the Comparative Fit Index (CFI). The latter indices are recommended, because they are less dependent on sample-size than the  $\chi^2$  statistic and the GFI (Marsh, Balla, & Hau, 1996). For all relative-fit indices, as a rule of thumb, values greater than .90 are considered to indicate a good fit (Hoyle, 1995).

Finally, the Sobel test (Sobel, 1982) was performed to show whether the mediator variable (customers' positive affective response) carries the effect of the independent variable (service quality) to the dependent variable (customer loyalty). In other words, the significance of the mediation relationship was assessed among hotels and restaurants. Finally, the best fitting model was constrained and the differences between unconstrained and constrained models were tested in the multi-group analyses in order to test the invariance of the model between samples (Byrne, 2001).

#### III. Results

Confirmatory Factor Analyses of the SERVQUAL Scale

Prior to testing the hypotheses of this study, the basic structure of the SERVQUAL Scale in the area of tourism was tested. Thus, the five-factor model proposed, which included reliability, tangibles, assurance, empathy, and responsiveness ( $Model\ P_I$ ), was run using confirmatory factor analyses (CFA). The results indicated that the five-factor model fit the data adequately,  $\chi^2(125) = 956.24$ , p < .001. The NNFI, IFI and CFI fit indices, except AGFI, were above the criterion of .90, and RMSEA was below .08: GFI = .91, AGFI = .88, RMSEA = .076, NNFI = .92, IFI = .94, CFI = .94. This means that the SERVQUAL instrument, adapted to the area of tourism, includes the same five factors as the original instrument.

As a further test of the factorial structure, two competing models were fit to the data in several steps. *Model P*<sub>2</sub> included three dimensions found in previous research work (Caruana, 2002): a basic dimension of service quality composed of reliability and tangibles, the intermediate dimension of service quality. assurance and responsiveness, and empathy. *Model P*<sub>3</sub> was the one-factor model that did not discriminate between the different dimensions of service quality. The Chi-square difference statistic was used to test the difference in fit among the three models. The results showed that there was a statistically significant difference between *Model P*<sub>1</sub> and the two alternative models, thus indicating that the proposed model represents the structure of the data best. *Model P*<sub>2</sub>- *Model P*<sub>1</sub>:  $\Delta \chi^2$  (7) = 907.33, p < .001; and *Model P*<sub>3</sub>- *Model P*<sub>1</sub>:  $\Delta \chi^2$  (9) = 2 673.19, p < .001. Thus, *Model P*<sub>1</sub> was retained as the best fitting model.

Additionally, two CFAs of the SERVQUAL instrument were conducted for separate types of establishments. The fit indices of the two separate analyses showed that the SERVQUAL was robust for the two

samples, hotels and restaurants. The results indicated that the five-factor model fits the hotel data adequately:  $\chi^2$  (5) = 32.76, p < .001. The NNFI, IFI and CFI fit indices had values above the .90 criterion and RMSEA was not below than 0.08 but not above 0.10, thus indicating a reasonable, acceptable value: GFI = .98, AGFI = .93, RMSEA = .099, NNFI = .96, IFI = .98, CFI = .98. The results also indicated that the five-factor model fits the restaurant data adequately:  $\chi^2$  (5) = 21.350, p < .001. The values of the NNFI, IFI and CFI fit indices were above the .90 criterion, and RMSEA was below .08, thereby indicating an acceptable fit: GFI = .98, AGFI = .96, RMSEA = .075, NNFI = .98, IFI = .99, CFI = .98.

Furthermore, no significant gender effects were found. Results of ANOVAs were: in hotels (service quality: F [1, 586] = 1.331, p = .249; customers' affective responses: F [1, 586] = .691, p = .406; customer loyalty: F [1, 586] = .745, p = .388) and in restaurants (service quality: F [1, 571] = .127, p = .721; customers' affective responses: F [1, 571] = 1.483, p = .224; customer loyalty: F [1, 571] = .003, p = .960).

# Descriptive Analyses

Tables 1 and 2 show the mean values, standard deviations, internal consistencies and correlations between all the study variables in hotels and restaurants.

Table 2: Means, standard deviations, internal consistencies (Cronbach's  $\alpha$ ), and correlations between variables in restaurants, N=571.

	M	SD	α	1	2	3	4	5	6
1. Reliability	6.10	.95	.78						
2. Responsiveness	6.17	.89	.91	.64**					
3. Assurance	5.91	.94	.80	.66**	.68**				
4. Empathy	5.46	1.14	.89	.55**	.55**	.66**			
5. Tangibles	5.75	1.05	.79	.48**	.45**	.48**	.49**		
6. Positive Affect	5.54	1.18	.92	.54**	.47**	.49**	.51**	.51**	
7. Loyalty	5.87	1.27	.88	.50**	.41**	.44**	.46**	.57**	.71**

<sup>\*</sup>p<.05; \*\*p<.01; \*\*\*p<.001

Table 1. Means, standard deviations, internal consistencies (Cronbach's  $\alpha$ ), and correlations between variables in hotels, N=586.

	M	SD	α	1	2	3	4	5	6
1. Reliability	6.15	.93	.84						
2. Responsiveness	6.16	.92	.89	.60**					
3. Assurance	5.87	.96	.82	.58**	.69**				
4. Empathy	5.38	1.15	.89	.53**	.58**	.63**			
5. Tangibles	5.58	1.14	.78	.50**	.43**	.49**	.52**		
6. Positive Affect	5.68	1.14	.91	.54**	.53**	.54**	.57**	.55**	
7. Loyalty	5.74	1.27	.86	.57**	.53**	.56**	.56**	.63**	.73**

<sup>\*</sup>p<.05; \*\*p<.01; \*\*\*p<.001

#### Testing Hypotheses

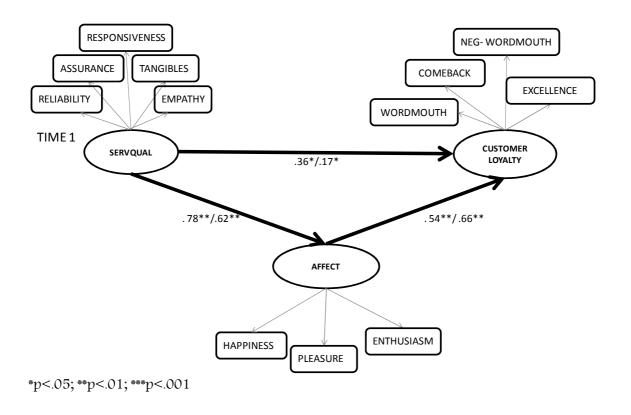
In order to test the hypotheses, the criteria for mediation (Baron & Kenny, 1986) were checked. Therefore, the following conditions must hold in order to establish the mediation in the relationship between service quality and customer loyalty: in the *direct relationship model* (Model  $M_1$ ), service quality must have a positive effect on the loyalty dimension. In the *indirect relationship model* (Model  $M_2$ ), on the other hand, service quality must have a meaningful effect on customers' positive affective response, the customers' positive affective response must have a meaningful effect on customer loyalty and, finally, the effect of service quality on the loyalty dimension must be less strong in Model  $M_1$  than in Model  $M_2$ .

These conditions were tested through two different models for each type of establishment (hotel and restaurant) by means of multi-group analyses in order to simultaneously test the mediating role of customers' positive affective response in the relationship between service quality and customer loyalty. At the same time, this made it possible to compare the invariance of the effects between hotels and restaurants. *Model M* $_I$  comprises the relationship between service quality and customer loyalty.

On the other hand,  $Model M_2$ , comprises the customers' positive affective response construct and is based on the mediation hypothesis.

In general, all the models showed a good fit to the data. The fit indices for  $Model\ M_I$  were  $\chi^2$  (52) = 349.428, p < .001, GFI = 0.93, AGFI = 0.89, RMSEA = 0.07, NNFI = 0.96, IFI = 0.96, CFI = 0.94. The fit indices for  $Model\ M_2$  in hotels and restaurants were  $\chi^2$  (102) = 475.007, p < .001, GFI = 0.93, AGFI = 0.90, RMSEA = 0.06, NNFI = 0.95, IFI = 0.96, CFI = 0.95. Thus for both models, the NNFI, IFI and CFI fit indices were equal to or higher than .90, and RMSEA values were below 0.08, thus indicating an acceptable fit. The null model produced the following fit indices:  $\chi^2$  (132) = 10 790.734, p < .001, GFI = 0.23, AGFI = 0.92, RMSEA = 0.26. Hence, there was a huge discrepancy between the hypothesized model and the null model, meaning that the hypothesized model shows a good data fit.

Figure 1: Results of the Indirect Relationship Model (Model 2) of Customers: Hotels (n=586)/ Restaurants (n=571) simultaneously.



The relationships between the constructs that were studied confirmed the proposed hypotheses. First of all, there was a strong significant relationship between service quality and customer loyalty in  $Model\ M_I$  in both hotels ( $\gamma$  = .76, p < .001) and restaurants ( $\gamma$  = .62, p < .001). This finding confirmed Hypothesis 1, which proposed that customer perceptions of service quality would be positively related to customer loyalty toward hotels and restaurants. This first hypothesis corresponds to the first criterion of mediation.

Moreover, in *Model M*<sub>2</sub>, the relationship between service quality and customers' positive affective response was significant in hotels ( $\gamma$  = .76, p < .001) and restaurants ( $\gamma$  = .62, p < .001). These results confirmed Hypothesis 2, which proposed that customer perceptions of service quality would be positively related to the positive affective response that customers feel as a consequence of the service they receive at hotels and restaurants, and the second criterion for mediation was also met. Furthermore, the relationship between customers' positive affective response and customer loyalty was positive and significant in hotels ( $\beta$  = .54, p < .001) and in restaurants ( $\beta$  = .66, p < .001). This confirms Hypothesis 3, which proposed that customers' positive affective response would be positively related to customer loyalty toward hotels and restaurants, and the third criterion for mediation was also met in this multi-group study.

Finally, the relationship between service quality and customer loyalty in  $Model\ M_2$  was still significant ( $\gamma$  = .36, p < .001) in hotels and ( $\gamma$  = .17, p < .001) in restaurants, simultaneously. However, the factor loading scores of these relationships were weaker in both types of establishments in comparison with  $Model\ M_1$  (in hotels [ $\gamma$  = .76, p < .001] and in restaurants [ $\gamma$  = .62, p < .001]) because of the presence of

customers' positive affective responses. This feature is in agreement with the fourth mediation premise, which is required to confirm the mediation relationship between service quality and customer loyalty through customers' positive affective response.

Altogether the results suggest that customers' positive affective response may play a partial mediating role between service quality and customer loyalty. Use of the Sobel test is also recommended to check whether mediation carries the influence of service quality to customer loyalty (Baron & Kenny, 1986). The Sobel test makes it possible to determine whether the mediating role of customers' positive affective response has a significant influence between service quality and customer loyalty in hotels and restaurants, respectively. The unstandardized regression coefficient between paths of the constructs and their standard errors in both relationships were utilized in order to obtain the Sobel test value and its significance. The results showed that the Sobel test value (t) was significant in both hotels (t = 7.36, p < 0.001) and restaurants (t = 8.48, p < 0.001). Hence, the relationship between service quality and customer loyalty became substantially weaker with the presence of customers' positive affective response in both samples. Therefore, Hypothesis 4 is confirmed because all of criteria of the mediation relationship premises were met. This hypothesis proposed that customers' positive affective response would mediate the relationship between customer perception of service quality and customer loyalty; in other words, it claimed that customer loyalty would follow the cognitiveaffective-conative process in hotels and restaurants.

Finally, by following the procedure recommended, the invariance of the *indirect relationship model* ( $Model M_2$ ) was investigated across both samples. That is to say, the fit of the model was compared while the

targeted estimates were constrained ( $Model\ M_2$  [c]) to be equal to that of the unconstrained model ( $Model\ M_2$ ) across both types of establishments. The results showed that there were no significant differences between the two samples (see Table 3). Hence, although factor loadings are slightly different between hotels and restaurants, the zero differences between the constrained and unconstrained model confirm that the model was robust, stable and invariant between Spanish restaurants and hotels.

Table 3. Multiple group analyses (MGA) of the mediator model including Hotel customers (n=586) and Restaurant customers (n=571) simultaneously.

	χ2	df	р	GFI	RMSEA	NFI	AGFI	NNFI	CFI	$\Delta\chi^2$	∆df
Model 2	475.00	102	.00	.93	.06	.96	.96	.95	.96		_
Model $2_c$	475.00	102	.00	.93	.06	.96	.96	.95	.96	$Model2_c$ - $Model2$ = 0	0
Null	10790.7	132	.00	.23	.26						
model	3										

*Note.*  $\chi^2$  = Chi-square; df =degrees of freedom; GFI=Goodness-of-Fit Index; RMSEA=Root Mean Square Error of Approximation; NFI= Normed Fit Index; NNFI=Non-Normed Fit Index; CFI=Comparative Fit Index; Model 1= mediator model (freely estimated); Model 1<sub>c</sub> = Fully constrained model.

#### IV. Discussion

This study aimed to test whether customers follow the cognitive-affective-conative process in service encounters. To this end, the role played by customers' cognitive and affective responses in customer loyalty was tested using separate constructs in order to clarify the specific role of customers' positive affective responses in enhancing customer loyalty. Previous studies showed that, separately, customers' cognitions and affections play an important role in maintaining customer loyalty (Wong & Sohal, 2003). However, the two do not appear to have previously been tested together. The current study found that 70% of the variance of loyalty intentions can be explained by customers' evaluations of service quality and positive affective responses. Moreover, main findings of this

study confirm that a positive opinion of the service that is received seems to induce positive affective responses which increase loyalty intentions toward hotels and restaurants.

Several contributions emerged from this study, which identify the main predictors of customer loyalty. In relation to the cognitive perceptions of the service that is purchased, results showed that there is a positive relationship between customers' high evaluations of the quality of the service provided and customer loyalty intention in hotels and restaurants. When employees provided good service quality, the customers' intention to come back to this establishment grew (Lam et al., 2004). In that sense, this study corroborated Hypothesis 1, which proposed that customer cognitions are a key topic for creating loyal customers in hotel and restaurant settings. Additionally, the results of this study showed that the SERVQUAL scale is robust after having been adapted to hotels and restaurants and that it keeps its dimensional structure in both settings, as previously tested in other contexts such as theme parks, tour operators, the hotel industry, dental services, etc (Atilgan et al. 2003).

Furthermore, this study illustrates how those customers who have a high perception of service quality also display positive affective responses. Therefore, Hypothesis 2 was corroborated. Hence, this result highlights the fact that, during service encounters, customers experience positive feelings to a greater or lesser extent depending on the quality of the service provided (Price, Arnould, & Deibler, 1994). For example, when employees show customers understanding and comprehension, customers feel happier. This highlights the importance of the role played by the customer–oriented worker in order to offer a good service to customers.

At the same time, this study has found that positive affect is also an important antecedent of customer loyalty. Although a few researchers have previously highlighted the fact that customers' affective response could influence customer loyalty, the cognitive-affective-conation relationship has not been tested outside laboratories with purely customers' positive affective responses before. Therefore, this study provides new knowledge about the importance of customers' positive affective responses on the loyalty process in real settings, as recent research works have claimed. Customers were asked about the purely positive affective responses fulfilled during service encounters, such as pleasure, happiness and enthusiasm, in order to clarify the specific role of affective responses in customer loyalty. These findings support the premise that strong positive affective responses are complementary to measuring the cognitive evaluations of customers' attitudes (Dubé & Schmitt, 1991). Hence, Hypothesis 3 is confirmed when the positive customer response is positively related to customers' future intentions of becoming loyal. It was noted in both the settings that were tested (hotels and restaurants) that positive affective responses were partial mediators between service quality and loyalty intentions. These results also showed that the model is stable across settings. Affect is partially influencing service loyalty in both hotels and restaurants, as was found in laboratory studies about intentions of product repurchase (e.g. Ruth 2002).

This study also confirms the final hypothesis, that is, customer loyalty follows a cognitive-affective-conative process (Oliver, 1999). This process starts with the customers' evaluation of the quality of the service received, which involves taking into account certain tangible features like the reliability, assurance, responsiveness and empathy of the service. Hence, the process depends on whether or not there is a positive affective

response, such as pleasure, happiness and enthusiasm, which will influence the customers' attitude to either recommend this establishment or to come back to it. Even though the customers' evaluations of service quality are important to generate future loyal behaviors, customers' positive affective responses make the loyalty intentions stronger.

Therefore, this paper verifies whether customer loyalty is predicted not only by customer cognitions, but also by the positive affective responses that customers feel from the service received. In that sense, this study combines two different approaches from the literature: cognitive-loyalty relationships and affective-loyalty relationships. This theoretical model has been tested in a field study in restaurants and in hotels, separately, and results confirm that a process that maintains loyal customers indeed exists and that this process is consistent in both samples.

# Limitations and Practical Implications

This study is not without its limitations. One limitation is the fact that 70% of the variance of loyalty intentions that is explained by customers' service quality evaluations and positive affective responses may be partly the result of common method variance. The reason for this is that self-report questionnaires were used to measure service quality, positive affective response, and loyalty intentions. Most studies on human behavior rely on self-reports because getting information about internal states such as evaluations, affective responses and intentions using other measurement methods is difficult (Spector, 2006). However, future studies should try to collect information from different sources in order to avoid the mono-method measurement limitation.

Moreover, this study has a cross-sectional design and does not report causality. It is therefore necessary to validate the current findings in a longitudinal study to verify whether the customer loyalty process displays a similar behavior over time. Therefore, whether or not the same customers came back to the establishments was not measured. In future studies, checking that customers are already loyal customers or whether they have the intention of becoming loyal customers, but still do not display this behavior, will be an interesting idea to test.

The results of this study may help those companies that wish to cut costs and to improve their performance, these being key issues to design a strategy to develop and gain loyalty among their customers. This strategy is based on the aim to be successful in making their customers think and feel positively about their services. This strategy should focus on providing customers with two main outcomes.

Firstly, hotels and restaurants should ensure high quality service. Companies should develop important customer feedback methods as tools to enhance the quality of hotel and restaurant services. Hotels and restaurants should improve both tangible and intangible features constantly in order to maintain the connection between good customer evaluations and their loyalty intentions. Although tangibles are basic features to ensure quality service, intangibles do exert an influence on customer loyalty intentions. Moreover, both are able to induce affective responses in customers.

Secondly, the strategy of inducing positive affective responses in customers could open up a substantial distance with competitors. When customers experience positive states during service encounters, this may result in loyalty intentions. In order to induce affective responses, a personalized customer service is needed. It is very likely that each customer will be positively influenced in different ways. In this regard, customer-oriented workers and their performance play a key role.

Customer-oriented workers' performance should be oriented to the extrarole performance, which has been found to be the main cause of inducing
positive affective responses (Price et al. 1994). Extra-role behaviors are
needed and, therefore, specific training on emotional labor and protocolbased services would help this kind of workers to induce positive affective
responses from customers. Additionally, if loyalty to restaurants and hotels
is considered to follow the same process, then practitioners can simplify
their managerial strategies in order to keep the customers at both places
loyal by considering the parallel cognitions and affective responses from
customers of both hotels and restaurants.

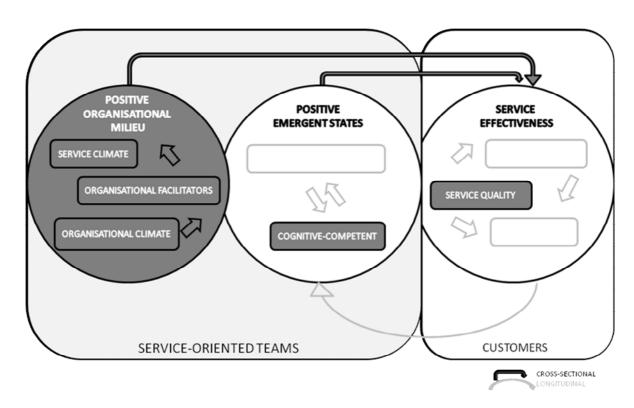
This study has gone one step beyond others in that it shows that customer loyalty in restaurants and hotels can be developed through a complex and careful process that involves customers' positive affective responses. Essentially what this study reports is that service quality presents a stronger relationship with customer loyalty in hotels and restaurants. Affective response could make *all the difference* in competitive markets. Therefore, the present study suggests that affections and cognitions should be taken into account in a mixed way if there is a wish to improve customer loyalty.

#### Final Remark

This study had the twofold objective of testing whether customers follow the cognitive-affective-conative process, and clarifying the specific role played by customers' positive affective responses in enhancing customer loyalty. Results have confirmed that positive affective responses play a mediating role between service quality and loyalty intentions. Therefore, this study reports new insights into previous studies that

suggested that, separately, customers' cognitive or affective responses are important for customer loyalty. In addition, it clarifies the point that purely positive affective responses mediate the cognitive-affective-conative process. In this sense, new strategies to develop loyal customers should be oriented toward increasing both customers' service quality evaluations and also their positive affective responses, because both together can maximize loyalty ratings.

# Chapter III. Effective teams in service organisations



Chapter 3 is currently in press by the following reference: Gracia, E., Cifre, E., & Grau, R. (2010). Service quality: The key role of service climate and service behaviour of boundary employee units. *Group & Organization Management, 35. (JCR = 2.00 APPLIED PSYCHOLOGY = 15/61)* 

#### Abstract

This study simultaneously tests the influence of two resources that boundary employee teams can use to improve service quality. The first is the boundary employee teams' perceptions of organizational values oriented towards creating a good service climate. The second is the boundary employees' competences oriented to providing the service, that is, their own service behaviour during service transactions. Moreover, organizational climate and organizational facilitators are also analysed as antecedents of the two resources. The sample consisted of 117 serviceoriented teams aggregated from 349 boundary employees and 1157 customers. Structural Equation Modelling analysis confirmed that service quality perceived by customers can be predicted by both service climate and service behaviour perceived by boundary employee teams. Moreover, organizational facilitators and organizational climate are significant antecedents for higher levels of service climate. Therefore, results confirm the importance of both roles in improving customer perceptions of service quality.

Keywords: Organizational facilitators, organizational climate, service climate, service behaviour, service quality.

#### I. Introduction

Service organizations are becoming increasingly involved in a highly competitive marketplace. One of the most important issues that enable teams to stand out from their competitors is the quality of the service they offer. In fact, a sound recommendation is to assess service quality and customer satisfaction so as to be able, in turn, to assess organizations' benefits and performance (Brown & Mitchell, 1993; Price, Arnould & Tierney, 1995).

Service quality refers to a customers' subjective evaluation of the received service. Service quality comprises both tangible aspects such as room design or furnishing style, and intangible aspects like helping customers, providing prompt service, and the individualized attention that the firm offers its customers, among others (Parasuraman, Zeinthaml & Berry, 1988). Intangible aspects are the potential source of sustainable competitive advantage (Kuei, 1999; Salvador, 2004). While tangible aspects between close competitors are similar, intangible aspects, which depend entirely on service encounters, can open up a considerable distance between firms and their competitors. Indeed one of the key elements considered in a successful business service are boundary employees (Davidson, 2003; Tsaur & Lin, 2004).

The literature distinguishes two main reasons for the importance of the boundary employees' role. First, boundary employees are important as they are 'the link' between organizations and customers (Schneider, White & Paul, 1998). Boundary employees are aware of the customer-oriented values of the organization. Additionally, being in contact with customers allows boundary employees to transmit them these values and to receive direct and accurate feedback about what the customers obtained during the service they received, and what they had expected prior to receiving it

(Little & Dean, 2006; Narver & Slater, 1990). Thus, they have privileged information about organizational values and customers' responses. One advantage of this is that it allows them to become aware of whether values really match customer needs and what the consequent customer responses are.

Second, boundary employees are important because their service behaviour is the intangible component of service quality assessed by customers (Price et al., 1995). Thus, boundary employees are not simply passive links between organizations and customers, but active people who represent their organization. In other words, their performance in service encounters becomes the organization's performance (Ashforth, Kulik & Tom, 2008). For this reason, boundary employees' service behaviour is essential to improve future service relationships and to create customer service loyalty (Dimitriades, 2007).

Yet, research on enhancing service quality has very rarely considered both reasons at the same time (Yoon, Beatty & Suh, 2001). This study therefore aims to examine the importance of boundary employees in improving service quality by taking into account two key factors. boundary employees as an organization-customer link, and boundary employees as an active role of the service. In this vein, boundary employee teams' perception of organizational issues oriented towards improving service quality and boundary employee teams' perception of their own service behaviour would play a key role in improving customers' perception of service quality.

# Service Climate: Creating a customer-oriented value

Previous literature supports the claim that service organizations must focus their strategies on customer-oriented values in order to

improve their business profitability (Narver & Slater, 1990). However, this orientation should be more than an organizational premise; for it to be genuinely effective, employees have to perceive and share it. In this way, customer orientation values are effective when taken as a perceived climate. The service climate has been considered as the central axis in service organizations from which to infer service quality (Little & Dean, 2006). Specifically, service climate becomes crucial when critical employees, as is the case of boundary employees, agree that this climate involves them (Yoon et al., 2001). One definition of service climate is "All the team-shared perceptions of the strategies that are rewarded supported and expected with regard to customer service" (Schneider, 1990, p. 384). That is, "how important service is in their organization" (Yoon et al., 2001, p. 502).

Moreover, service climate can be enhanced through other organizational issues such as Human Resources Management (HRM) practices and managerial practices (Little & Dean, 2006). A pioneering study on bank branches found that the branches that provided any kind of facilitative conditions (efforts, supervisory behaviours and HRM policies) overcome obstacles and encourage good interdepartmental to relationships between colleagues were the same branches whose boundary employees described service climate in positive terms, and the same branches whose service quality was described positively by customers (Schneider et al., 1998). Additionally, similar results were found in subsequent studies that examined actions and strategies aimed at controlling the obstacles that may interfere with employees' performance (Tesluk & Mathieu, 1999). In the tourist sector, Salanova, Agut and Peiró (2005) found that the central agents for improving service climate in hotel and restaurant units were organizational facilitators, such as technical support, autonomy and training previously detected by qualitative methods and measured quantitatively in the sample. Moreover, service climate also exerted a positive influence on customers' perceptions of service quality and loyalty.

Additionally, Davidson (2003) proposed a theoretical model in which organizational climate, which includes service climate, influences service quality. Organizational climate collects the shared perceptions of the organizational environment (González-Romá, Lloret & Peiró, 1995). Some studies went on to also investigate similar ideas. In a study of automotive manufacturers, results from 351 small organizations showed that both organizational facilitators, focused on the development of HRM practices, and climate, which includes both organizational climate and service climate features, were positively related to positive customer outcomes such as customer satisfaction and loyalty (Rogg, Schmidt, Shull & Schmitt, 2001).

Therefore, organizational facilitators and organizational climate could be fundamental issues for creating a service climate that would translate into higher customer perceptions of service quality.

Moreover, in service organizations, boundary employees share not only organizational environment, rules, goals and facilitators—they also share their customers. Indeed, nowadays, a single boundary employee rarely provides full service to one customer and they mostly have to work in teams. Additionally, this trend seems to be on the increase in service organizations (Carmeli, 2008; Spreitzer, Cohen & Ledford, 1999). Thus, a team level seems to be more consistent than an individual level for studying the relationships that all the constructs of this study have with service quality. Therefore, previous findings and premises suggest the following hypotheses.

Hypothesis 1: The service climate perceived by boundary employee teams is positively related to the service quality perceived by customers.

Hypothesis 2: The organizational issues perceived by boundary employee teams (organizational facilitators and organizational climate) are positively related to the service climate perceived by boundary employee teams.

However, boundary employee teams should not be considered as passive entities that follow and transmit organization values to interact with customers, since they actually play an active role in improving service quality. Boundary employee teams "create an image for the firm" (Bettencourt & Brown, 1997, p. 39). The direct interaction between boundary employees and customers plays a decisive role in buying or purchasing a service. Indeed, the capability to provide services beyond expectations is considered a critical factor for success (Haynes & Fryer, 2000). In this sense, boundary employees' behaviour is especially important for service quality. Therefore, not only organizational issues and customer–oriented values that generate a good service climate can improve service quality –it can also be improved by boundary employee teams, with their service behaviour.

#### Service behaviour: The active role at service encounters

Service behaviour consists in employee's self-reports of role-prescribed and extra-role behaviours (Tsaur & Lin, 2004). Consequently, the dimensions of service quality, as perceived by boundary employees, range from the role-prescribed (i.e., reliability, which is the ability to perform the promised service dependably and accurately) to the extra role (i.e., empathy, that is, the caring, individualized attention that the firm

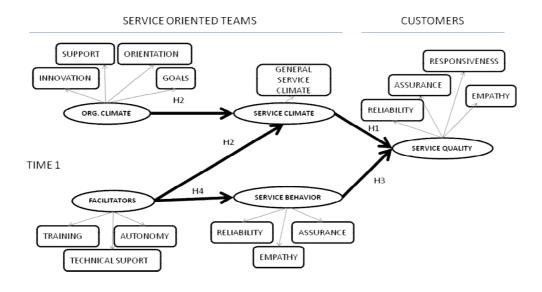
provides its customers) and make it possible to check whether service behaviours are those required by customers (Kuei, 1999).

A few studies have tested the positive relationship between service behaviour and service quality (Williams, 1999; Hartline & Jones, 1996). For instance, a study on tourist hotels in Taiwan showed that service behaviour reported by employees was positively related to service quality reported by customers (Tsaur & Lin, 2004). This study also found that boundary employees' training and development were the strongest HRM practices that improve service behaviour and, indirectly, facilitate higher levels of service quality. Additionally, similar conclusions have been drawn from open-ended interviews with managerial staff at luxury hotels (Haynes & Fryer, 2000). Thus, previous findings suggest that organizational issues could also be positive antecedents for enhancing service quality through service behaviour. Specifically, in a team-level study of boundary employees in hotels and restaurants, organizational facilitators and service behaviour of boundary employee teams showed an interaction effect related to service quality perceived by customers (Gracia, Grau & Ventura, 2005). The results showed that service quality was higher when employees felt they offered high service behaviour, regardless of the level of the facilitators provided by the organization. However, when employees felt they offered low service behaviour, the organizational facilitators proved to be important to improve the service quality. Consequently, organizational facilitators could play a key role in explaining not only service climate, but also boundary service behaviour.

Accordingly, the following hypotheses were tested in this study: Hypothesis 3: Service behaviour perceived by boundary employee teams is positively related to the service quality perceived by customers. Hypothesis 4: The organizational issues perceived by boundary employee teams (organizational facilitators) are positively related to the service behaviour perceived by boundary employee teams.

Hence, the objective of this study is to improve our knowledge of service quality not only by taking into account organizational issues (i.e., organizational facilitators, organizational climate, service climate) as previous studies have done (Schneider et al., 1998), but also by stressing the importance of boundary employees' service behaviours as the active role that they play in service encounters (Kuei, 1999). The following figure (Figure 1 shows the proposed model:

Figure 1. The proposed model.



#### II. Method

# Sample and Procedure

The study sample consisted of 117 Spanish tourist teams. We collected information from two sources: employees and customers. The employees sample comprised 349 boundary employees (54.2% men and 45.8% women; mean age was 34.2 years; SD = 10.3) at hotel check-in

desk teams (51%) and waiter/waitress teams (49%). The response rate was 90%. This participation rate may seem high compared to those of other studies (see Baruch & Holtom, 2008) but this is because the managers of the teams had previously agreed to allow their boundary employees take part in the study during work time. We randomly selected three employees from each team and invited them to participate in the study. When an employee declined to participate, we randomly selected another one from the same team, whenever possible. These employees worked together in the same team, made up of an average of 3 employees working on the same shift and sharing customers.

The sample of customers consisted of 1157 hotel and restaurant customers (54% men and 46% women). The response rate was 95%. This high rate, compared to other studies (see Baruch & Holtom, 2008), may be due to the interviewers' distributing questionnaires in person, face-to-face. Consequently, very few customers refused to participate in the study. Only hotel customers staying more than 3 nights participated in the study. The criterion applied by the restaurants was that customers had either lunch or dinner there. From a list of customers from each team, they selected 10 customers from each list and invited them to participate in the study. Teams were mainly holiday (60%) and business (40%) restaurants and hotels. Seventy percent were 3-star hotels, while the rest were 4-star hotels.

Both employees and customers received questionnaires in person. Questionnaires were administered in Spanish after translation of foreign scales by a professional translator. The questionnaire-administration processes took 20 min (approx.) for employees and 10 min (approx.) for customers. This study ensured the confidentiality and anonymity of the answers provided by all respondents. Employees filled in the questionnaire

during breaks, or at the beginning or the end of their shifts. Hotel customers filled in the questionnaire while checking out. Data collection took place during two high season periods. Restaurant customers filled in the questionnaire after the service transaction had been completed (i.e. after paying the bill). Researchers were present to help employees and customers in case they had any difficulties filling in the questionnaire.

#### Measures

In this study, we used a self-constructed questionnaire. Some of the variables used in this study were assessed in relation to boundary employees and others in relation to customers. We now go on to explain each variable used.

# Boundary employees variables

Organizational facilitators: We assessed this variable using the facilitators scale for tourist services developed from the Critical Incident Technique (Flanagan, 1954), following studies by Brown and Mitchell (1991) and Peters, O'Connor and Eulberg (1985) on performance obstacles, and validated in Spanish by Grau, Salanova, Agut and Burriel (2001). To develop this scale, first we held semi-structured interviews with boundary employees to devise a series of facilitators. Employees answered questions about which organizational features help them to solve performance obstacles. Second, we analysed the information and we devised categories by means of an inter-rate criterion. Finally, we designed the questionnaire items. This scale was made up of eleven 5-point Likert-type scale responses ranging from 1 (none) to 5 (considerable). Scale reliability was  $\alpha = .91$ . An example of one item is: "Indicate to what extent the following aspect facilitates your work performance and helps you overcome possible obstacles: The training received helps overcome

obstacles".

Organizational climate. We assessed this variable using the short Spanish version of the FOCUS scale, which has twelve items (González-Romá et al., 1995). It consisted of four dimensions to assess the overall organizational climate perceived by boundary employees: support ( $\alpha$  = .80), rules orientation ( $\alpha$  = .83), goals orientation ( $\alpha$  = .74) and innovation ( $\alpha$  = .87). This scale was a 7-point Likert-type scale ranging from 1 (I totally disagree) to 7 (I totally agree). The overall reliability of this scale was  $\alpha$  = .90. An example of one item is: "In this hotel/restaurant, personal relationships among fellow employees are good".

Service climate: We assessed this variable by using a Spanish adaptation of the global service climate scale (Salanova et al., 2005), that is, the general dimension of the Service Climate Scale used by Schneider and Bowen (1985). It consisted of three items designed to assess the overall service climate perceived by boundary employees. It is a 7-point Likert-type scale ranging from 1 (I totally disagree) to 7 (I totally agree). Scale reliability was  $\alpha = .86$ . An example of one item is: "The delivery of superior work and service is recognised and rewarded in this restaurant/hotel".

Service behaviour. We assessed this variable by using the adapted Spanish version of the SERVQUAL scale by Ramos, Collado, Marzo, Subirats and Martín (2001) to self-assess the service quality that boundary employees perceived that their team offered. This scale was an adaptation of the one devised by Parasuraman et al. (1988) to assess service quality perceived by customers. It contained the four intangible dimensions from the SERVQUAL scale, adapted to assess work-team service behaviour: reliability ( $\alpha$  = .76), responsiveness ( $\alpha$  = .62), assurance ( $\alpha$  = .87) and empathy ( $\alpha$  = .78), with three items each (García-Buades, 2001). It is a 7-

point Likert-type design, ranging from 1 to 7 (I totally disagree / I totally agree). The overall reliability of this scale was  $\alpha$  = .90. An example of one item is: "In this hotel/restaurant: we deal with customers promptly".

#### Customer variables

Service quality: We assessed this variable by an adapted Spanish version (Ramos et al., 2001) of the SERVQUAL scale developed by Parasuraman et al. (1988) to evaluate the boundary employees' service performance as perceived by customers. This study took into account the four intangible dimensions of the SERVQUAL scale: reliability ( $\alpha$  = .81), responsiveness ( $\alpha$  = .89), assurance ( $\alpha$  = .65) and empathy ( $\alpha$  = .80), with three items each (García-Buades, 2001). The measurement scale of service quality was designed based on the performance instead of the gap measure because captures more explained variance (Cronin & Taylor, 1994). It has a 7 point Likert-type response scale, ranging from 1 (I totally disagree) to 7 (I totally agree). The overall reliability of this scale was  $\alpha$  = .84. An example of one item is: "In this hotel/restaurant: Employees are capable of putting themselves in the customer's place".

## Data Analysis

There has been strong support for the importance of taking into account the strength of within-unit agreement perceptions as a prerequisite for the unit-level variable and its relationship with performance (Schneider & Subirats, 2002). Aggregation indices enabled us to determine which of the teams did not share their perceptions enough to be taken as a unit entity. For this purpose, we calculated diverse aggregation indices to test whether it was possible to understand teams as an entity. We calculated the Intra-class Correlation Coefficient (ICC) (Bliese, 2000). This index compared intra-unit variance by using the mean score of the members who responded in each unit (Schneider et al., 1998).

We also calculated the Average Deviation Index  $(Ad_{M(J)})$  as proposed by Burke, Finkelstein and Dusig (1999). The  $AD_{M(J)}$  index calculated the average deviation for each scale of J items in order to justify the aggregation of the individual member's response at a team level.  $Ad_{m(j)}$  is based on Monte Carlo procedures and "produces the equivalent of an approximate randomization test for the null hypothesis that the actual distribution of responding is rectangular and demonstrate its superiority to the chi-square test" (Dunlap, Burke & Smith-Crowe, 2003, p. 356). This index is strongly recommended because it seems to overcome the weaknesses of Rwg (González-Romá, Peiró & Tordera, 2002). Thus, both indices provided essential information about the internal homogeneity in each team under study.

Furthermore, the team-level internal consistency were also calculated (Cronbach's  $\alpha$ ) in all the scales by using the average item response per team as the input. This is a strongly recommended strategy as it aligns the measurement reliability information with the level of analyses used in the substantive tests (Mathieu, Gilson & Ruddy, 2006). Additionally, we performed analyses of variance (ANOVAs) to test whether significant differences existed between teams. Consequently, ANOVAs made it possible to verify external heterogeneity in order to measure non-dependence between teams.

Moreover, some non-studied variables might also affect the studied variables. Therefore, we controlled for the influence that some organizational features might have had on each team by measuring the following control variables: type of unit (accommodation or restaurant), rating (3- or 4-star) and location (holiday or business). We also conducted a multivariate analysis of variance (MANOVA) to check the effect of the control variables on the studied variables.

Furthermore, we performed Confirmatory Factor Analyses (CFAs), as implemented by the AMOS program (Arbuckle, 1997), to verify the dimensional structure of the multi-dimensional variables (organizational facilitators, organizational climate, service behaviour and service quality). Finally, we carried out Structural Equation Modelling (SEM), as implemented by the AMOS program (Arbuckle, 1997), to test the overall theoretical model approached in this study. SEM allows models of linear relationships among variables to be specified and estimated while maintaining the structure of the constructs (MacCallum & Austin, 2000).

#### III. Results

# Aggregation Analyses

The internal homogeneity was confirmed t in most of the boundary employee teams with the ICC and  $Ad_{m(j)}$  indices. First, the employees' mean ICCs value was .30, while that of customers was .20. As expected, both values were above .12 and, according to this index, it is therefore possible to aggregate the data (James, 1982). Furthermore, the  $Ad_{m(i)}$  score that was obtained also enabled us to aggregate the individual means since the mean values obtained in the employee and customer samples were .98 and .70, respectively. However, only 3 boundary employee teams out of the original 120 did not reach the degree of internal homogeneity required to be aggregated (according to the ICC and  $Ad_{m(j)}$  indices; González-Romá et al., 2002). This meant having to eliminate 3 teams from the original 120 because they did not share the perceptions which considered a team to have self-entity. Multiple causes could have an influence on this agreement, mainly because the team members did not spend enough time together or they did not use enough communication resources. That is, aggregation indices indicated that most of the boundary employees in

each team and most of the customers had shared perceptions about the variables used in this study.

We also performed ANOVAs to check heterogeneity between teams. All the variables, organizational facilitators F(1, 118) = 2.36, p < .001, organizational climate F(1, 118) = 2.80, p < .001, service climate F(1, 118) = 2.89, p < .001, service behaviour F(1, 118) = 2.04, p < .001 and service quality F(1, 116) = 3.95, p < .001, scored significant F values at the level of p < .001. Therefore, significant differences exist among the teams for each variable.

# Descriptive Analyses

Descriptive statistics (see Table 1) verified some of the relationships between the team-level variables. Thus, as expected, service climate correlated with service quality dimensions, although it only correlated significantly with the reliability dimension of service quality. Moreover, both organizational issues (organizational facilitators and organizational climate dimensions) correlated significantly and positively with service climate. In addition, dimensions of organizational climate correlated significantly with some of the service quality dimensions (i.e. goals with reliability, innovation with responsiveness, rules with assurance and social support with reliability, innovation and empathy).

Furthermore, the reliability dimension of service behaviour correlated positively and significantly with most of the service quality dimensions (i.e. reliability, assurance and empathy). However, organizational facilitators only correlated significantly with the responsiveness dimension of service behaviour and did not correlate significantly with any of the service quality dimensions. Finally, it is important to highlight the fact that the responsiveness subscale of service behavior showed zero correlations with the rest of the subscales of service

Table 1. Means, standard deviations, internal consistencies (Cronbach's  $\alpha$ ), and correlations between variables, (n=117).

Variables	Mean	SD	α	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Org. facilitators	3.84	.726	.91	.19*	.20*	.02	.17 *	.27**	.04	.30**	01	.06	.13	06	07	08
2. OC: Goals	5.08	1.13	.74		.71**	.59**	.66**	.63**	12	.34**	06	05	.16†	.11	.14	03
3. OC: Innovation	5.35	1.11	.87			.43**	.56**	.68**	16 †	.17*	14	13	.12	.18*	.14	.05
4. OC. Rules	5.49	.847	.83				.35**	.21*	.06	.27**	.16†	.05	.13	.13	.19*	04
5. OC: Support	5.48	.896	.80					.53**	.06	.28**	05	01	.27**	.14	.19*	.29**
6. Service climate	4.93	1.11	.86						19*	.34**	16†	13	.17*	.14	.09	.10
7. SB. Reliability	6.19	.440	.76							08	.60**	.59**	.15†	.06	.17*	.16†
8. SB. Responsiveness	6.26	.478	.62								07	.03	.17*	11	.08	.06
9. SB. Assurance	5.80	.596	.87									.57**	.03	03	.05	.02
10. SB: Empathy	5.64	.674	.78										.14	.02	.02	.08
11. SQ: Reliability	5.89	.462	.81											.45**	.45**	.38**
12. SQ. Responsiv.	5.97	.444	.89												.49**	.35**
13. SQ: Assurance	5.7	.484	.65													.52**
14. SQ: Empathy	5.24	.539	.80													

†p<.08 \*p<.05; \*\*p<.01; \*\*\*p<.001

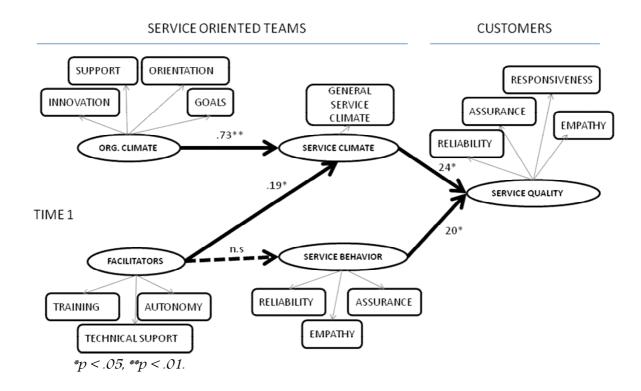
behaviour, service climate and service quality). Multivariate results showed non-significant Wilks's lambda multivariate coefficients for all the control variables: unit, F(14, 102) = .135, rating, F(14, 101) = .369, and location, F(14, 102) = .139. Therefore, units did not differ significantly in the study variables and the control variables have no influence on the studied variables.

Finally, four simultaneous CFAs were performed to verify the dimensional structure of the multi-dimensional variables. The overall measurement model confirmed that the expected structure of the variables fitted the data satisfactorily in terms of fit indices. The fit index scores of the overall measurement model were  $\chi^2$  (77) = 127.103, p < .001; IFI = .91; CFI = .91; RMSEA = .075. Organizational facilitators contained the three hypothesized dimensions (training, autonomy and technical support) with  $\lambda = .66$ ,  $\lambda = .66$  and  $\lambda = .78$  factor loadings, respectively. Organizational climate contained the four hypothesized dimensions (goals, rules, innovation and support) with  $\lambda = .96$ ,  $\lambda = .60$ ,  $\lambda = .74$  and  $\lambda = .96$ .69 factor loadings, respectively. Service behaviour contained the three dimensions (reliability, assurance and empathy) with the following respective factor loadings:  $\lambda = .79$ ,  $\lambda = .77$  and  $\lambda = .74$ . Finally, service quality contained the four hypothesized dimensions (reliability, responsiveness, assurance and empathy) with factor loadings of  $\lambda = .61$ ,  $\lambda$ = .63,  $\lambda$  = .78 and  $\lambda$  = .63 respectively.

# Structural Equation Modelling Analyses

Subsequently, the hypothesized model was tested using SEM analyses, which enabled us to confirm whether or not the model fitted the data, the results being:  $\chi^2$  (86) = 146.287, p < .001; IFI = .91; CFI = .90; RMSEA = .078) (See Figure 2).

Figure 2. The research model with standardized path coefficients (N =117 service-oriented teams).



In general, the model indicated a good fit since all the fit indices were equal to or higher than .90 (Hoyle, 1995). More specifically, the model corroborated most of the hypotheses that were put forward. The relationship between service climate perceived by boundary employee teams and the service quality perceived by customers described in Hypothesis 1 was confirmed. A significant positive relationship was found between the service climate perceived by boundary employee teams and the service quality perceived by customers ( $\beta$ = .24; p < .005). Furthermore, the relationship between organizational issues perceived by boundary employee teams (organizational facilitators and organizational climate) and the service climate perceived by boundary employee teams expressed in Hypothesis 2 was also corroborated. Both organizational issues perceived by boundary employee teams (organizational facilitators and organizational climate) were significantly positively related to the service

climate perceived by boundary employee teams [organizational facilitators  $(\gamma = .19; p < .005)$  and organizational climate  $(\gamma = .73; p < .001)$ ].

Moreover, the relationship between service behaviour perceived by boundary employee teams and the service quality perceived by customers, explained in Hypothesis 3, was also confirmed. Service behaviour perceived by boundary employee teams was significantly positively related to the service quality perceived by customers ( $\beta$  = .20; p < .005). However, the relationship between the organizational issues perceived by boundary employee teams (organizational facilitators) and the service behaviour perceived by boundary employee teams, explained in Hypothesis 4 was not corroborated. Organizational facilitators were not related to service behaviour ( $\gamma$  = .00; p = n.s.).

In conclusion, the results of this study confirm Hypotheses 1 and 3, which hypothesized that boundary employee teams are related to customers' perceptions of service quality through two resources (i.e. perceptions of organizational values and their own service behaviour). Moreover, both together accounted for 10% of the variance of the predicted variable (customer perceptions of service quality). Results also confirm Hypothesis 2 that organizational facilitators and organizational climate are antecedents of service climate, but results did not confirm Hypothesis 4. Organizational facilitators are not a significant antecedent of service behaviour.

#### IV. Discussion

This study aimed to test whether service quality perceived by customers can be simultaneously explained from two boundary employees' resources, which are based on perceptions of organizational efforts, values and environmental issues (i.e., organizational facilitators, organizational climate, service climate), and on the boundary employees' active roles, that is, their perceptions of service behaviours.

Findings show that when boundary employee teams perceive a higher level of service climate (such as effective supervisory customeroriented tasks and continuous customer feedback), customers' evaluations of levels of service quality are higher. Consequently, this study corroborates previous findings that found that the organization–generated specific service climate leads to higher quality services for the organization (Davidson, 2003; Little & Dean, 2006; Salanova et al., 2005; Schneider et al., 1998).

Moreover, results from this study also support the idea that service climate is stronger when employees perceive organizational facilitators and organizational climate positively. Such issues include organizational strategies, rewarding policies and other efforts, such as providing autonomy, training or technical support, and creating a positive organizational climate with clear goals, rules and openness to innovation, as well as enhancing social support. This result is in agreement with previous studies that stress the importance of applying key HRM policies and practices to create good job designs and environments (Liao & Chuang, 2004; Haynes & Fryer, 2000; Rogg et al., 2001; Yoon et al., 2001). However, the current study defends the need to develop qualitative–quantitative measures as organizational facilitators that take into account employee teams' opinions about which strategies are the ones that help them to overcome performance obstacles in order to develop only those HRM policies that are really perceived as effective.

Additionally, findings show that when boundary employee teams self-perceive their teams as highly competent (high reliability, high assurance and high empathy), customers' evaluations of levels of service

quality are higher. This potential resource for improving service quality has often been neglected (Bettencourt & Brown, 1997). In this regard, the results obtained here are in agreement with the emerging literature which highlights the active key role of boundary employees to enhance service quality (Ashforth et al., 2008; Giardini & Frese, 2008; Liao & Chuang, 2004; Tsaur & Lin, 2004). However, contrary to our expectations, service behaviour was not explained by organizational facilitators. One possible explanation is that this relationship could be mediated by other variables that were not taken into account in this study (i.e., collective workengagement, level of education). Therefore, these results have enabled us to make several contributions which we will go on to explain below.

First, this research expands on previous results which only focused on studying organizational issues to improve service quality. This study found that boundary employee teams were more than intermediary informants between customers and the organization. They actually played active roles in service encounters and their service behaviour significantly predicted customers' evaluations of service quality. Thus, as Ashforth et al. (2008, p. 6) have recently argued, we cannot forget that "boundary employees are the face and voice of an organization for customers". In this regard, boundary employee teams' active roles help organizations readjust and improve their service quality.

Second, this study confirms that service climate and service behaviour are both highly significant in predicting service quality. This derives from the fact that, in the model, both accounted significantly for the variance in service quality assessments. This also implies that variance derives from the organizational issues that improve the organization's customer–oriented policies (service climate), while at the same time it also relies on the boundary employees' service behaviour. Moreover,

significant correlations showed that service behaviour and service climate are different constructs (even negatively related to each other) that could predict different dimensions of service quality perceived by customers. A possible explanation of this negative relationship would be that when an organization promotes high rates of service climate, service-oriented teams probably become more exigent with their service-oriented performance, and then their self-evaluations are lower. Therefore, boundary employees' perceptions of the organization's overall customer orientation and their service behaviour are vital to ensure service quality in service organizations.

Third, the data was analysed from this study at the boundary employee team level in order to obtain a better understanding of current workplace structures in service organizations (Arthur, Bell & Edwards, 2007; Ashforth et al., 2008; Carmeli, 2008; Lendt, Shmidt & Shmidt, 2006; Van Yperen & Snijders, 2000). Semi-autonomous teams are becoming a usual structure for working. Thus, individual conclusions often prove to be inappropriate (Van Mierlo, Rutte, Kompier & Doorewaard, 2005). This study provides fresh knowledge to explain how work teams develop their performance outcomes in the specific context of service encounters in tourist-related workplaces. Therefore, this work highlights the importance of the human factor grouped by teams still underestimated. Moreover, it overcomes the limitations of obtaining a source of information by taking into account both boundary employees' and customers' perceptions.

#### Limitations and Future Recommendations

This study is not without its limitations, but certain suggestions to improve future studies are worth noting. The first limitation is the fact that this study has a cross-sectional design and does not provide information

about causality. It is, therefore, necessary to validate the current findings in a longitudinal study so as to be able to test the relationship between boundary employees and customers, which would even make it possible to study the reciprocity between them.

Another important limitation is the fact that we did not find any significant antecedents of service behaviour. Previous literature suggested that organizational issues could also be predictors of service behaviour (Tsaur & Lin, 2004). However, this study found no support for the relationship between organizational facilitators and service behaviour. Therefore, although we did find important predictors of service climate, the former are needed to provide companies with specific contributions about how to improve employees' service behaviours. Future steps will introduce other variables into the study to help clarify the antecedents of service behaviour. One possibility would be to extend the model with psychosocial health variables, such as collective engagement or job satisfaction, and to study the consequences of boundary employee teams' well-being on service quality, as others have claimed (Spreitzer, Cohen & Ledford, 1999; Van Mierlo et al., 2005).

# Practical Implications

This study also reports several practical implications that might help practitioners to develop strategies for enhancing service quality customer rates. Service organizations must follow both organization– and boundary employee team–oriented HRM strategies in order to improve service quality.

The organizational strategy recommends to establish strong, clear service climates. To achieve this, service organizations should study the organizational facilitators that boundary employee teams need (Tesluk &

Mathieu, 1999), and they must also consider creating an organizational climate as a fundamental condition to promote a strong organizational service climate (Davidson, 2003). Thus, service organizations would acquire higher service quality through a strong service climate, if teams perceive they have organizational facilitators that help them to work better and create pleasant environments.

The boundary employee teams' strategy focuses on the active role that boundary employees, in teams, play in improving service quality in this type of organizations. Thus, service organizations should help boundary employee teams increase their skills and abilities through several strategies that make them feel and be more competent during service encounters with customers (Cherniss, 1993). For instance, they could organize service-oriented training for teams. More specifically, service-oriented training focuses on making boundary employees teams aware of important service quality factors for customers. Thus, service organizations would acquire higher service quality if they took the teams' service competences and behaviours into consideration. Consequently, endowing teams with knowledge and skills is especially important to achieve competent performance (Spreitzer et al., 1999). Therefore, this study recommends service organizations to invest in the development of service behaviours in boundary employee teams.

More specifically, this study informs organizations that strong customer-oriented values, such as service climate, are oriented more towards positive customers' evaluations of the basic features of service quality. However, service behaviour displays a more positive orientation towards customers' positive evaluations of the more complex features of service quality that have a certain emotional content, such as empathy. Therefore, providing an overall high service quality implies having to

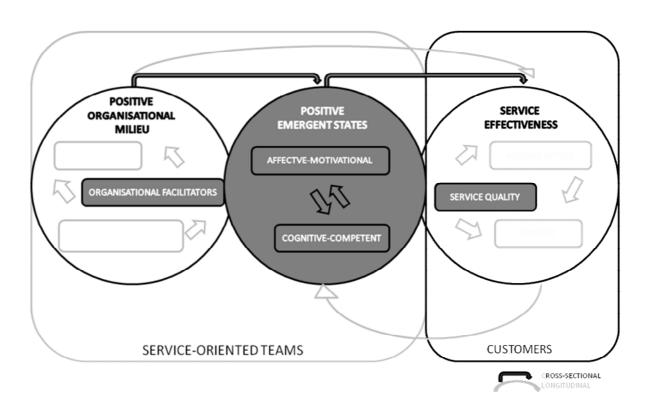
establish strategies and goals that involve both organizational and boundary employee team issues.

#### Final Remark

This study helps to understand how service quality is strongly dependent on boundary employees. Both resources, organizational customer values perceived by boundary employee teams and their own service behaviour, should be taken into account in order to attain positive service quality assessments from customers. This study could be the first to blend the two approaches to conclude that both should be taken into consideration in order to improve service quality perceived by customers. Additionally, this study supports the need to perform measurements at team level so as to better explain current workplaces. It also highlights the relationship between boundary employees and customers and, in turn, underlines the key role played by boundary employee teams in improving organization service. Boundary employee teams are, therefore, active teams with their own entity which, with their perceptions of service climate and their service behaviour, can provide a clear vision of the extent to which service quality is perceived by customers. This means that organizations often only focus on organizational issues without taking into consideration active roles of boundary employees, but service quality reported by customers is probably capable of reaching higher levels by taking them both into account.

# Chapter IV.

# Healthy & effective teams in service organisations



Manuscript submitted by the following reference: Gracia, E., Salanova, M., Grau, R. & Cifre, E. (2010). How to enhance service quality through organizational facilitators, collective work engagement and service competence: A gain process.

#### Abstract

This study aims to test a "gain process" that may be produced on team performance in service organizations. Organizational facilitators and the emergent states resulting from positive interaction of team members (i.e. collective work engagement and relational service competence) would comprise a "gain process" that provides effective team performance outcomes oriented towards service quality. In all, 107 service-oriented teams were aggregated from 615 service workers and 2165 customers. Structural equation modelling (SEM) confirmed that collective work engagement and relational service competence play a mediating role between organizational facilitators and service quality. Therefore, the results confirmed that a "gain process" is produced on team performance that brings about effective team performance outcomes oriented towards service quality reported by customers. Discussion and limitations are also provided.

Keywords: Organizational facilitators, collective work engagement, relational service competence, service quality.

#### I. Introduction

Organizations tend to rely on teams when designing jobs, on the assumption that teams perform better than individuals. In fact, teamworking has become a usual structure at the workplace (Lent, Schmidt & Schmidt, 2006; Rasmussen & Jeppesen, 2006). However, research has focused on individual performance (Arvey & Murphy, 1998) and the key questions of how to enhance team effectiveness have still not been answered (Gully, 2000). Thus, identifying the factors that influence team performance in real organizations is an important area of research.

Performance is the process by which people try to achieve a given work goal (Roe, 1999). However, team performance and individual performance are far from being similar. As early as 1972, Steiner argued that team performance is different from individual performance because teams generate an interaction process to bond team members in order to perform as a unit. Therefore, team performance becomes a complex process that depends on the resources the team has available to meet the task demands, which determines the potential productivity of the team. Moreover, team performance also depends on the outcomes of the members' process of interaction, which was described by Steiner (1972) as the willingness of members to contribute their resources to the collective effort and upon the success with which members coordinate their individual activities. That is, the gains or losses resulting from team motivation and coordination (Wilke & Meertens, 1993). Moreover, Steiner also acknowledged that most of the time, teams decrease their performance effectiveness during the members' interaction because team members were prompted by frustration, competing motivations, getting inadequate understanding, or having not exerted their potential force at the same moment (Steiner, 1972).

Seemingly this "loss process" in team performance that Steiner described comes from findings developed through basic tasks run in laboratory research work. In fact, he was aware that "the situations that are examined in the laboratory are not broadly representative of those that occur outside it" (Steiner, 1972, p. 90). Moreover, current research labels a team as a work structure that is profitable for the organization (Rasmussen & Jeppesen, 2006). For instance, teams can cut administration costs and salaries for mid-level managers, reduce repetitive tasks, strengthen job rotation, increase employees' autonomy, facilitate creativity and innovation, stimulate employee commitment, and increase employees' participation (Bacon & Blyton, 2000; DeSanctis & Poole, 1997; Eberhard & Weber, 1996; Hodson, 2002; Meyer, Allen & Topolnytsky, 1998; Trist & Bamforth, 1951). Therefore, the notion of teams as a profitable structure at the workplace suggests that they could generate gains on the team performance, providing that coordination and motivation are positive. That is what Hackman and Wageman (2005) called a "gain process". For these authors, if members' interaction is positive, it may enhance collective effort, generate uniquely appropriate strategies and/or actively develop members' knowledge and skills, which may increase effective team performance outcomes (from here on simply, "team effectiveness").

This proposition is in line with certain psychological approaches that are currently in vogue, such as Positive Psychology (Luthans, 2002), Positive Organizational Behaviour (POB, Bakker & Schaufeli, 2008) or Occupational Health Psychology (OHP, Quick, Paulus, Whittington, Larey & Nelson, 1996), which support the idea that there is a positive side at the workplace that focuses on keeping workers healthy in order to provide more positive organizational outcomes. However, some authors point out that healthy and effective teams have not received enough attention from

researchers (Van Mierlo, Rutte, Kompier & Doorewaard, 2005). In addition, team research also calls for context and situational factors to be taken into consideration (Guzzo & Dickson, 1996; Rasmussen & Jeppesen, 2006). Organizational context may influence the functioning of teams because they are nested within it (Mathieu, Maynard, Rapp & Gilson, 2008). In this vein, service-oriented teams share an organizational context, perform interactive tasks and their customers assess team performance processes. This means that service-oriented teams should be studied specifically and separately from other kind of teams.

Therefore, in accordance with previous lines of positive approaches (e.g. Seligman & Csikszentmihalyi, 2000) and team performance theories (e.g. Steiner, 1972), this study aims to test team performance in a field study of service organizations. This work also intends to provide a better explanation of how teams could develop service-oriented team effectiveness (that is, e. g. service quality reported by customers) through the emergent states derived from positive team interaction.

Thus, two resources of different natures could become involved in team performance in order to produce a "gain process" of team interaction. One refers to the resources that help to overcome and avoid obstacles and the other refers to the outcomes of team interaction. The former are the organizational facilitators that team members agree to perceive as tools allowing them to perform better, whereas the latter are those resources that result from team interaction (i.e. collective engagement and relational service competence). Therefore, both of them may enhance service quality in service organizations. In the lines that follow each of these factors is discussed.

# Organizational Facilitators

The literature has argued that teams require a supporting organizational system that consists in creating a supportive context for teams, promoting team competence and providing enough material resources (Hackman, 1992; Kozlowsky & Ilgen, 2006). Organizational facilitators are any organizational facilitative conditions based on efforts, supervisory behaviours and HR policies that are focused on diminishing obstacles at work (Schneider, White & Paul, 1998). When the whole team has identified these organizational facilitators and agreed that they are effective tools for accomplishing better performance, organizational facilitators become a team-level issue (Gracia, Cifre & Grau, in press). Previous results have shown that group factors alone explain a significant part of the variance of job conditions (Van Yperen & Snijders, 1995). Therefore, organizational facilitators perceived by a team should be taken into account in order to collect the team's information properly and to predict the team effectiveness better.

The literature has supported the idea that organizational facilitators may improve a variety of team performance outcomes. Different research studies on service organizations found that training, autonomy and/or technical support (among others) were crucial aspects in service-oriented team performance outcomes (Haynes & Fryer, 2000; Rogg, Schmidt, Shull & Schmitt, 2001; Salanova, Agut & Peiró, 2005; Schneider et al., 1998; Tsaur & Lin, 2004). Additionally, these organizational facilitators (i.e. training, autonomy and/or technical support) exerted an indirect influence through collective psychological states such as job satisfaction (Haynes & Fryer, 2000), work engagement (Salanova et al., 2005) and team perceptions of their service behaviour (Tsaur & Lin, 2004). In addition, other researchers have also pointed out the need to study the

psychological states of the team in order to explain the team effectiveness (Rasmussen & Jeppesen, 2006).

Team Interaction Factors: Collective Work Engagement and Relational Service Competence

The rationales outlined above are in line with the *Input-Mediator-Output-Input (I-M-O-I)* approach (Ilgen, Hollenbeck, Johnson & Jundt, 2005). This approach argues that team interaction produces emergent states of an affective-motivational and cognitive-competent nature that could also influence team effectiveness by playing a mediator role between diverse team inputs and outputs (Ilgen et al., 2005; Kozlowsky & Ilgen, 2006; Marks, Mathieu & Zaccaro, 2001). For this reason, the need to test team affective-motivational and cognitive-competent states (deriving from team interaction) arises in order to explain the team performance. In this vein, affective-motivational and cognitive-competent states are taken into account in this study as outcomes of team members' interaction by integrating the following three lines of research.

First, the POB literature explains how the job affective-motivational process produces collective work engagement as a positive consequence of team interaction in real work teams (Bakker & Demerouti, 2008). Second, I-M-O-I team approaches defend the importance of team affective-motivational and cognitive-competent states for team effectiveness (Ilgen et al., 2005). Third, the literature oriented towards service organizations (Tsaur & Lin, 2004) points out the importance of self-perceiving specific service-oriented behavioural competences in order to produce positive consequences from customers' responses.

### Collective Work Engagement

The POB literature explains that work engagement is "a positive, fulfilling, work-related state of mind that is characterized by vigour, dedication, and absorption in the activity" (Schaufeli, Salanova, González-Romá & Bakker, 2002, p. 72). Work engagement, like other positive emotions, could be contagious among colleagues (Bakker & Demerouti, 2008). Hence, when team members share levels of work engagement on a strong basis, it becomes collective work engagement through a bottom-up process.

Although "affective, mood, and emotion in work teams is still in its infancy" (Kozlowsky & Ilgen, 2006, p. 93), some studies have shown that collective work engagement, as an indicator of motivational and occupational psychological well-being, improves performance outcomes both directly and indirectly (Bakker & Demerouti, 2008). For example, a study of 7939 business units found that those in which workers' engagement was above the median had a 70% higher success rate than those where workers' engagement was below the median (Harter, Schmidt & Hayes, 2002).

In service organizations, work engagement has produced similar results in qualitative and quantitative research. A qualitative study found that service-oriented workers who experienced higher levels of engagement provide better customer service, such as giving effective answers and being patient with customers' requests (Engelbrecht, 2006). A quantitative study in tourist services showed that customer loyalty and service quality reported by customers was higher when collective work engagement of service-oriented teams was higher (Salanova et al., 2005).

Therefore, as an affective-motivational state, collective work engagement may have an influence on service-oriented team

effectiveness. Thus, the first consequence of positive team interaction could be collective work engagement. However, according to team approaches, members' competence is critical to task-work and to the team effectiveness (Marks et al., 2001). Therefore, collective states of a cognitive-competent nature resulting from team interaction may also influence team effectiveness. In this regard, the second consequence of positive team interaction that exerts an influence on service quality could be a team emergent state of a cognitive-competent nature.

# Relational Service Competence

Competence has been defined as "an ability to act in a skilled way with proper actions at the right time" (Kjellberg, 1999, p. 600). Perceiving oneself as competent is also included as a vital characteristic of resilient individuals (Hunter & Chandler, 1999; Wagnild & Young, 1993). In fact, scholars have argued that competence, or certainty about handling something, play a key role in workers' performance in today's changeable workplace (Stajkovic, 2006). However, although personal competence is an individual characteristic, team perceived competence is developed through the members' personal competences and their coordination during team interaction. A team is then perceived as competent when the team members share a similar positive evaluation of their team performance. For instance, in team-sport championships, perceptions of competence are extremely important for obtaining high scores in a match. Although each player could perceive him/herself and colleagues as being highly competent, they can only experience high team competence if they think they are well-skilled and coordinated.

In fact, shared team competence could explain why team performance is often better than the sum of individual performances. This

fact is in agreement with the *Social Cognitive Theory (SCT)*, which points out that "members' interactive dynamics create an emergent property that is more than the sum of the individual attributes" (Bandura, 1997, p. 477). In fact, several findings have shown that team beliefs, such as collective efficacy or team potency, are more strongly related to team performance than the sum of the team members' individual beliefs (Arthur, Bell & Edwards, 2007; Gully, Incalcaterra, Joshi & Beaubien, 2002; Katz-Navon & Erez, 2005; Kozlowsky & Ilgen, 2006; Stajkovic & Lee, 2001). Thus, when the team has to carry out independent and interactive tasks, it becomes necessary to study perceived competence on a team level. This is the case of service-oriented teams.

Members of service-oriented teams usually have to share tasks, environment and even customers. Indeed, a single service-oriented worker rarely provides full service to one customer nowadays (Gracia et al., in press). In service organizations, service-oriented competence is the specific perceived capability that includes different service behaviours which are defined as "the workers' perceptions of their ability to serve the customer" (Tsaur & Lin, 2004, p. 473). A few studies have found evidence of the positive relationship between service competence and team effectiveness (Williams, 1999). For instance, a study on hotels found that service quality assessed by customers (only the intangible dimensions) depended on the service competence (i.e. self-perceived service behaviour) of service-oriented teams (Tsaur & Lin, 2004). Moreover, Giardini and Frese (2008) performed a multi-level analysis of banks and found that previous expectations regarding the emotional (also entitled relational, see Gwinner, Gremler, Bitner, 1998; Peiró, Martínez-Tur & Ramos, 2005) competences of individual service (i.e. sensitivity to affective cues, perspective taking and affective regulations) were

positively and directly related to the customer's positive assessment of the service provided in service encounters. Therefore, relational service competence could also be directly related with service quality.

Thus, the team emergent states of the cognitive-competent, together with the affective-motivational, may enhance team effectiveness. Additionally, earlier researchers have suggested that the two emergent states may be related to each other. For instance, Stajkovic (2006) argues that the more workers perceive that they can handle the work, the more likely they are to initiate the action, put enough effort into it and sustain that effort. Similarly, Mauno, Kinnunen & Ruokolainen (2007) argue that engaged workers also believe that they are valuable, worthwhile and effectual members of their employing organization. Moreover, Kjellberg (1999) argues that motivation is a necessary and basic condition to demonstrate one's competence. In fact, the *SCT* argues that mood states affect peoples' judgments (Bandura, 1997). Thus, collective work-engaged teams probably self-perceive themselves as being more competent.

In this line, a recent study, in which 317 service-oriented workers in hotels and restaurants were examined, found that work engagement feelings were positively related to the extra-role customer service which workers perceive (i.e. relational service competence) that they offer to their customers (Moliner, Martínez-Tur, Ramos, Peiró & Cropanzano, 2008). This result, despite coming from an individual-level study, suggests that collective work engagement and relational service competence could be positively related and both may produce positive customers' assessments of service quality.

# Service Quality

Service quality refers to a customers' subjective evaluation of the received service. This construct is not a one-dimensional concept and Parasuraman, Zeithaml and Berry (1988) proposed that "universal" service quality comprises five dimensions. *Reliability* is the ability to perform the promised service dependably and accurately. *Responsiveness* is the willingness to help customers and to provide prompt service. *Assurance* is defined as the employees' knowledge, courtesy and ability to inspire trust and confidence. *Empathy* is the caring, individualized attention the firm provides its customers. Finally, *tangibles* are the physical facilities, equipment and staff appearance.

For these authors, service quality is a key issue in the service because it provides organizational strategies with important benefits. Indeed, other authors argue that service quality might have become the main indicator of service effectiveness in developing loyal customers (Bloemer, Ruyter & Wetzels, 1999; Wong & Sohal, 2003). In addition, literature findings highlight a positive relationship between service quality and higher profits for the organization (Deshpandé, Farley & Webster, 1993; Narver & Slater, 1990; Schneider et al., 1998; Storbacka, Strandvik & Grönroos, 1994). Thus, service quality assessments reported by customers could be a good indicator of the service-oriented team effectiveness.

Therefore, organizational facilitators and the emergent states resulting from positive team interaction (collective work engagement and relational service competence) may improve the quality of customer service. In other words, organizational facilitators and the outcomes of team interaction of service-oriented teams could produce more gains than losses in the team performance and, thus, achieve service-oriented team effectiveness. Contrary to Steiner's laboratory results, field studies agree

with in vogue psychological approaches which support the idea that there is a positive side in the workplace. Consequently, this study aims to advance in the knowledge of the team performance in service organizations by examining the relationship among organizational facilitators, collective work engagement and relational service competence and the role they play in accomplishing gains in service-oriented team effectiveness. These proposals led to the following hypotheses.

Hypothesis 1: Organizational facilitators will be positively related to collective work engagement, which in turn will be positively related to relational service competence. A mediation role of collective work engagement will appear between organizational facilitators and relational service competence.

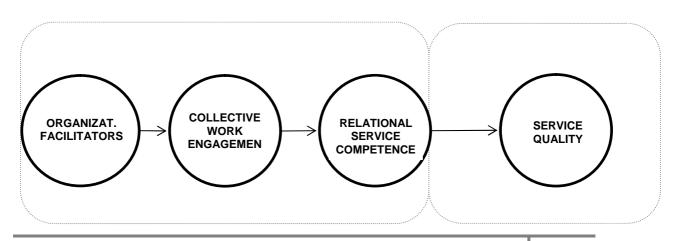
Hypothesis 2. Collective work engagement will be positively related to relational service competence, which in turn will be positively related to service quality. A mediation role of relational service competence will appear between collective work engagement and service quality.

The following figure depicts the proposed model, *Model*<sub>1</sub> (see Figure 1):

Figure 1. The proposed model for the enhancement of service quality through organizational facilitators and the gains in team interaction I (Model<sub>1</sub>)

#### **TEAM WORKERS**

**CUSTOMERS** 



#### II. Method

# Participants and Settings

The participants in this study were service-oriented team workers and their customers from 107 Spanish tourist establishments. Both received employees and customers questionnaires in Questionnaires were administered in Spanish after translation of foreign scales by a professional translator. Team workers individually completed surveys on working times. Customers filled in semi-structured interviews after their service encounter, that is, while checking out at hotels and after paying their bills at restaurants. Researchers were present to help employees and customers in case they had any difficulties filling in the questionnaire. The questionnaire administration process took 20 min (on average) for employees and 10 min (on average) for customers. This study ensured the confidentiality and anonymity of the answers provided by all respondents.

Between 3 and 6 team workers (mean = 5.7) and 6 to 30 customers (mean = 23.8) participated per tourist unit, and the participation rate was 94.5% of the target sample. Data were aggregated from 618 service-oriented team workers and 2549 customers. Teams from hotels accounted for 51.4% of the sample while the remaining 48.6% were teams from restaurants. Finally, 59% were located on the coast – holiday establishments – and 41% in the city – business establishments.

#### *Variables*

Organizational facilitators were measured by a self-constructed scale in Spanish for tourist establishments using the Critical Incidents Technique (Flanagan, 1954). Peters, O'Connor and Eulberg (1985) used

this technique in a previous study of performance obstacles and Salanova et al. (2005) also made use of it in a study of organizational facilitators in service organizations. To develop this scale, first semi-structured interviews were held with service-oriented employees in order to devise a series of organizational facilitators. Employees answered questions about which organizational features help them to solve performance obstacles. Second, the information was analysed and categories were devised by means of an inter-rater criterion. Lastly, the final questionnaire items were composed. The scale included eleven items divided into three subscales: technical support (4 Items;  $\alpha = 91$ ), autonomy (3 Items;  $\alpha = 85$ ) and training (4 Items;  $\alpha = 92$ ). An example of the subscale is: "Indicate the extent to which the following aspects of your company facilitate your job performance and help you to overcome possible obstacles. (a) The training received, (b) having enough autonomy to decide the order in which to do tasks, (c) the availability of a quick and effective service to solve technical problems. All the items were scored on a 5-point frequency rating scale ranging from 1 ('nothing') to 5 ('very much').

Collective work engagement was measured by a Spanish version of the UWES Scale (Schaufeli et al., 2002), which had been translated by Salanova, Schaufeli, Llorens, Grau and Peiró (2000) and contains three dimensions. Vigour is defined as "the willingness to invest effort in one's work, persistence in the face of difficulties, and high levels of energy and mental resilience while working" and is measured by six items, e.g. "I can continue working for very long periods at a time", ( $\alpha = 71$ ). Dedication is defined as "a sense of significance, enthusiasm, inspiration, pride and challenge. It refers to a particularly strong work involvement and identification with one's job" and is measured by five items, e.g. "For me, my job is challenging", ( $\alpha = 88$ ). Finally, absorption is defined as "being

fully concentrated and engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work" and is measured by six items, e.g. "When I'm working, I forget everything around me", ( $\alpha$  = 82) (Schaufeli et al., 2002). All the items were scored on a 7-point frequency rating scale ranging from 1 ('never') to 7 ('always').

The relational service competence scale was made by combining two previous subscales: empathy, adapted from the empathy customer dimension of the SERVQUAL scale (Parasuraman et al., 1988) and extras adapted from the extras dimension of the Service Provider Performance Scale (Price, Arnould & Tierney, 1995). It was then used to ascertain the team's self-assessment of their service-oriented performance. The scale consisted of four items and an example of the items is "We are capable of putting ourselves in the customer's place" ( $\alpha = .82$ ).

Service quality was measured with the SERVQUAL customer scale (Parasuraman et al., 1988) adapted by Ramos, Collado, Marzo, Subirats and Martín (2001) to assess service-oriented teams' performance while dealing with customers. The four intangible dimensions of the original version (reliability, responsiveness, assurance and empathy) were taken into account, but the tangibles dimension was not, because this dimension does not depend on the teams' interaction process. Each dimension was assessed by a three-item scale. An example of item of the dimension of reliability is: "When I arrived at the restaurant, the services I expected were available" ( $\alpha$  = .93). An example of item of the dimension of responsiveness is: "The workers provided a prompt service" ( $\alpha$  = .94). An example of item of the dimension of assurance is: "The workers won our trust" ( $\alpha$  = .89). An example of item of the dimension of empathy is: "Workers understand each customer's special needs" ( $\alpha$  = .94). The measurement scale of service quality was designed based on the

performance instead of the gap measure because captures more explained variance (Cronin & Taylor, 1994). Customers responded to each statement using a 7-point rating scale ranging from 1 (strongly disagree) to 7 (strongly agree).

## Data Analyses

Different aggregation indices were calculated in order to justify the concept of team entity by consensus among group members and, therefore, to test whether teams were the consequence of the emergence of bottom-up processes where lower level properties surface to form collective phenomena (Chan, 1998; Katz-Navon & Erez, 2005; Kozlowski & Klein, 2000). Intraclass Correlation Index (ICC<sub>1</sub>) (Bliese, 2000) and the Average Deviation Index (ADI <sub>M (I)</sub>) (Burke, Finkelstein & Dusing, 1999) were applied. The  $ICC_1$  represents the reliability of a single rating of the team construct, while the ADI M (1) calculates the average deviation for each scale of J items in order to justify the aggregation of individual members' responses at a team level. This last index is based on Monte Carlo procedures and produces the equivalent of an approximate randomization test for the null hypothesis that the actual distribution of responding is rectangular. It has also been shown to be superior to the Chi-square test (Dunlap, Burke & Smith-Crowe, 2003). Consequently, this index is strongly recommended because it seems to overcome the weaknesses of Rwg (González-Romá, Peiró & Tordera, 2002). Both indices therefore provided essential information about the internal homogeneity in each of the units under study. Results of the aggregation indices supported the hypotheses that teams shared perceptions of organizational facilitators: ICC<sub>1</sub> = 71.20 > .20, AD  $_{M(I)}$  = .68 < .833; that teams shared fulfilment of collective work engagement: ICC<sub>1</sub> = .87 > .20, AD  $_{M(J)}$  = .79 <

1.17; that teams shared perceptions of relational service competence. ICC<sub>1</sub> = 1.07 > .20, AD  $_{M(J)}$  = .71 < 1.17; and that customers gave similar service quality assessments for common service–oriented teams: ICC<sub>1</sub> = .83 > .20, AD  $_{M(J)}$  = .87 < 1.17

Furthermore, internal consistency was calculated at team level (Cronbach's  $\alpha$ ) on all the scales using the average item response per team as the input. This strategy allows the measurement reliability information to be aligned with the level of analyses used in the substantive tests (Mathieu, Gilson & Ruddy, 2006).

Once intra-group consistencies (ICC<sub>1</sub>, ADI  $_{\rm M}$  ( $_{\rm J}$ )) had been performed, MANOVAs were conducted to measure non-dependence between groups. One MANOVA was run for the sample of workers and another was performed for the sample of customers. The results of the MANOVA for the workers' variables (organizational facilitators, collective work engagement and relational service competence) were F(4, 2414) = 5.29, p < .001. In the same way, discriminations between the units in service quality were noted. The MANOVA results of the customers' variables were F(3, 286) = 1.353, p < .001. Therefore, significant differences exist between perceptions, experiences and evaluations for team workers and customers from one establishment to another.

Confirmatory Factor Analyses (CFAs) were also calculated to confirm the dimensional structure of the variables. SEM was then used to test the hypotheses proposed. The absolute goodness-of-fit indices were also calculated, that is to say, the chi-square goodness-of-fit statistic ( $\chi^2$ ) and the root mean square error of approximation (RMSEA). Non-significant values of  $\chi^2$  indicate that the hypothesized model fits the data. However,  $\chi^2$  is sensitive to sample size, and so the probability of rejecting a hypothesized *model* increases as sample size increases. To overcome this

problem, computation of relative goodness-of-fit indices is strongly recommended (Bentler, 1990). RMSEA values smaller than .08 indicate an acceptable fit and values greater than 0.1 should lead to model rejection (Browne & Cudeck, 1993). In addition, AMOS provides several fit indices that reflect the discrepancy between the hypothesized model and the Null model. In the present analyses, the relative goodness-of-fit indices that were computed and used were: the Incremental Fit Index (IFI), the Non-Normed Fit Index or Tucker-Lewis Index (TLI), and the Comparative Fit Index (CFI). The latter indices are recommended because they are less dependent on sample size than the  $\chi^2$  statistic (Marsh, Balla & Hau, 1996). For all relative-fit indices, as a rule of thumb, values greater than .90 are considered to indicate a good fit (Hoyle, 1995). In addition, the Akaike Information Criterion (AIC; Akaike, 1987) was computed in order to compare competing models because it is particularly well suited for comparing the adequacy of non-nested models that are fitted to the same correlation matrix. The lower the AIC index is, the better the fit is.

Moreover, additional models were tested to confirm the proposed double mediation model (Baron & Kenny, 1986). One was a model that tests the mediation role of collective work engagement between the organizational facilitators and relational service competence and the other was a model that tests the mediation role of relational service competence between collective work engagement and service quality. In addition, the *Sobel Test* (Sobel, 1982) was calculated to obtain the critical ratio that confirms whether the indirect effects via the mediator differed significantly from zero. In other words, the significance of the mediation relationship was assessed to confirm the nature of the mediation of the collective work engagement. Finally, several competing models were tested.

## III. Results

# Descriptive Analyses

Table 1 provides the descriptive statistics and the correlation matrix for all the measures included in the hypothesized *Model*<sub>1</sub>. Significant correlations between variables were found. Organizational facilitators correlated significantly with the core dimensions of collective work engagement, relational service competence and with most of the dimensions of service quality. Specifically, the autonomy dimension of organizational facilitators displayed stronger correlations with the rest of the variables that were studied. Moreover, all the collective work engagement dimensions correlated strongly with relational service competence. However, only the dedication dimension of collective work engagement had significant correlations with two dimensions of service quality (i.e. reliability and empathy). Finally, relational service competence related significantly with most of the service quality dimensions, except responsiveness.

Table 1: Means, (M) standard deviations (SD), internal consistencies (Cronbach's  $\alpha$ ), and correlations between variables, (n = 107 tourist establishments)

M	SD	α	1	2	3	4	5	6	7	8	9	10	11
1. Facilit (Soc) 3.13	.48	.92											
2. Facilit (Aut) 3.61	.38	.85	.61**										
3. Facilit (Tec) 3.58	.45	.91	.66**	.64**									
4. Vigour 4.76	.64	.71	.19†	.22*	.16†								
5. Dedication 4.34	.86	.88	.36**	.28**	.26**	.61**							
6. Absorption 3.51	.92	.82	04	.02	04	.35**	.34**						
7. Competence 5.08	.48	.82	.36**	.39**	.32**	.36**	.41**	.25**					
8. Reliability 6.18	.48	.93	.29**	.27**	.24**	.15	$.17\dagger$	.02	.24*				
9. Responsiv. 6.10	.41	.94	.16	.30**	.14	.13	.10	.10	.15	.78**			
10. Assurance 6.17	.47	.89	.19*	.31**	.21*	.15	.15	.05	.26**	.82**	.87**		
11. Empathy 5.66	.52	.93	.14	.29**	.22*	.13	.16†	.14	.20*	.65**	.76**	.84**	

†p<.06 \*p<.05; \*\*p<.01; \*\*\*p<.001

# Confirmatory Factor Analyses

CFA results yielded good fit analyses (Browne & Cudeck, 1993; Hoyle, 1995) and CFA results for organizational facilitators indicated that the three-factor model fitted the data adequately.  $\chi^2$  (40) = 74.022, p < .001, IFI = .96, RMSEA = .09, TLI = .93, CFI = .96. The fit indices were above the .90 criterion. Although the RMSEA was not below .08, it was not over .10 and thus the RMSEA does not reject the model. The CFA results for collective work engagement indicated that the three-factor model (the UWES scale) fitted the data adequately:  $\chi^2$  (24) = 74.022, p < .001, IFI = .96, RMSEA = .08, TLI = .94, CFI = .96. The fit indices were above the .90 criterion and the RMSEA was below .08. The CFA results for service quality confirmed the previous dimensional structure of the intangibles of the SERVQUAL scale. The results indicated that the four-factor model fitted the data adequately  $\chi^2$  (59) = 143.997, p < .001, IFI = .95, RMSEA = .10, TLI = .93, CFI = .95. The fit indices were above the .90 criterion and the RMSEA was not over .10.

Therefore, results from the CFAs confirmed that all the variables follow a previous factorial structure, that is, organizational facilitators include the previous three dimensions of work autonomy, training and technical support (Salanova et al., 2005). Collective work engagement presents the previous three dimensions of vigour, dedication and absorption (Schaufeli et al., 2002). Service quality includes the four intangible SERVQUAL dimensions: reliability, assurance, responsiveness and empathy (Parasuraman et al., 1988).

# Testing the structural model

Structural Equation Modeling operationalized by AMOS (Arbuckle, 1997) was employed to test the hypothesized Model<sub>1</sub>. The results for

Model<sub>1</sub> supported the indirect relationship between organizational facilitators and service quality through work engagement and relational service competence. Moreover, the fit indices confirmed the robustness of Model<sub>1</sub>:  $\chi^2$  (74) = 114.914, p = .002, IFI = .951, TLI = .939, CFI = .950, RMSEA = .072, AIC = 176.914. Organizational facilitators were directly related to collective work engagement ( $\gamma$  = .43, p < .001), collective work engagement was directly related to relational service competence ( $\beta$  = .58, p < .001) and relational service competence was directly related to service quality ( $\beta$  = .30, p < .005).

After that, additional steps were taken to confirm the robustness of the mediation (Baron & Kenny, 1986). First, two models with a direct path between antecedent and dependent variables were computed. Model<sub>a</sub> comprised the relationship between organizational facilitators and relational service competence, while Model<sub>b</sub> comprised the relationship between collective work engagement and service quality. The results of both models showed a significant relationship between the antecedent and consequent variables. Model, reflects the direct relationship between organizational facilitators and relational service competence ( $\gamma$  = .46, p < .000). The scores of fit indices were the following:  $\chi^2$  (13) = 18.677, p = .133, IFI = .98, TLI = .939, CFI = .98, RMSEA = .064. Model<sub>b</sub> reflects the direct relationship between collective work engagement and service quality ( $\gamma$  = .20, p = .005). The scores of fit indices were the following:  $\chi$ 2 (13) = 19.885, p = .002, IFI = .98, TLI = .939, CFI = .985, RMSEA = .071. Therefore, both models confirmed the previous direct and significant relationship required to achieve a mediation process (Baron & Kenny, 1986). Second, testing was also carried out on a new model (Model<sub>c</sub>) that includes the hypothesized mediation paths together with new additional paths running directly from the antecedent to the consequent variables.

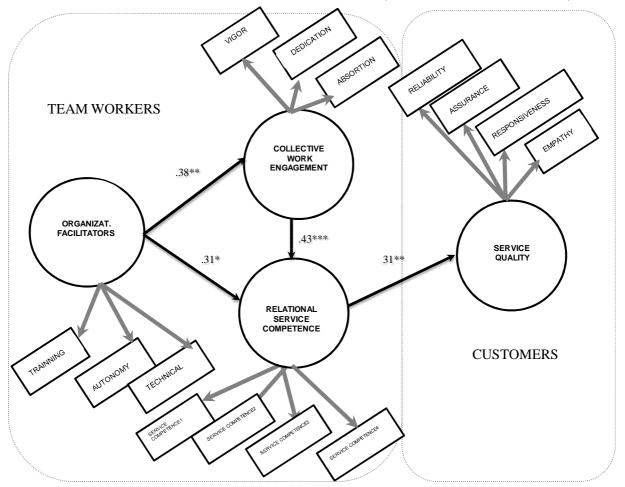
The fit indices scores resulting from this Model<sub>c</sub> were the following:  $\chi^2$  (74) = 107.048, p = .005, IFI = .958, TLI = .946, CFI = .957, RMSEA = .068. Baron and Kenny (1986) point out that a significant decrease should take place in the  $\gamma$  scores of the direct paths between the antecedent and the consequent variables in order to achieve full mediation.

On the one hand, the results of the direct relationship between organizational facilitators and relational service competence were reduced from  $\gamma = .46$ , p < .000 scored in Model<sub>a</sub> (direct path) to  $\gamma = .31$ , p = .009 in Model<sub>c</sub> (indirect path). Therefore, results did not confirm the significant decrease. In this vein, Baron and Kenny (1986) recommend to perform the Sobel test in order to determine whether a partial mediation of work engagement is produced. On the other hand, the results of the direct relationship between collective work engagement and service quality were reduced from  $\gamma = .20$ , p = .005 scored in Model<sub>b</sub> (direct path) to  $\beta = .05$ , p = .70 in Model<sub>c</sub> (indirect path). Results therefore confirmed the significant decrease in this relationship. Thus, although collective work engagement does not fully mediate the relationship between organizational facilitators and relational service competence, relational service competence fully mediate the relationship between collective work engagement and service quality. Then, the Sobel Test value and its significance was used in order to test the partial mediator role of collective work engagement between organizational facilitators and relational service competence (Sobel, 1982). Results showed that the Sobel test value (t) was significant (t = 2201, p < .001) and, therefore, the partial mediation of collective engagement process is also confirmed.

Therefore, taking together all the results of the mediation test, the relationship between organizational facilitators and service quality become substantially weaker in the presence of the affective-motivational

(i.e. collective work engagement) and cognitive-competent (i.e. relational service competence) emergent states. Consequently, a new model (Model<sub>2</sub>), which includes new findings, was developed. This improved model, Model<sub>2</sub>, is depicted in Figure 2.

Figure 2. Results of the improved model ( $Model_2$ ). The enhancement of service quality through organizational facilitators and the gains in team interaction II (n = 107 tourist establishments)



Note: factor loadings were statistically significant: \* = p < .008, \*\* = p < .005. \*\*\* = p < .001.

The fit indices confirm the robustness of  $Model_{2}$ :  $\chi^2$  (73) = 107.189, p = .006, IFI = .96, TLI = .95, CFI = .96, RMSEA = .066, AIC = 171.189. Organizational facilitators are directly related to collective work engagement ( $\gamma = .38$ , p < .001) and to relational service competence ( $\gamma = .31$ ,  $\gamma < .008$ ), collective work engagement is directly related to relational service competence ( $\gamma = .43$ ,  $\gamma < .001$ ) and relational service competence

is directly related to service quality ( $\beta$  = .31, p < .005). Moreover, this model has a significantly better fit than the previously proposed model (Model<sub>1</sub>) (see Table 2).

Table 2: Goodness-of-fit indices for the alternative models, (n = 107 teams)

							,		,	
	χ2	đf	р	IFI	TLI	CFI	RMSEA	AIC	$\Delta \chi^2$	∆df
Model <sub>1</sub>	114.914	74	.00	.95	.93	.95	.07	176.914		
$Model_2$	107.189	73	.00	.96	.95	.96	.06	175.000	$Model_2 - Model_1 = 7.725**$	1
$Model_{alt1}$	113.000	74	.00	.95	.94	.95	.07	175.338	$Model_{alt1} - Model_1 = 1.914$	0
$Model_{alt2}$	111.338	73	.00	.95	.94	.95	.07	171.189	$Model_{alt2} - Model_1 = 3.576*$	1
Null model	913.310	91	.00	.38	.29		.29			

*Note:* \*p < .01 \*\*p < .001.  $\chi^2$  = Chi-square; df = degrees of freedom; IFI = Incremental Fit Index; TLI = Non-Normed Fit Index or Tucker-Lewis Index, CFI = Comparative Fit Index, RMSEA = Root Mean Square Error of Approximation. AIC = the Akaike Information Criterion,  $\Delta \chi^2$  = Delta Chi-square;  $\Delta df$  = delta degrees of freedom.

In addition,  $Model_2$  also showed a better fit than two other alternative models that were tested. The first one represents the relationship between organizational facilitators and service quality through relational service competence and collective work engagement ( $Model_{alt1}$ ):  $\chi^2$  (74) = 113.000, p = .002, IFI = .95, TLI = .94, CFI = .95, RMSEA = .072, AIC = 175.000. The second one represents the same relationship that  $Model_{alt1}$  with an extra direct path between organizational facilitators and collective work engagement ( $Model_{alt2}$ ):  $\chi^2$  (73) = 111.338, p = .003, IFI = .95, TLI = .94, CFI = .95, RMSEA = .070, AIC = 175.338. Therefore,  $Model_2$  had the best fit to the data and the highest degree of significant differences from  $Model_1$ .

Consequently, results supported Hypothesis 1 to some extent by showing a partial mediation of collective work engagement between organizational facilitators and relational service competence. At the same time, results fully supported Hypothesis 2, by showing a full mediation role of relational service competence between collective work engagement

and service quality. Therefore, a "gain process" is produced. This starts with the allocation of team-perceived organizational facilitators, such as training, autonomy and technical support in the workplace, all of which are related with collective work engagement. At the same time, both are related with the relational service competence and this, in turn, is linked to service quality reported by customers.

## IV. Discussion

The objective of this study was to test a team performance model in the field of service organizations in order to provide a better explanation of how teams could develop team effectiveness through the emergent states deriving from positive team interaction. The model that was tested explained that a twofold mediation role of affective-emotional and cognitive-competent team interaction outcomes (i.e. collective work engagement and relational service competence) is produced between organizational facilitators and service quality. Furthermore. organizational facilitators and team interaction outcomes perceived by teams together explain nine percent of the variance for the serviceoriented team effectiveness reported by customers.

These results agree with team approaches that point out the need to study team interaction outcomes in order to explain team effectiveness (Ilgen et al., 2005; Kozlowsky & Ilgen, 2006; Marks et al., 2001; Steiner, 1972; Wilke & Meertens, 1993). Moreover, these results are in line with positive psychology approaches, which attempt to improve the quality of life in workplaces (Luthans, 2002). Additionally, these results emphasize the important role of service-oriented teams and their interactions for the improvement of service quality (Ashforth, Kulik & Tom, 2008). In this

vein, several theoretical contributions arise from this study, as outlined below.

## Theoretical contributions

This research has focused on studying teams in workplaces because of the growing importance of work-teams in society (Rasmussen & Jeppesen, 2006; Stajkovic & Lee, 2001). Thus, this study has been conducted at team level in order to provide real information about the role of antecedents in team effectiveness (Van Mierlo et al., 2005). This fact was already recommended by other previous studies that found that team level constructs explain greater quantities of team issues (Arthur et al., 2007; Gully et al., 2002; Lent et al., 2006; Van Yperen & Snijders, 2000). Likewise it is also in agreement with the *SCT* (Bandura, 1997), which highlights the existence of emergent group-level efficacy attributes. In this sense, this study provides an understanding of teams as a unit entity within an organizational context. This becomes another strength of the study because it is difficult to find team performance research within a team context, despite growing numbers of calls for such studies in recent years (Guzzo & Dickson, 1996; Mathieu et al., 2008).

In addition, this study also corroborated the fact that the team performance is a complex process. The reason is that team interaction plays an important role for team effectiveness where affective-motivational and cognitive-behavioral interaction outcomes help to predict team effectiveness (Ilgen et al., 2005; Kozlowsky & Ilgen, 2006; Marks et al., 2001). In this regard, organizational facilitators are indispensable to provide higher rates of service quality, but the emergent states deriving from positive team interaction should also be taken into consideration.

Additionally, this study also shows that team interaction may produce a "gain process" in team performance (Hackman & Wageman, 2005). Moreover, "gain process" takes on a double meaning in this study. The first meaning is understood as referring to a performance outcome that provides benefits to the organization, such as service-oriented team effectiveness. This "gain process" in team interaction was suggested by Hackman and Wageman (2005) when they argued that members' interaction may enhance collective effort, generate uniquely appropriate strategies, and/or actively develop members' knowledge and skills. The second meaning is understood as an "extra gain process" oriented towards the team workers. This study reports high levels of the indicators of teams' occupational well-being (i.e. collective work engagement), with higher rates in service quality reported by customers. Thus, this team-level study found that when teams feel high levels of collective well-being, they provide higher levels of service-oriented team effectiveness. Therefore, team interaction that promotes occupational well-being within teams also promotes team effectiveness on service organizations.

Moreover, results showed that affective-motivational states are positively related with relational service competence perceptions. Therefore, these results are in line with the *SCT* (Bandura, 1997), which argues that moods are able to affect people's judgements and this relationship might even be reciprocal. Furthermore, the final theoretical contribution of this study derives from the fact that collective competence is able to improve performance. Once again, the *SCT* argues that people shape their degree of success in life domains – such as in the workplace, at school and in sports – according to their beliefs, (Bandura, 2001). Moreover, the *SCT* also points out that this predictive power of efficacy beliefs requires the clear definition of the activity domain and types of

capabilities (Bandura, 1997). Therefore, specific shared beliefs about relational service competence provide similar results in service-oriented teams. This study found that the higher relational service competence is perceived to be, the higher service quality reported by customers will be.

Therefore, from a theoretical perspective, this study provides new knowledge about a "gain process" produced in team performance that is composed of organizational facilitators and affective-emotional and cognitive-competent team interaction outcomes and which provides higher rates of service quality. This "gain process" is in agreement with the perspective that healthy workers are effective workers (Wright & Cropanzano, 2000). Moreover, it contributes to the claims of many researchers who argue that there are not enough comprehensive and testable models to explain the relationship between productive and healthy workers (Wilson, Dejoy, Vandenberg, Richardson & McGrath, 2004) and an even greater scarcity of models that consider healthy and effective teams (Van Mierlo et al., 2005).

## *Limitations and Future Steps*

Limitations of this study have mainly to do with methodological aspects. The first one is the need to test this model with a longitudinal study in order to test causality. However, a previous cross-sectional test is needed to check the robustness of the simultaneous team performance before testing the sequential process; this study therefore represents the first step to achieving this. In addition, this study was tested on service-oriented teams in hotels and restaurants, so another limitation of this study is that results should be taken with caution. Moreover, it is also necessary to take into account unexpected results that found that work engagement only partially mediated the relationship between

organizational facilitators and relational service competence. In the future, it could be interesting to test other consequences of motivation, such as job satisfaction to strengthen this team performance. New studies are needed to test this team performance with the addition of new motivation outcomes and by testing the long-term development of the team performance.

## Practical Implications for Service Organizations

The findings of this study offer several practical implications for service organizations. Results show that service-oriented teams follow a team performance process in order to offer high service-oriented team effectiveness. This process depends on organizational facilitators that the organization makes available to teams and teams agree that they are effective for their performance. In that sense, organizations should provide organizational facilitators by asking their consensual teams directly what it is that helps them to perform better. Higher levels of organizational facilitators would then allow the workers to cope with job obstacles and to improve the team effectiveness, which, in the case of service-oriented teams, is the service quality.

Moreover, service organizations that provide their team workers with organizational facilitators help to improve their positive fulfilment of occupational well-being and service competences. However, the first step for organizations to accomplish this is to manage teams as autonomous entities within service organizations.

Current jobs are designed to be performed by teams. In addition, the reality of teams can be better explained by team-level constructs (Van Mierlo et al., 2005) and even team interventions could be more effective than those of an individual kind (Burke, 1993). However, most HR

management policies still only take into account individual perspectives such as personal retribution, individual training, and so forth. Hence, the results of this study should encourage organizations to establish teamlevel HR policies, strategies and interventions in order to accomplish effective results. For instance, this can be done by developing team strategies that generate positive team experiences while improving coordination, such as job-task oriented outdoor experiences. In this regard, the generation of positive states like collective work engagement and team competence will, in turn, help to improve service quality experiences.

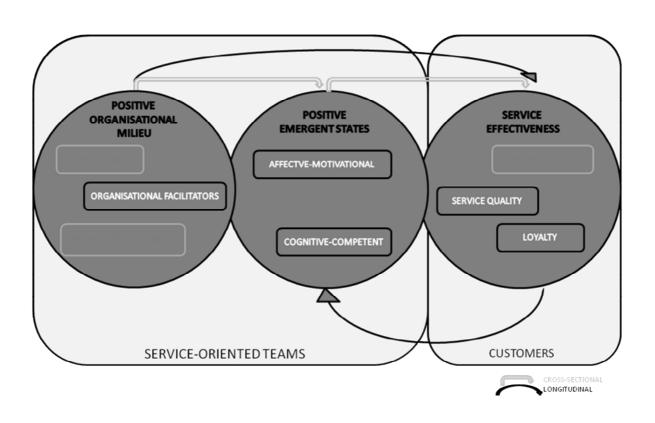
Moreover, this study is in line with current organizational strategies of Total Quality Management (TQM) that emphasize that organizations that apply quality policies to all their organizational levels and processes are able to fulfil all the relevant stakeholders' explicit and implicit expectations (Mele, 2007). Moreover, the European Foundation for Quality Management (EFQM) also points out in its *EFQM Excellence Model* that different kinds of facilitators in organizational processes provide better organizational outcomes in different domains, such as persons, society and customers of the organization (EFQM, 2003). Therefore, this study provides confirmation for enterprises that occupational well-being may become a potential business value of strategic importance (Zwetsloot & Pot, 2004). At the same time, this study suggests that teams in workplaces could develop positive outcomes such as collective well-being and service quality reported by customers.

## Final remark

This study has shown that service organizations should provide service oriented teams with tools to overcome obstacles and to establish team strategies that allow collective work-engagement to be fulfilled and team perceptions of service competence to be enhanced. In this way, the team performance processes that will produce these positive affective-motivational and cognitive-competent emergent states will also bring about higher service-oriented team effectiveness reported by the customer

# Chapter V.

# Longitudinal processes of effective & healthy teams



Manuscript submitted by the following reference: Gracia, E., Salanova, M., Bresó, E., Grau, R. & Cifre, E. (2010). Healthy and Effective or Effective and Healthy Teams? Following the Longitudinal Input-Mediator-Output-Input Approach.

### Abstract

This study aims to test service effectiveness longitudinally from the positive perspective of the *Input–Mediator–Output–Input (I–M–O–I) team* approach (Ilgen, Hollenbeck, Johnson & Jundt, 2005). Specifically, the idea addressed in this paper is that when organizations allocate Inputs (e.g. organizational facilitators) for service-oriented teams, the interaction among their members generates Mediators (e.g. positive emergent states, such as collective vigor and service competence) that in turn enhance specific Outputs (e.g. service effectiveness reported by customers). This study also discusses whether service effectiveness produces reverse effects on service-oriented teams (future Inputs and Mediators). A sample was collected from 53 Spanish hotels and restaurants. Data was aggregated from 256 service-oriented workers and 530 customers at Time 1 and 470 new customers at Time 2. Longitudinal Structural Equation Modeling (SEM) showed that organizational facilitators exerted a direct influence on the service effectiveness reported by customers, which produced a reverse influence to the positive emergent states reported by serviceoriented teams. Discussion and limitations are shown.

Keywords. Organizational facilitators, positive emergent states, service quality and customer loyalty

## I. Introduction

The fast, continuous changes taking place in society today push organizations to structure their members in teams. Teams are understood as "collectives who exist to perform organizationally relevant tasks, share common goals, interact socially, exhibit more interdependencies, maintain and manage boundaries, and are embedded in an organizational context that sets boundaries, constrains the team, and influences exchanges with other units in the broader entity" (Kozlowski & Bell, 2003, p. 334). The positive consequences that teams cause on team members' psychological well-being might be one strong reason for their growth in society (Spreitzer, Cohen & Ledford, 1999; Van Mierlo, Rutte, Kompier & Doorewaard, 2005). Accomplishing more effective goals than would be expected from the sum of individual workers might be another strong reason for this growth (Rasmussen & Jeppesen, 2006).

Team effectiveness is a positive outcome of the team performance process. Criteria of team effectiveness include ratings on different dimensions of performance (e.g. quality) obtained from different sources (e.g. team members) as well as indicators of effectiveness from company records (e.g. customer complaints) (Guzzo & Dickson, 1996). One of the most widely supported processes for explaining team effectiveness is based on the I-P-O (Input-Process-Output) approach, which points out that the team performance process would produce different outputs depending on the inputs (McGrath, 1964). This approach, however, was recently expanded to the I-M-O-I (Input-Mediator-Output-Input) approach (Ilgen, Hollenbeck, Johnson & Jundt, 2005) in order to overcome most of the criticism aimed at the I-P-O approach. The first point of disagreement between the two is that the team performance process might be not unidirectional ( $I\rightarrow P\rightarrow O$ ). Some reversed

relationships from previous outputs to future inputs and processes could exist. The second discrepancy is that other mediator features apart from processes (team actions) may exert an influence on team effectiveness. These mediators are the so-called "emergent states" produced over time through team interaction. Finally, the last disagreement with the I-P-O approach is that time and context play an important role in the team performance process (Mathieu, Maynard, Rapp & Gilson, 2008). In this line, the I-M-O-I approach explains that effective teams follow the subsequent process: first, antecedent factors (Inputs) enable or constrain team members' interaction. These inputs include team member characteristics, team-level factors, and organizational and contextual factors. After that, members' interaction generates team emergent states (Mediators). These mediators include collective states of a cognitive, affective and motivational nature. Consequently, teams depending on inputs and emergent states are able to achieve team effectiveness (Outputs). This includes any outcome that is important for the team's future, such as performance outcomes, meeting team needs or viability (Kozlowski & Ilgen, 2006). Finally, the outputs probably become the inputs that produce a reversed influence on future emergent states and/or inputs. Thus, the I-M-O-I approach suggests that team effectiveness, as a complex issue should be studied in a specific context (Mathieu et al., 2008).

Following the *I–M–O–I approach*, this study focuses on the specific context of service organizations with the aim of studying service effectiveness longitudinally. More particularly, it tests whether it is possible that when organizations allocate Inputs (e.g. organizational facilitators) for service–oriented teams, then members' interaction generates Mediators (e.g. positive emergent states, such as collective vigor

and service competence), which in turn enhance specific Outputs (e.g. service effectiveness reported by customers). This study also discusses whether service effectiveness produces reversed effects on service-oriented teams (future Inputs and Mediators).

The Inputs: Organizational facilitators

The *I-M-O-I approach* argues that some antecedent factors, which facilitate or hinder members' interaction, influence team effectiveness. Organizational environmental features are an example of such factors that are important for developing interaction among team members (Mathieu, Gilson & Ruddy, 2006). Early contributions to the interest in organizational environmental features that influence service effectiveness was Brown and Mitchell's (1993) detailed study in which they observed that workers' perception of job obstacles had a negative influence on customer satisfaction, among other performance outcomes, in service organizations. In this line, Schneider, White and Paul (1998) found that general conditions that facilitate work for service-oriented units (reducing or eliminating job obstacles), such as computer support or training, influenced overall customer perceptions of service quality in bank branches. More recently, after asking service-oriented units to name the organizational facilitators that helped them to overcome obstacles, Salanova, Agut and Peiró (2005) found that providing organizational facilitators such as autonomy, training, and technical support improved service quality and loyalty reported by the customers of these units. In addition, the relationship between organizational facilitators and service effectiveness outputs reported by customers was proved to exist by means of cross-sectional analysis (Gracia, Cifre & Grau, in press). Thus, serviceoriented units with stronger perceptions of organizational facilitators may also influence service effectiveness over time.

## The Mediators: Positive emergent states

The *I-M-O-I approach* argues that inputs lead to team processes which describe members' interaction. In turn, this interaction produces shared emergent states in teams that are also crucial for obtaining team effectiveness (Mathieu et al., 2008). Marks, Mathieu and Zaccaro (2001, p. 357) define emergent states as "cognitive, motivational, and affective states of teams that characterize properties of the teams and that are typically dynamic in nature and vary as a function of team context, inputs, processes and outcomes". Thus, if the organization provides positive inputs such as organizational facilitators that help teams to overcome job obstacles, they could produce a positive influence on members' interaction that would generate positive emergent states.

World Health Organization (WHO) defines Mental Health as "a state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community" (WHO, 2009). Therefore, positive values of emergent states of an affective-motivational and cognitive-competent nature may provide good knowledge about a team's healthy psychological states in workplaces. In turn, these positive emergent states would have a positive influence on service effectiveness. That is to say, if the inputs are positive, they may build up healthy teams that also become effective teams.

With regard to the nature of emergent states, two separate lines of research may explain the influence of positive emergent states on service effectiveness. One refers to the affective-motivational nature and the other refers to the cognitive-competent nature. The former, the positive emergent states of affective-motivational nature, is based on the *Broaden-and-Build Theory* (BBT, Fredrickson, 2001). According to this theory

positive emotions have the capacity to broaden people's thought-action repertoires to discover novel lines and to build their own personal physical, intellectual, social and psychological resources that could provide an effective performance. In addition, research has also documented the role of positive emotions in promoting performance (Huy, 1999; Worline, Wrzesniewski & Rafaeli, 2002). For instance, Losada and Heaphy (2005) found that expressed positivity such as displays of support, encouragement or appreciation generated emotional spaces in teams linked to greater behavioral variability within moment-to-moment interactions as well as to long-range indicators of business success. Therefore, although the *BBT theory* focuses on individuals, it could also explain how shared affective-motivational states, produced in teams by common socialization experiences and common organizational features (Brief & Weiss, 2002), could broaden momentary thoughts and actions that give rise to effective teams.

In workplaces, work engagement, and particularly its core dimension, vigor, is able to predict workers' performance (e.g. Rego & Pina e Cunha, 2008). Vigor is produced by intrinsic and extrinsic motivation, and "reflects activation and energy, effort and persistence of the motivated behavior, as well as goal directness in terms of concentration on a specific work goal" (Salanova & Schaufeli, 2008, p. 118). Vigor, as an affective-motivational state, has frequently been studied in relation to sports performance. The literature provides evidence that vigor is able to explain future sporting effectiveness (e.g. Newby & Simpson, 1996). For instance, vigor and other moods were predicting nearly 92% of the classification rates (winners and losers) in karate performance (Terry & Slade, 1995). In addition, a study on sports among schoolchildren (Lane, Terry, Beedie, Curry & Clark, 2001) compared the relationship between vigor and

performance in groups at two extremes: depressed and non-depressed moods. Results showed that, although there were significant differences in levels of vigor between groups, the relationship between vigor and performance was positively significant in both groups.

Specifically in service organizations, Salanova et al. (2005) found that collective levels of a unit's work engagement mediated the relationship between organizational facilitators and service quality reported by customers. However, vigor was the only dimension of work engagement that was significantly correlated with the service quality reported by customers. Thus, collective vigor, as the affective–motivational component of positive emergent states that teams fulfill, may enhance service effectiveness over time.

The latter, the positive emergent states of cognitive-competent nature, is based on the *Social Cognitive Theory (SCT)*, which points out that members' interactive dynamics create emergent group-level efficacy beliefs that are more than the sum of the individual beliefs (Bandura, 1997). Moreover, the *SCT* argues that a higher degree of collective beliefs provides higher performance rates. In this line, several findings have supported the idea that team beliefs, such as collective efficacy or team potency, are more strongly related to team performance than the sum of the team members' individual beliefs (Arthur, Bell & Edwards, 2007; Gully, Incalcaterra, Joshi & Beaubien, 2002; Katz-Navon & Erez, 2005; Kozlowsky & Ilgen, 2006; Stajkovic & Lee, 2001). In exactly the same way, beliefs in team competence are not simply the sum of the perceptions of the individuals' competences, but instead it is a positive emergent state shared by members and developed through their interaction.

In service organizations, team competence is mainly based on the team perceptions of capability to perform service-oriented tasks, such as providing personal attention or solving customer problems in an integrative and coordinative way. Hence, team competence is highly oriented toward customer service and can, therefore, be labeled as service competence. Several results confirmed that store-level shared perceptions about their service behavior and service performance were related to service effectiveness indicators such as service quality, customer satisfaction and loyalty in restaurants (Liao & Chuang, 2004) and hotels (Tsaur & Lin, 2004). Thus, service competence, as the cognitive-competent component of positive emergent states that teams perceive, may enhance service effectiveness over time.

Taken together, healthy teams that experience positive emergent states of an affective-motivational (i.e., collective vigor) and cognitive-competent nature (i.e., service competence), in turn, could provide service effectiveness. Therefore, healthy teams could also become effective teams over time.

# The Outputs: Service Effectiveness

The *I-M-O-I approach* points out that when a team completes one episode, that team develops specific performance outputs. These outputs are compared with previous team goals in order to check the effectiveness of the team (Ilgen et al., 2005). Within the context of service organizations, the intangibility of services and the permanent presence of customers cause definition and measurement of performance to be perhaps different from the case of manufacturers (Brown & Mitchell, 1993). In this vein, customers' perception of diverse service quality attributes and their future customer loyalty could offer good knowledge about whether service-oriented teams provide service effectiveness.

Service quality refers to a customers' subjective evaluation of the received service. Within service quality it is possible to distinguish functional and relational attributes (Gwinner, Gremler, & Bitner, 1998; Peiró, Martínez-Tur & Ramos, 2005). The former consist of attributes that are expected by customers and may derive from organizational norms and obligations (Brief & Motoeidlo, 1986). That is, everything that is expected "in" the role, including reliability (the ability to perform the promised service dependably and accurately) and assurance (the workers' knowledge courtesy and ability to inspire trust and confidence in the services). A service without these attributes would be unacceptable for customers. The latter, on the other hand, refer to positive attributes that are unexpected or not necessarily required and extend beyond formal role requirements. Price, Arnould and Deibler (1994) argue that affective service attributes make customers feel the differences with other service providers. Therefore, relational service quality may contain those service attributes that collect the affective characteristics of the service encounter, which usually imply emotional labor and can generate positive responses to the customers (Price, Arnould & Tierney, 1995) that may develop customer loyalty. Customer loyalty is defined as "the degree to which a customer exhibits a repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises" (Gremler & Brown, 1996, p. 173). Duffy (2003) argues that loyal customers become "efficient customers" for the organization. They have a specific need, they talk about the company in a positive way, they trust the brand and give the company a second opportunity, and they help to identify weak points, among other reasons.

Finally, the *I-M-O-I approach* argues that team effectiveness ends one process and starts a new one (Ilgen et al., 2005). Although the *I-P-O approach* implicitly suggests that the team performance process has a linear progression, the *I-M-O-I approach* argues that past service effectiveness could be positively related to future organizational facilitators and to future positive emergent states. On the basis of the arguments from the *I-M-O-I approach* and the other relevant theoretical and empirical literature that was reviewed, the following longitudinal hypotheses are expected to be fulfilled.

Hypothesis 1. Organizational facilitators will be reciprocally related to service effectiveness. [Hypothesis  $1_a$ : Organizational facilitators (autonomy, technical support and training) will have a positive relationship with service effectiveness (functional service quality, relational service quality, and customer loyalty) over time. Hypothesis  $1_b$ : Service effectiveness (functional service quality, relational service quality, and customer loyalty) will have a positive reverse relationship with organizational facilitators (autonomy, technical support and training) over time].

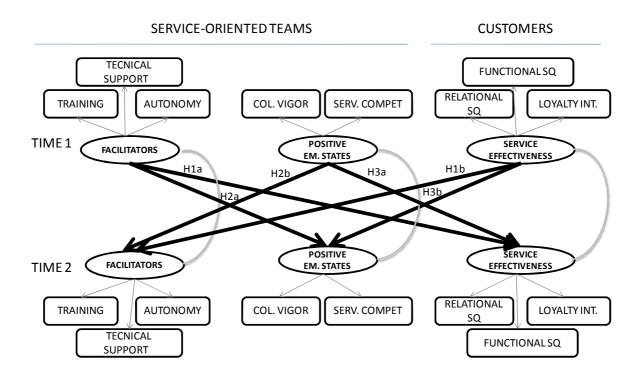
Hypothesis 2: Organizational facilitators will be reciprocally related to positive emergent states. [Hypothesis  $2_a$ : Organizational facilitators (autonomy, technical support and training) will have a positive relationship with positive emergent states (collective vigor and service competence) over time. Hypothesis  $2_b$ : Positive emergent states (collective vigor and service competence) will have a positive reverse relationship with organizational facilitators (autonomy, technical support and training)] over time.

Hypothesis 3: Positive emergent states will be reciprocally related to service effectiveness. [Hypothesis  $3_a$ : Positive emergent states

(collective vigor and service competence) will have a positive relationship with service effectiveness (functional service quality, relational service quality, and customer loyalty) over time. Hypothesis  $3_b$ : Service effectiveness (functional service quality, relational service quality, and customer loyalty) will have a positive reverse relationship with positive emergent states (collective vigor and service competence) over time].

In accordance with the three hypotheses argued in this study, Figure 1 depicts the *hypothesized model*, which includes the reciprocal relationships between inputs, mediators, and outputs of teams' performance processes in service organizations.

Figure 1. The hypothesized Healthy and Effective Teams Model (Model<sub>3</sub>).



II. Method

## Participants and Procedure

The current study was conducted within the framework of the two-wave longitudinal perspective. Moreover, multi-sample sources were provided from 53 Spanish Mediterranean tourist establishments (54.7% hotels and 45.3% restaurants). Participants in this study were service-oriented workers and their customers. Data were collected in an individual way at two points in time with a six-month separation between them. At each time of measurement, service-oriented workers and customers self-completed surveys under the supervision of trained researchers. Questionnaires were administered in Spanish, any foreign scales being submitted to a previous process of professional translation. The questionnaire administration processes took 20 min (approximately) for workers and 10 min (approximately) for customers. Confidentiality and anonymity of the answers provided by all the respondents were guaranteed throughout the study.

Service-oriented workers filled out the questionnaire in company time. The process of sample selection was performed at random at Time 1. The minimum number of participants from each establishment was stipulated taking the mean number of workers that worked the same shift in the overall sample (mean =  $4 \pm 1$ ). These workers performed together in the same unit, on the same shift and sharing the same customers. Additionally, workers were each asked for a personal code at Time 1 so that they could be identified again at Time 2. A total of 256 workers participated at Time 1 and Time 2. Their mean age was 32.03 years (SD = 7.38), and 47.1% were men and 52.9% were women. The target participation rate of 90% of the sample was reached. This participation rate may be high compared to other studies (see Baruch & Holtom, 2008), the reason being that the managers of the units had previously agreed to

allow their service-oriented workers to take part in the study during work time.

Customers filled out the questionnaire after the service encounter (at the check-out in hotels and after paying the bill in restaurants). Two samples of customers took part in this study, each of them at one time of measurement. A total of 1,000 questionnaires were reported by customers. 530 customers participated at Time 1 and another 470 customers participated at Time 2. Mean age was 40.20 years (SD = 13.70), and 59 % were men and 41% were women at Time 1. Mean age was 39.90 years (SD = 13.55), and 56% were men and 44% were women at Time 2. Between 6 and 30 customers were collected per establishment (mean = 23.82). The target participation rate of 95% of the sample was reached. This high rate, compared to other studies (see Baruch & Holtom, 2008), may be due to the fact that interviewers distributed questionnaires in person, face-to-face. Consequently, very few customers refused to participate in the study.

Finally, data were aggregated by teams. Only those service-oriented teams that maintained more than half the same team members at both times were taken into consideration in this study in order to prevent the longitudinal information from being affected by large degrees of staff rotation. Altogether the total sample studied consisted of 53 teams.

### Measures

Organizational facilitators. This construct was assessed by using the organizational facilitators scale for tourist services developed from the Critical Incident Technique (Flanagan, 1954), following studies by Salanova et al. (2005) and Gracia et al. (in press) of organizational facilitators. With this method the organizational issues that workers

perceive as facilitators enabling them to perform better can be established beforehand. Information is then analyzed in order to develop the item scale. A final scale was developed with 11 items divided into three subscales, training (4 Items;  $\alpha_{t1}$  = 94;  $\alpha_{t2}$  = .96), autonomy (3 Items;  $\alpha_{t1}$  = 84;  $\alpha_{t2}$  = .89) and technical support (4 Items;  $\alpha_{t1}$  = 87;  $\alpha_{t2}$  = .93). This scale was previously validated in Spanish by Salanova et al. (2005). Service-oriented workers responded to each of the statements using a 5-point rating scale ranging from 1 (not important) to 5 (very important). An example of an item from each subscale is: "Indicate the extent to which the following aspects of your company facilitate your job performance and help you to overcome possible obstacles: (a) The training received, (b) having enough autonomy to decide the order in which to do tasks, (c) the availability of a quick and effective service to solve technical problems". Reliability analyses of the facilitators scale was:  $\alpha_{t1}$  = 91;  $\alpha_{t2}$  = .96.

Positive Emergent States. This construct was assessed by using a composite of two scales, taking into account Marks et al.'s (2001) definition of affective-motivational and cognitive-competent emergent states. First, Collective Vigor was assessed by the vigor dimension of the Utrecht Work Engagement Scale (UWES; Schaufeli, Salanova, González-Romá & Bakker, 2002). The Spanish version of the vigor subscale had previously been validated by Salanova et al. (2005) and consists of a three-item 7-point frequency rating scale ranging from 0 to 6 (never / always). An example of these items is: "At my work, I feel bursting with energy". Emotional contagion was assumed. Then, the individual level was aggregated to the team level ( $\alpha_{t1} = .73$ ;  $\alpha_{t2} = .73$ ). Second, Service Competence comprised workers' perceptions of functional and relational service quality and was assessed by the composite of the assurance, authenticity, problem-solving and extra-role performance subscales of

two scales. While the assurance dimension of the service quality scale for workers was developed in Spanish by Ramos, Collado, Marzo, Subirats and Martin (2001) based on the SERVQUAL scale (Parasuraman, Zeithaml & Berry, 1988), the authenticity, the problem-solving and the extras subscales were adapted from the Service Provider Performance Scale for service-oriented workers (Price et al., 1995). The four subscales were then combined to form a twelve-item 7-point frequency rating scale ranging from 1 to 7 (I totally disagree / I totally agree). An example of a functional service quality item is: "We inspire trust in customers" ( $\alpha_{t1}$  = .77;  $\alpha_{t2}$  = .81). An example of a relational item is: "We are capable of putting ourselves in the customer's place" ( $\alpha_{t1}$  = .88;  $\alpha_{t2}$  = .79). Reliability analyses of the overall scores for positive emergent states were:  $\alpha_{t1}$ = .90;  $\alpha_{t2}$ = .92.

Service Effectiveness. This construct was assessed by using a composite of three scales. First, Functional Service Quality was assessed by an adaptation for tourist establishments of the two basic dimensions (reliability and assurance) of the SERVQUAL scale for customers (Parasuraman et al., 1988). The functional service quality measurement scale was designed based on the performance instead of the gap measure because captures more explained variance (Cronin & Taylor, 1994). It is composed of a six-item 7-point frequency rating scale ranging from 1 to 7 (I totally disagree / I totally agree). An example of these items is: "When I arrived at the restaurant the services were available as I had expected" (a  $_{t1}$  = .91;  $\alpha_{t2}$  = .91). Second, Relational Service Quality was assessed by an adaptation for tourist establishments of the extras, authenticity and problem-solving dimensions of the Service Provider Performance Scale for customers (Price et al., 1995). It consists of a nine-item 7-point frequency rating scale ranging from 1 to 7 (I totally disagree / I totally agree). An example of the items is: "workers are capable of putting in the customer's place" ( $\alpha_{t1}$  = .96;  $\alpha_{t2}$  = .96). Third, Customer loyalty was assessed by Martínez-Tur, Ramos, Peiró and García-Buades (2001) Spanish adaptation of the original scale (i.e. Swan & Oliver, 1989). This scale assessed the likelihood of customers' returning to the establishment for further service and engaging in positive word-of-mouth behaviors. It is composed of a three-item 7-point frequency rating scale ranging from 1 to 7 (I totally disagree / I totally agree). An example of these items is: "I will recommend this hotel/restaurant to other people" ( $\alpha_{t1}$  = .96;  $\alpha_{t2}$  = .95). Reliability analyses of the service effectiveness scale were  $\alpha_{t1}$  = .85;  $\alpha_{t2}$  = .84.

# Data Analyses

Different aggregation indices were calculated in order to justify aggregating individual responses: Intraclass correlations (ICC<sub>s</sub>) (Bliese, 2000) and the average deviation index (AD  $_{\rm M}$   $_{\rm (I)}$ ) (Burke, Finkelstein & Dusig, 1999). ICC<sub>1</sub> represents the reliability of a single rating of the team construct, and the AD M (1) index calculates the average deviation for each scale of J items to justify the aggregation of individual members' responses to a team level. AD  $_{\rm M}$  (j) is based on Monte Carlo procedures and produces the equivalent of an approximate randomization test for the null hypothesis that the actual distribution of responding is rectangular. It has also been shown to be superior to the chi-square test (Dunlap, Burke & Smith-Crowe, 2003) and is strongly recommended because it overcomes the weaknesses of Rwg (González-Romá, Peiró & Tordera, 2002). Thus, both indices provided essential information about the internal homogeneity in each unit under study. Results from aggregation indices were the following: Organizational facilitators: ICC<sub>1</sub> = .22 > .12; AD  $_{\rm M}$  (I) = .43 < .833, positive emergent states. ICC<sub>1</sub> = .18 > .12; AD  $_{\rm M}$  (J) = 83 < 1.17,

service effectiveness: ICC<sub>1</sub> = .22 > .12; AD  $_{M\ (J)}$  = .80 < 1.17. Generally speaking ICCs values were above .12. According to this index, it is possible to aggregate the data (James, 1982). Moreover, AD  $_{M\ (J)}$  scores were also below the cut-off criteria based on the range of answers. Therefore, aggregation scores allowed us to aggregate individual members' responses to a team level.

Additionally, team-level internal consistence (Cronbach's  $\alpha$ ) was calculated for all the scales using the average item response per team as the input. This strategy is strongly recommended because it aligns the measurement reliability information with the level of analyses used in the substantive tests (Mathieu et al., 2006).

Once intra-group reliability and internal consistence (ICC<sub>1</sub>, AD <sub>M (I)</sub> and  $\alpha$ 's) had been calculated, MANOVAs were run in order to measure the non-dependence between teams. Three MANOVAs were performed. one for the sample of workers (repeated at T1 and T2) and two for the sample of customers (customers at T1 and customers at T2). The result of the MANOVA for workers' variables at Times 1 and 2 (organizational facilitators, positive emergent states) was F(4, 53) = 1.320, p < .001. In the same way, between-team discriminations were found in customers (service effectiveness) at both times of measurement. Results of the MANOVA for customer variables at Time 1 were F(6, 53) = 2.424, p <.001 and the results of the MANOVA for customers at Time 2 were F (6, 53) = 2.081, p < .001. Therefore, significant differences exist among teams for the samples of both workers and customers. Thus, perceptions within teams were strongly shared by members, whereas at the same time there were significant differences in perceptions between teams from the sample.

Pearson correlation analyses were then conducted to obtain more basic insight into the data. Finally, structural equation modeling (SEM; Jöreskog & Sörbom, 1993) was run to test I-M-O-I longitudinal relationships. To do so, various competing models were compared simultaneously. The use of SEM analysis has several advantages over the use of simpler techniques for longitudinal studies. First, SEM can account for correlated measurement errors over time. Second, SEM estimates different types of causation simultaneously in a multi-variable/multi-wave model. Third, SEM controls for various problems arising from the method and third variables. Fourth, SEM can be used to determine causal priority or causal predominance between the normal and the reversed causal relationship (De Lange, Taris, Kompier, Houtman & Bongers, 2004; Rogosa, 1980; Williams & Podsakoff, 1989). All models tested were based on the covariance matrix and maximum likelihood estimation.

The absolute goodness-of-fit indices, the chi-square goodness-of-fit statistic ( $\chi^2$ ) and the root mean square error of approximation (RMSEA) were also calculated. A non-significant or small  $\chi^2$  value indicates that the model fits the data well. However, in large samples even small and substantively unimportant differences between the estimated model and the 'true' underlying model will result in rejection of the model that is being tested (Bentler & Chou, 1987). RMSEA values smaller than .08 indicate an acceptable fit and values greater than 0.1 should lead to model rejection (Browne & Cudeck, 1993). In addition, AMOS provides several fit indices that reflect the discrepancy between the hypothesized model and the baseline, *Null model*. In the present analyses, the relative goodness-of-fit indices that were computed and used were: the Comparative Fit Index (CFI), the Incremental Fit Index (IFI), and the Non-Normed Fit Index or Tucker-Lewis Index (TLI). The latter indices are

recommended because they are less dependent on sample size than the  $\chi^2$  statistic (Marsh, Balla & Hau, 1996). For all relative-fit indices, as a rule of thumb, values greater than .90 are considered to indicate a good fit (Hoyle, 1995).

With regard to examining the *I-M-O-I*, reciprocal causal relationships were tested by different steps, i.e. a baseline model versus several competing nested models (Pitts, West & Tein, 1996). First, the baseline model (MO) was tested. It includes temporal stabilities and synchronous (i.e. within-second-order constructs) effects of variables over time. This model is used as the reference model. Second, the causation model (M1) was tested. This model resembles M0, but includes additional cross-lagged structural paths from Time 1 to Time 2 following the normal direction of causation, from organizational facilitators to positive emergent states and to service effectiveness; and from positive emergent states to service effectiveness. Third, the reverse causation model (M2) was tested. This model resembles M0, but is extended with crosslagged structural paths from Time 1 to Time 2 running in the direction of reverse causation, from service effectiveness to positive emergent states and to organizational facilitators; from positive emergent states to organizational facilitators. Finally, the reciprocal model (M3) was tested. This model resembles MO, but is extended with cross-lagged structural paths from Time 1 to Time 2 following the normal direction of causation and the reverse causation, from organizational facilitators to positive emergent states to service effectiveness and from positive emergent states to service effectiveness, as well as, in turn, from service effectiveness to positive emergent states and to organizational facilitators; and from positive emergent states to organizational facilitators.

#### III. Results

#### Descriptive Tests

Descriptive statistics and the correlation matrix for all the measures included in the hypothesized models are depicted in Table 1. Correlations between the measures ran in the expected direction.

The expected relationships of constructs both between times (across-time stability of variables) and within times are supported by the correlational analyses. According to the correlations between the dimensions of organizational facilitator (training, autonomy and technical support), a total of 11 out of the 15 relationships within Time 1, Time 2 and between times were significantly related to one another (from r = .31, p < .05 to r = .78, p < .001). According to correlations between the dimensions of positive emergent states (collective vigor and service competence), all of the relationships within Time 1, Time 2 and between times were significantly related to one another (from r = .48, p < .001 to r = .58, p < .001). According to the correlations between the dimensions of service effectiveness (functional service quality, relational service quality and customer loyalty), a total of 12 out of the 15 relationships within Time 1, Time 2 and between times were significantly related to one another (from r = .26, p < .05 to r = .80, p < .001).

Some of the expected relationships between constructs within Time 1 and within Time 2 were significant. Organizational facilitators were significantly related to positive emergent states and to service effectiveness.

Table 1: Means, standard deviations, internal consistencies (Cronbach's α), and correlations between variables in establishments, (N=53 teams).

	M	SD	α	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Time 1																			
1. F.Training	3.54	.61	.91																
2. F:Autonomy	5.99	.74	.74	.48*															
3. F:Tecnical	5.81	.86	.89	.50**	.59**														
4. ES Compet.	5.92	.57	.91	.37**	.29*	.39**													
5. ES Vigor	5.04	.61	.73	.43**	.20	.16	.58**												
6. SE:Functional	6.14	.41	.91	.22	.34*	.18	.29*	.14											
7. SE:Relational	5.54	.62	.86	.23 †	.32*	.31*	.14	.28*	.67**										
8. SE:Loyalty	5.67	.79	.96	.26*	.30*	.26*	.04	.05	.65**	.80**									
Time 2																			
9. F.Training	3.45	.73	.96	.34*	.07	.21	.16	.27*	.09	.06	.05								
10. F:Autonomy	5.95	.79	.92	.33*	.31*	.32*	.15	.21	08	.12	.28*	.19							
11. F:Tecnical	5.49	.73	.90	.20	.20	.34*	.09	.06	.01	.09	.07	.72**	.78**						
12. ES compet	5.72	.68	.92	.24 †	.06	.25 †	.29*	.32*	.06	.23 †	.22 †	.38**	.34*	.43**					
13. ES Vigor	4.77	.83	.73	.24 †	.16	.36**	.31*	.29*	.06	.23 †	.22 †	.43**	.55**	.51**	.48*				
14. SE:Functional	6.15	.43	.91	.21	.09	.20	.05	.05	.18	.13	.17	.12	.06	.09	.10	.05			
15. SE:Relational	5.56	.67	.91	.29*	.16	.27*	.02	.02	.26*	.41**	.38**	.15	.05	.08	.27*	.24 †	.75**		
16.SE: Loyalty	5.69	.90	.96	.24 †	.14	.06	09	05	.30*	.29*	.34*	.05	.11	08	.09	.10	.70**	.70**	

Note: † p<.08; \*p<.05; \*\*p<.001. Measures: F:Training (Facilitators: Training); F:Autonomy (Facilitators: Autonomy); F:Tecnical (Facilitators: Technical support); ES Compet (Positive emergent states: Service competence); ES Vigor (Positive emergent states: Collective vigor); SE: Functional (Service effectiveness: Functional service quality); SE: Relational (Service effectiveness: Relational service quality); SE: Loyalty (Service effectiveness: Customer loyalty).

Positive emergent states were also related to service effectiveness. A total of 15 relationships out of the 28 were significantly related at Time 1 (from r = .23, p < .08 to r = .43, p < .001) and a total of 13 out of 28 were significantly related at Time 2 (from r = .24, p < .08 to r = .55, p < .001).

According to across–time relationships between variables, a total of 16 significant relationships were found out of a total of 28 relationships (from r = .24, p < .08 to r = .36, p < .001). Organizational facilitators at Time 1 were significantly related to positive emergent states and to service effectiveness at Time 2. Although positive emergent states at Time 1 were not significantly related to service effectiveness at Time 2, they were significantly related to organizational facilitators at Time 2. Finally, service effectiveness at Time 1 was related to organizational facilitators and to positive emergent states at Time 2.

Regarding the longitudinal I-M-O-I test, SEM was performed using AMOS (Arbuckle, 1997) to test the competing models. The overall fit indices of the competing models can be seen in Table 2.

Table 2: Goodness-of-fit indices for the alternative models, (n= 53 teams).

	χ2	đf	р	IFI	TLI	CFI	RMSEA	$\Delta\chi^2$	∆df
Model O Baseline	144.796	95	.01	.88	.85	.88	.1		
Model 1 Causation	125.909	89	.06	.92	.88	.91	.09	Model1-Model0= 18.887*	6
Model 2 Reversed	126.786	90	.06	.92	.88	.91	.09	Model2-Model0= 18.001**	5
Model 3 Reciprocal	121.829	87	.08	.92	.89	.92	.08	Model3-Model0= 22.967**	8
Null model	538.644	120	.00				.26		

Note \* p < .05 \*\* p < .01.  $\chi^2$  = Chi-square; df =degrees of freedom; CFI=Comparative Fit Index;

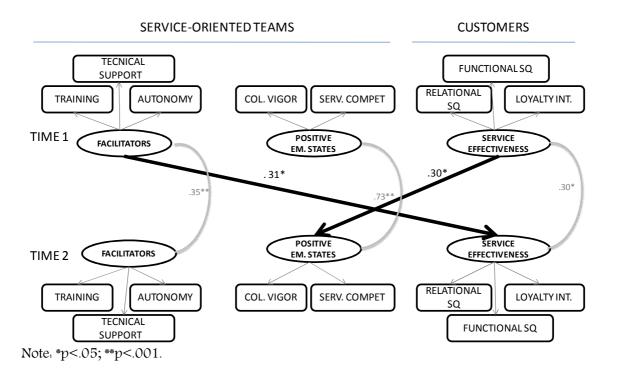
RMSEA=Root Mean Square Error of Approximation.

In general, models indicated a good fit, since most fit indices (CFI, IFI and TLI) were equal to or higher than .90 and RMSEA was smaller than 1. Moreover, there was a huge discrepancy between the *hypothesized model* and the *null model*, meaning that our *hypothesized* 

model showed a good data fit. Furthermore, the ratio between the  $\chi^2$ statistic and the number of degrees of freedom was relatively low between the baseline model (MO), which included temporal stabilities and synchronous effects of variables over time, and the causation model (M1), which included the paths from organizational facilitators to positive emergent states and to service effectiveness; and from positive emergent states to service effectiveness following the normal direction of causation.  $\Delta \chi^2$  (6) = 18.887, p < .005. However, the difference became more significant in comparison to the baseline model (MO) and the reverse causation model (M2), which comprises the paths from service effectiveness to positive emergent states and to organizational facilitators; and from positive emergent states to organizational facilitators running in the direction of reverse causation:  $\Delta \chi^2$  (5) = 18.001, p < .001. Finally, the biggest difference (M3):  $\Delta \chi^2$  (8) = 22.967, p < .001 with respect to the baseline model (MO) was obtained with the reciprocal model (M3), which comprises paths from organizational facilitators to positive emergent states to service effectiveness; and from positive emergent states to service effectiveness following the direction of normal causation and, as well as, in turn, from service effectiveness to positive emergent states and to organizational facilitators; and from positive emergent states to organizational facilitators running in the direction of reverse causation. Therefore, the reciprocal model (M3) proved to be significantly superior to the baseline model (MO) and to the causation model (M1) and the reciprocal models (M2). This suggests that the causation model (M1) showed a better fit to the data than the baseline model. Moreover, the reverse model (M2) improved on both the baseline and the causation model. Finally, the reciprocal model (M3) was the best model because  $\Delta$  $\chi^2$  highlights that it fits the data better.

After examining the standardized cross-lagged effects (a procedure recommended by Jöreskog & Sörbom, 1993), organizational facilitators at Time 1 were found to have a significant normal effect on service effectiveness at Time 2 ( $\gamma$  = .31, p < .05). This confirms Hypothesis 1<sub>a</sub>, which proposed that organizational facilitators would be positively related to service effectiveness. In addition, a significant reverse effect was found. The reverse effect from service effectiveness at Time 1 to positive emergent states at Time 2 ( $\beta$  = .30, p < .05). This confirms Hypothesis 3<sub>b</sub>, which proposed that service effectiveness would have any reverse relationship with positive emergent states (see Figure 2).

Figure 2. Results of longitudinal SEM analyses of Healthy and Effective Teams Model. Across-time relationships (N=53 teams).



However, no significant effects were found in the following relationships: from service effectiveness at Time 1 to organizational facilitators at Time 2 (Hypothesis  $1_b$ ), from organizational facilitators at

Time 1 to positive emergent states at Time 2 (Hypothesis 2) and from positive emergent states at Time 1 to service effectiveness at Time 2 (Hypothesis  $3_a$ ). Moreover, no organizational facilitators and positive emergent states were related longitudinally either (Hypothesis 2). Therefore, Hypothesis 2 was rejected while Hypothesis 1 and Hypothesis 3 were partially confirmed.

#### IV. Discussion

The aim of this study was to test service effectiveness longitudinally from the positive perspective of the *I-M-O-I team approach*. Specifically, this study analyzed whether it is possible that when organizations allocate Inputs (e.g. organizational facilitators) for service-oriented teams, then interaction among their members generates Mediators (e.g. positive emergent states such as collective vigor and service competence) that in turn enhance specific Outputs (e.g. service effectiveness reported by customers). Additionally, this paper also discusses whether service effectiveness produces reciprocal effects on service-oriented teams (future Inputs and Mediators).

Findings confirmed that organizational facilitators (Inputs), positive emergent states (Mediators), and service effectiveness (Outputs) kept a stable across-time dimensional structure. They are also significantly correlated both in a cross-sectional sense and longitudinally. Moreover, several of the expected significant longitudinal relationships were found in the SEM analyses. More specifically, longitudinal results showed that service effectiveness depends on positive organizational conditions. Organizational facilitators offered by organizations (i.e. autonomy, training and technical support), which were perceived by teams as effective tools to overcome job obstacles, had a direct influence

on the service effectiveness that customers perceive six months later (Hypothesis 1<sub>a</sub>). These findings are in agreement with previous research that has highlighted the importance of designing HRM practices and providing good environments that are oriented toward accomplishment of team performance goals (Haynes & Fryer, 2000, Mathieu et al., 2006; Spreitzer et al., 1999). However, previous service effectiveness was not able to predict significant future organizational facilitators (Hypothesis 1<sub>b</sub>). These results are in agreement with Mathieu et al. (2008), who have already argued that reverse relations from outputs to subsequent mediators could probably be more influential than relations from outputs to inputs. That is, service effectiveness could be more likely to have an influence on future positive emergent states than on future organizational facilitators.

In addition, results showed that organizational facilitators did not relate to future positive emergent states reciprocally (Hypothesis 2). They were positively correlated, although organizational facilitators were not able to predict future positive emergent states neither positive emergent states were able to predict future organizational facilitators. Therefore, positive emergent states are less likely to explain organizational facilitators and to be explained by them over time.

Finally, positive emergent states did not influence future service effectiveness (Hypothesis 3<sub>a</sub>). Positive emergent states were positively correlated with service effectiveness within that time, although they were not able to explain future service effectiveness. However, the reverse relationship between service effectiveness and future positive emergent states was found to be significant. Service effectiveness reported by customers was able to influence positive emergent states of service-oriented teams six months later (Hypothesis 3<sub>b</sub>). That is, service quality

perceived by customers and their loyalty increased teams' collective vigor and service competence in the future. Thus, these results clarify the proposition that service effectiveness becomes a powerful antecedent of future positive emergent states. This means that effective teams (as regards providing services) become healthy teams (as regards developing higher rates of positive emergent states) in the future. This finding is in accordance with several arguments put forward by researchers who did not find any significant evidence to support the positive influence of workers' psychological well-being on their performance. They therefore suggested that the reverse influence of performance on workers' psychological well-being could be stronger (Bagozzi & Philips, 1982; Spreitzer et al., 1999). Likewise, this study confirms that a good way to accomplish healthy teams in the future is first to ensure that they are doing a good job. To do so, they previously need to have organizational facilitators available to them.

In conclusion, organizational facilitators (Inputs) become the key for developing future effective teams as regards services reported by customers (Outputs). At the same time, teams that are effective in services produce teams that will be healthy in the future in terms of experiencing positive affective-motivational and cognitive-competent states (Mediators).

# Contributions to the I-M-O-I approach

Results of this study confirm that the development of team effectiveness in service organizations is more complex that the linear sequence of  $I\rightarrow P\rightarrow O$  relationships (Ilgen et al., 2005; Mathieu et al., 2008). This study provides empirical results that suggest that sequential and simultaneous cycles may interact in the team performance process

over time (Marks et al., 2001). Specifically, causal and reverse longitudinal findings confirmed that multidirectional relationships are produced in this process (Ilgen et al., 2005). In addition, this study confirmed that positive emergent states, as a consequence of team interaction, are important factors for understanding service effectiveness. Therefore, service effectiveness depends on team processes such as team actions during the performance process, but emergent states of an affective, motivational and cognitive nature are also playing an important role. In particular, although positive emergent states played a mediator role between inputs and outputs of service effectiveness cross-sectionally (Gracia, Salanova, Grau & Cifre, submitted), they are playing the role of a positive outcome of service effectiveness within the longitudinal process. These results are in agreement with Mathieu et al. (2008), who suggested that, over time, reverse relationships of team effectiveness could follow the sequence I-M-O-M instead of the I-M-O-I previously argued by Ilgen et al. (2005). Consequently, team effectiveness is not linearly developed when taken longitudinally. In the particular case of service organizations, service effectiveness depends on organizational facilitators and, in turn, it is responsible for making teams feel more positive affect, more motivated and more competent in relation to the service.

#### Limitations and Future Research

The small size of the sample is one of the limitations of this study. The high level of rotation in hotels and restaurants makes it extremely difficult to find exactly the same service-oriented team workers over a period of six months. In fact, the small sample collected probably caused several relationships to come close to being significant but finally they did not reach that point. For this reason, although it is a complex task, it

becomes necessary to plan data collection strategies in order to keep the same sample for the multiple times of measurement. However, despite the small sample size, we were able to collect a longitudinal sample in order to test the main hypotheses of the study.

Other limitation is that the sample only focused on hotels and restaurants, and findings therefore have to be taken with caution. Future studies should have a broader design so as to include other kinds of service organizations. However, the decision to take a specific sample was made in order to cover the limitations of not considering the organizational context. In other words, this study explains team effectiveness in relation to service within the specific organizational context of hotels and restaurants.

Additionally, another limitation stems from taking two times of measurement. This makes it impossible to test the longitudinal mediation role of team emergent states. Future research should study the possibility of taking five times, as Cole and Maxwell (2003) recommend, for a full test of the mediation analyses.

However, some strengths of this study should also be pointed out. For instance, this study focused on current service organizations, taking into consideration the special conditions of the service organizations context in order to obtain a better understanding of the development of team effectiveness in these particular organizations (Mathieu et al., 2008). Thus, the variables that were assessed were oriented toward the context of customer-oriented teams and their customers. Moreover, team level was taken from a theoretical and analytic perspective because in service organizations most of the jobs are performed by teams. Additionally, this study had a longitudinal multi-sample design. It took information from two different stakeholders in service organizations, i.e. service-oriented

team workers, in order to evaluate the shared perceptions in their teams, and customers, in order to evaluate specific team effectiveness as an external source at different points in time.

#### Practical implications

Several practical implications also arise from this study. One implication is that society should be trained to work in teams. Both the literature and society itself have shown that teams are an effective and healthy structure for working (Van Mierlo et al., 2005). However, education in schools and further educational training do not provide enough resources for the development of effective team structures. This study found that teams share beliefs about their competences and collective affective–motivational feelings. For this reason, professionals of Human Resources should establish instruction in coordination, collective competence and integration as basic training programs even before starting to work.

Another implication comes from the supported hypothesis that the greater the efforts made by the organization in order to facilitate and support service-oriented teams' job, the more effective and, ultimately, the healthier they will be. For this reason, specific organizational facilitators should also be developed as effective strategies for developing effective and healthy teams. For instance, Ashforth, Kulik and Tom (2008) suggest providing service-oriented teams with "break rooms" to allow them to disconnect from the emotional overload at any time they choose to do so. According to our findings, this strategy would help them to provide better service effectiveness and keep up psychological health in teams. In this vein, the organization should design specific strategies that make it easier for service-oriented workers to work in such a way as to develop better

service effectiveness and consequently to attain better psychological well-being. Therefore, this model provides practical insights that are in the line of the *OHP approach*, about how organizations could foster effective and even healthy teams over time.

In addition, the fact that service-oriented teams' effectiveness and health seem to be closely related in service organizations implies that achieving high service effectiveness seems to be important to provide organizations with high profits, but also to develop better positive emergent states in teams, including shared fulfillment of vigor or higher perceptions of service competence. That is, when they make an effort to display emotions, be empathetic or give extras to their customers, they are ensuring better customer service quality evaluations and customer loyalty, but they are also ensuring their future job-related psychological well-being. Therefore, this model suggests that effective teams may be the key issue for enhancing occupational health on service organizations.

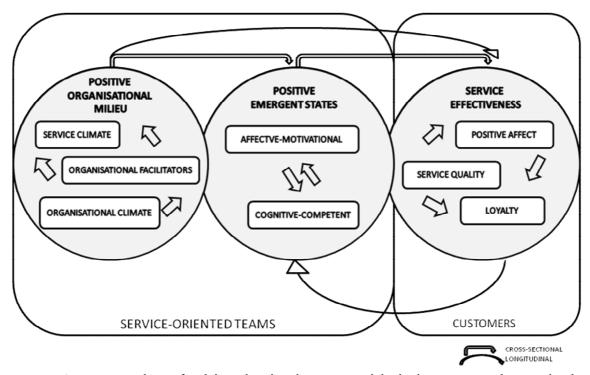
#### Final Remark

This study shows how organizational facilitators (Inputs) become the key for developing future effective teams as regards services reported by customers (Outputs). At the same time, teams that are effective in services produce teams that will be healthy in the future in terms of experiencing positive affective-motivational and cognitive-competent states (Mediators). These positive collective experiences agree with the Mental Health current definition (WHO, 2009). Therefore, this study reveals that a good way to accomplish healthy teams in the future is first to ensure that they are doing a good job. To do so, they previously need to have organizational facilitators available to them.

# Chapter VI. Discussion & Conclusions

The objective of this thesis was to study the development of healthy and effective teams over time. Specifically, it was intended to further the knowledge we have about how service effectiveness can be explained by the team performance developed within a positive organisational milieu, and improved due to the positive emergent states produced during team interaction in service organisations. Accordingly, the following heuristic model was built up by integrating all the findings from the studies considered throughout this thesis.

Figure 1: Effective & healthy teams in service organisations over time



Every study of this thesis has provided its own theoretical, methodological and practical implications. Thus, Chapter 2 explained the positive consequences that service-oriented teams can produce in customers as indicators of service effectiveness. The results in Chapter 2 showed that providing a good service produces a cognitive-affective-conative process in customers that led them to be loyal.

After that, Chapter 3 and 4 clarified how to develop service effectiveness in service organisations. Chapter 3 focused on studying the power that two kinds of resources have to accomplish service

effectiveness. The results in Chapter 3 showed that service effectiveness may be produced when service-oriented teams have a positive organisational milieu available to them (operationalised by organisational climate, service climate and organisational facilitators) but also when teams develop cognitive-competent emergent states (operationalised by shared perceptions of their own service behaviour during service transactions).

Chapter 4 expanded on the results from Chapter 3 in order to further the knowledge we have about how service effectiveness can be maximised by the interaction of the team members. The results in Chapter 4 stated that interaction of team members can produce gains for the performance process. Positive emergent states of both natures, that is to say cognitive-competent (operationalised by relational service competence) and affective-motivational (operationalised by collective work-engagement), played key mediatory roles. The results in Chapter 4 showed that not only cognitive-competent states but also affective-motivational states enrich the relationship between the organisational milieu and service effectiveness.

Furthermore, after clarifying the process by which service effectiveness was developed cross-sectionally, Chapter 5 studied the evolution that service effectiveness takes longitudinally. The results in Chapter 5 highlighted the notion that within a positive organisational milieu (operationalised by organisational facilitators) the team can enhance the future service effectiveness reported by customers (operationalised by service quality and loyalty) over time. Additionally, service effectiveness, in turn, influenced future positive emergent states (operationalised by cognitive-competent and affective-motivational nature).

In sum, the results from the different chapters point out that the team performance has three big issues of study that play an important role. First, there is the positive organisational milieu comprising

facilitators and the organisational and service climate. Second, there are positive emergent states of two natures: cognitive-competent and affective-motivational. Third, service effectiveness is made up of positive cognitive, affective and conative responses from customers, such as service quality, affective responses and loyalty intentions.

This last chapter provides a summary of the main findings of the thesis from a global perspective. At the same time, it also argues the theoretical and methodological contributions, reports its limitations, describes its main practical implications and, finally, outlines the general conclusions from this thesis. Hence, the following sections will address the previous results in an integrated way. That is to say, the results refer to the second-order factors depicted in the heuristic model (positive organisational milieu, positive emergent states and service effectiveness) instead of referring to the specific indicators separately tested in the chapters.

# I. Summary of findings

The following lines describe the main results of this thesis. Findings are structured in three clusters according to the heuristic model: positive organisational milieu, positive emergent states and service effectiveness.

# Positive job organisational milieu

The empirical results of this thesis report that a positive organisational milieu is the main requirement in order to develop healthy and effective teams in service organisations. Specifically, a positive organisational milieu can be reached when three key organisational issues are positively evaluated by service-oriented teams; organisational climate, service climate and organisational facilitators.

The results found that both service climate and organisational climate and were positively related to service effectiveness (Chapter 3). While the former was directly related, the latter was indirectly related through service climate. These findings link two lines of research that have provided evidence that different kinds of climates are related to service effectiveness. The first line refers to the organisational climate (Carr, Schmidt, Ford, & DeShon, 2003; Rogg, Schmidt, Shull, & Schmitt, 2001) and the second line refers to the service climate (Little & Dean, 2006; Dimitriades, 2007; Narver & Slater, 1990; Salanova, Agut, & Peiró, 2005; Schneider, White, & Paul, 1998). Thus, the promotion of sharing general and customer–oriented values is clearly an effective strategy for achieving service effectiveness. This probably happens because the development of organisational values helps to clarify their roles and to establish common goals (Liao & Chuang, 2004).

Moreover, results showed that organisational facilitators are related to service effectiveness in a direct and an indirect way (Chapter 3, Chapter 4 and Chapter 5). The indirect relationships were produced through service climate and positive emergent states. Furthermore, the longitudinal results of this thesis highlighted the direct relationship between facilitators and future service effectiveness. These results are in agreement with different team–level studies that supported the notion that allocating facilitative conditions and strategies can minimise the job obstacles in order to improve service effectiveness (Salanova et al., 2005; Schneider & Bowen, 1993; Schneider et al., 1998).

In addition, organisational facilitators, as indicators of a positive organisational milieu, showed a strong positive relationship with positive emergent states (Chapter 4 and Chapter 5). Specifically, facilitators were directly related to collective affective-motivational states and were indirectly related to team cognitive-competent states cross-sectionally. Moreover, longitudinal results found an indirect relationship between facilitators and positive emergent states (of both an affective-motivational and a cognitive-competent nature) through service effectiveness. Hence,

organisational facilitators are able to develop what in the future will be effective but also healthy teams over time. That is to say, when teams perceive organisational facilitators, they have powerful team tools to perform better and to develop positive emergent states. These results are in line with previous research that found that creating a positive organisational milieu in workplaces can enhance occupational well-being (Bakker & Demerouti, 2008; Schaufeli & Salanova, 2007), promote team competences (Hackman, 1992; Kozlowsky & Ilgen, 2006) and improve team perceptions of service behaviour (Liao & Chuang, 2004; Tsaur & Lin, 2004; Yoon, Beatty, & Suh, 2001).

Additionally, this thesis goes further by finding that a positive organisational milieu is not the only factor involved in team performance. Service effectiveness positively relates to the active role of teams due to two reasons. The first one is that service-oriented workers represent the organisation in customer transactions (Ashforth, Kulik, & Tom, 2008), while the second one is that team members' interactions develop emergent states that may influence team effectiveness (Marks et al., 2005). For these reasons, positive emergent states play a key role in team performance in service organisations.

#### Positive emergent states

The empirical results of this thesis report that the generation of positive emergent states and the accomplishment of service effectiveness are positively related. In fact, they showed that the two kinds of positive emergent states were related to service effectiveness separately (Chapter 4) and simultaneously (Chapter 5). Positive emergent states of a cognitive-competent and affective-motivational nature were positively related to service effectiveness. More specifically, positive emergent states mediated the cross-sectional relationship between the organisational milieu and service effectiveness (Chapter 4). However, results from SEM (Structural Equation Modelling) did not find a significant influence of positive emergent states on future service effectiveness (Chapter 5).

The results found that positive emergent states of a cognitivecompetent nature, such as collective perceptions of service behaviour and relational service competence, were positively related to service effectiveness (Chapter 3 and Chapter 4). Moreover, positive emergent states of an affective-motivational nature, such as collective work engagement, were indirectly related to service effectiveness (Chapter 4). These results are in agreement with two previous lines of research. The first highlighted the importance of taking into account the workers' specific perceptions of the service that was provided in order to predict service effectiveness (Bettencourt & Brown, 1997; Giardini & Frese, 2008; Hartline & Jones 1996; Tsaur & Lin, 2004; Williams, 1999). The second one highlighted the existence of a positive relationship between affectivemotivational states and workers' performance (Engelbrecht, 2006; Rego & Pina e Cunha, 2008) and team performance outcomes (Barsade, Ward, Turner, & Sonnenfeld, 2000; Salanova, Llorens, Cifre, Martínez, & Schaufeli, 2003; Salanova et al., 2005). In conclusion, rates of healthy affective-motivational (shared positive and cognitive-competent experiences) and effective teams (externally reported by customers) are positively related both cross-sectionally and longitudinally. Positive emergent states, however, were not significant predictors of future service effectiveness.

In addition, this thesis argues that assessing team effectiveness could become more complex in service organisations than in other organisational contexts. The reason for this is that customers interact with service-oriented teams while they perform. Customers are therefore involved in team performance and could even suffer its consequences. Hence, the study of team effectiveness is extended to focus on service effectiveness, which is understood to refer to the positive responses that customers experience while purchasing the service and which are crucial for increasing organisational profits.

Service effectiveness

This thesis provides empirical results to show team performance can produce positive responses in customers as a sign of service effectiveness. Service effectiveness comprises any cognitive, affective and conative response that may lead customers to be loyal. As has been explained earlier, results showed that a positive organisational milieu and positive emergent states are related to service effectiveness both crosssectionally and longitudinally (Chapter 3, Chapter 4 and Chapter 5). Moreover, this thesis extended these results by studying the relationships between these customer responses. Results showed that service quality (as a cognitive response), positive affective responses (as an affective response) and loyalty intentions (as a conative response) were positively related. Specifically, the results showed that positive affective responses from customers played a mediatory role between their service quality evaluations about the purchased service and their loyalty intentions (Chapter 2). These results agree with those from previous research that found that customers experience positive affective states as a consequence of the purchased service (Price et al., 1994).

Finally, there are other relevant findings that should be pointed out. The results of this thesis showed that service effectiveness reported by customers produced a reversed influence on team experiences (Chapter 5). Particularly, service effectiveness was positively related to future positive emergent states. Consequently, cognitive-competent states and affective-motivational states may depend on previous performance outcomes. This means that team performance follows the I-M-O design within time, but follows the I-O-M design over time. Therefore, results prove that team performance is of a complex cyclical nature rather than having a sharp ending (Ilgen et al., 2005; Marks, Mathieu & Zaccaro, 2001). In addition, this thesis also points out that teams that are effective in previous performance processes become healthy teams in the future. These results are in the line of earlier suggestions by scholars claiming

that good performance outcomes may exert a strong influence on occupational well-being rather than occupational well-being influencing good performance (Bagozzi & Philips, 1982; Spreitzer et al., 1999).

In general lines, results indicate that the sequential and simultaneous process of service effectiveness starts with a positive organisational milieu that is able to maintain the positive emergent states and service effectiveness reported by customers cross–sectionally. At the same time, these positive organisational milieus enhance future service effectiveness, which induces future positive emergent states. Positive emergent states, once again, would therefore mediate and keep themselves congruent with the levels of positive organisational milieu and service effectiveness within time.

Hence, this PhD thesis is an example of a team-level bottom-up model based on a positive perspective that explains how teams within a positive organisational milieu provide service effectiveness and experience positive emergent states. This is the process that may give rise to the development of healthy and effective teams in service organisations though a supportive organisational context. In the lines that follow, several theoretical, methodological and practical implications, without forgetting several limitations, are described.

# II. Theoretical and methodological contributions

Today, as we come to the close of the first decade of the 21<sup>st</sup> century, we find ourselves here belonging to a capitalist, developed population immersed in the so-called "welfare state" that seeks Society's optimum well-being. One key issue for the optimum well-being is Mental Health. The WHO defines Mental Health as "a state of well-being in which every individual realises his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community" (WHO, 2009). That

is, people need to feel strong and perceive themselves as being useful. This implies that workplaces could become a good place for developing mental health if affective-motivational fulfilment and competence beliefs oriented towards the accomplishment of goals are developed.

In order to contribute to the aim of enhancing working life, this thesis has provided an example about how teams can be effective as regards service goals when a positive organisational milieu is provided and, at the same time, they can feel healthy because they experience positive emergent states of an affective-motivational and cognitive-competent nature. In order to describe the theoretical and methodological contributions, contextualisation, teams and occupational well-being become the central points of the thesis.

## The importance of context on research

Team performance is difficult to generalise because teams are nested within an organisational context (Mathieu, Maynard, Rapp, & Gilson, 2008). Actually, Levine and Moreland (1990) pointed out that analysing teams is not possible without analysing the organisational context in which they are immersed. The first reason for this is that the organisational context may influence teams' functioning (Mathieu, Maynard, Rapp, & Gilson, 2008). Teams' functioning is quite different as a result of working at different contexts. For instance, workers in service organisations interact with customers while workers in manufacturer organisations interact with complex machines. The second reason is that teams pursue the accomplishment of goals of different natures depending on their organisational context (Guzzo & Dickson, 1996). For instance, workers in service organisations have to provide quality in the service provided to the customers while workers in manufacturer organisations have to provide quality in the product that they make. Therefore, team effectiveness depends, among other features, on their organisational context (Gladstein, 1964; Hackman & Morris, 1975).

However, "whereas the influence of context on team effectiveness has long been recognised [...], there is surprisingly little research devoted to it even in the past decade" (Mathieu et al., 2008, p. 454). For this reason, this thesis focuses on studying how to develop effective and healthy teams by analysing the particular organisational context of service organisations. Thus, the theoretical *I-M-O-I* approach and the OHP discipline, which this PhD thesis is based on, were oriented towards the service context. The core reason why this PhD thesis has focused on the service organisation context was that the service-oriented workforce is becoming more and more common in our developed societies. This growth is probably due to the fact that production of goods has become a mechanical process which has given rise to a substantial reduction in the size of the industrial workforce. Therefore, migration to the services sector is an understandable phenomenon. Currently, approximately 67% of the workforce in Europe is working in service organisations (European Foundation of Working and Living Conditions, 2007). Moreover, teams are becoming more and more frequent structures in service organisations (Carmeli, 2008; Spreitzer et al. 1999). Therefore, this PhD thesis chose to study effective and healthy teams in service organisations in order to provide Society with better knowledge. Consequently, the issues of study, i.e. positive organisational milieu, positive emergent states and team effectiveness, were oriented to the service context.

#### Positive organisational milieu in the service organisational context

The service context was considered by studying the general and specific climates (oriented to the service) perceived by service-oriented teams and using additional quantitative-qualitative methods to develop the specific organisational facilitators. First, both climates provided a general idea about the orientation that service-oriented workers are given by the organisation as regards goals, rules, innovation, social support and customer orientation. Second, the Critical Incident Technique (Flanagan, 1954) provided the specific information about what organisational

strategies make it easier for service-oriented teams to overcome job obstacles. This procedure was previously followed by Brown and Mitchell (1993) and Salanova et al. (2005) to report on the situational obstacles and facilitators perceived by customer-oriented workers.

The results (Chapter 3) showed that all the positive organisational milieus were positively related to service effectiveness. Moreover, a positive organisational milieu was positively related to positive emergent states (Chapter 4). These results corroborate the *I-M-O-I approach* premise that explains that the team needs to be provided with the best conditions in order to be able to interact and work effectively (Mathieu, Gilson, & Ruddy, 2006; Paulin, Ferguson, & Bergeron, 2006; Spreitzer, Cohen, & Ledford, 1999). Moreover, results (Chapter 5) also found that positive organisational milieus, and specifically organisational facilitators, are capable of increasing future service effectiveness. Therefore, this thesis broadens the knowledge about the strength with which the specific organisational milieu positively influences team effectiveness (Hackman & Morris, 1975; Gladstein, 1984). A positive organisational milieu has an influence on service effectiveness reported by customers even over time.

## Positive emergent states in the service organisational context

Two different service context considerations were taken into account, depending on the nature of the positive emergent states (cognitive-competent and affective-motivational). The former was achieved by studying the specific positive emergent states of a cognitive-competent nature oriented towards the service. The *Social Cognitive Theory (SCT)* points out that the efficacy beliefs may vary depending on the context and its predictive power requires a clear definition of the sphere of activity and the types of capabilities (Bandura, 1997). In exactly the same way, a cognitive-competent state of the team should specifically be oriented towards the context in order to predict the real effectiveness of the team. The latter was determined by taking into consideration the fact that affective-motivational states and customer affective responses

may be highly involved in team performance. Three reasons can explain this. First, emotional labour is a prerequisite for customer-oriented workers (Hochschild, 1983). Second, collective emotions are shared feelings during team interaction. Researchers have seen that collective affective feelings indeed exist in workplaces and, in fact, these feelings may drive workers to work better (Brief & Weiss, 2002; Bakker & Demerouti, 2008; Shirom, 2003). Third, customers respond to the received service with affective responses (Price, Arnould, & Tierney, 1995). Thus, although any context may influence affective-motivational states, in service organisations these affective-motivational states and customers' affective responses may interact constantly. Affect may, therefore, start playing a key role in team performance in service organisations.

In this line, the results (Chapter 4) found that the positive emergent states mediated the relationship between organisational milieu and service effectiveness within time. Therefore, this thesis extends previous premises of the *SCT* to the team level by explaining that cognitive beliefs in team competence oriented to the service are related to service effectiveness reported by customers. At the same time, it also takes into account the important role of affective-motivational states on teams (Fredickson, 2001; Losada & Heaphy, 2005). In addition, the customer positive affective responses as a consequence of a well provided service have been proved (Price, Arnould, & Tierney, 1995). Moreover, the results (Chapter 2) confirmed that when the service is positively evaluated, customers offer positive affective responses and they have positive intentions of becoming loyal. Therefore, this thesis highlights the role of emotions in ensuring benefits in the service organisational context.

# Team effectiveness in the service organisation context

The consideration of the service context was performed by taking team effectiveness oriented towards the customers. Team effectiveness is a multidimensional measure that varies depending on the context (Guzzo &

Dickson, 1996). Service-oriented teams constantly interact with customers and organisational benefits depend, in part, on customers' responses. Moreover, customers provide an external assessment that may prevent methodological bias as may occur with the common variance method (Spector, 2006). Therefore, this thesis collected information from customers in order to enhance reliability to prove that teams within a positive organisational milieu feel healthy and are externally assessed as effective teams.

At the same time, service effectiveness comprised the three consequences of service on customers. Oliver's approach (1999) argued that customers follow a cognitive-affective-conative process to become loyal, which offers innumerable benefits for service organisations. The results (Chapter 2) corroborated the idea that team performance in service organisations may produce positive customer responses that are, at the same time, involved in the assessment carried out as part of the process of goal-setting in the organisation. The difference between these results and other previous results (Oliver, 1999; Marzo, Martínez-Tur, Ramos & Peiró, 2002) is that this PhD thesis emphasizes the affect concept in the cognitive-affective-conative sequence and this sequence was corroborated simultaneously on hotels and restaurants. In addition, the results (Chapter 5) went a step further than previous studies (i.e. Price et al., 1994), since they found that customers' responses that are derived from team performance are, at the same time, able to induce future positive emergent states in service-oriented teams. Therefore, this thesis provides new findings related to the development of loyal intentions by customers (Oliver, 1999) and the consequences of these responses on the teams.

#### The study of teams

Steiner (1986) argued that the interest in teams would increase when society had a need for them (Huici & Morales, 2004). Nowadays, organisations use teams more and more (Guzzo & Shea, 1996), probably

as a consequence of fast changes and the globalisation of the market. Society today requires team competences but most of the time still trains and rewards following individual patterns. Therefore, society and research need to develop team patterns. This fact implies that the individual perspective should change to the team perspective. The team perspective requires the assimilation of "new existing" concepts that have an unknown value at the team level (Muchinsky, 2001). Gully argued that although there is a large amount of research into teams, key issues of how to enhance team effectiveness is still needed (2000). Thus, developing effective teams in society requires paying attention to three premises teams' theoretical approaches, measuring development and statistical analyses (see Van Mierlo, Rutte, Kompier, & Doorewaard, 2008). Consequently, this thesis takes teams as the reference unit and follows Van Mierlo et al.'s (2008) premises, as is explained in the following lines.

First, the theoretical base of this PhD thesis with regard to teams focused on the *I-M-O-I approach*. This approach explains that mediators influence team effectiveness depending on the inputs. These mediators are composed of team processes but also of emergent states produced as a consequence of interaction among team members. Thus, as active players, team members interact in order to perform interrelated tasks and produce effective outcomes together. This allows lower level properties to surface to produce collective phenomena (Chan, 1998; Katz-Navon & Erez, 2005; Kozlowski & Klein, 2000). Accordingly, team members turn into a new, more complex entity through permanent interaction. Hence, the sum of the parts (members' performance) does not constitute the overall essence of the whole (team's performance) (Köhle, 1972). The *Gestalt* premise, formulated in the early 20<sup>th</sup> century, could provide a perfectly good explanation for the emergence of team self-entities (Campbell, 1958).

Second, in this thesis the measurement was designed to be carried out at team level. The only exception was the one that referred to the emergent states of an affective-motivational nature. These affective-motivational states were collected individually but used collectively by

assuming the shared emotional levels of team members. The literature argues that emotional "contagion" and other outcomes produced by "common socialisation processes" are produced in workplaces (see Brief & Weiss, 2001). Actually, teams may share affective–motivational states (Bakker & Demerouti, 2008).

Third, the statistical analyses in this thesis were run by taking teams as a unit. The only exception was Chapter 2, which studied the loyalty process of customers individually. In the rest of the chapters, the additional analyses confirmed that team members shared perceptions and feelings. The results confirmed that team members agreed on their perceptions of the organisational milieu. The literature has argued that the strength of the climate is a prerequisite for it to accomplish its predictive power (Schneider & Subirats, 2002). In addition, the results also showed that team members shared similar levels of positive emergent states as a consequence of the interaction among them. Actually, common socialisation processes govern the phenomenon of the emotional contagion and shared thinking processes which could explain these results.

Therefore, team members share an organisational milieu but they also develop a bottom-up team-level phenomenon. In this line, results are in agreement with Steiner (1972), who argued that team effectiveness would depend on resources and on the team members' ability to push together in the same direction and the willingness to contribute to the collective effort. That is to say, team effectiveness may depend on the outcomes of interaction resulting from the motivation and coordination process (Wilke & Meertens, 1993). Hence, positive emergent states of an affective-motivational and cognitive-competent nature are related to service effectiveness (Chapter 4). Findings remain in line with the *I-M-O-I approach*, which argues that positive emergent states mediate the relationship between organisational milieu and service effectiveness. However, this thesis found that organisational milieu predicts future service effectiveness in customers that produce future positive emergent

states in teams. Therefore, the performance process for achieving service effectiveness would be I-M-O-M rather than the expected I-M-O-I.

This thesis thereby corroborates the notion that teams are self-entities that follow a complex process of development to accomplish team effectiveness, where positive emergent states play determinant roles. Although workers, considered individually, are important, they are not enough to explain the whole team effectiveness. This thesis therefore goes a step further towards providing a model designed at team level from a theoretical approach, design and analyses that explains how to develop effective and healthy teams in today's societies.

## The development of Occupational Health Psychology in teams

People spend approximately one third of their life in their workplaces. However, all around the world, workplaces have the worst levels of well-being in comparison with other life domains (The Gallup Poll, 2007). Hence, improving global well-being should include the establishment of a "welfare state" related to working life. The call for better conditions in jobs, which started with the labour movement in the early 20<sup>th</sup> century, seems to continue nowadays. In fact, work causes large numbers of physical injuries and many psychological health problems every year around the world. For these reasons, the best way to promote health at work is to prove empirically that a close relationship between health and effectiveness exists in workplaces.

Society has become actively aware of the need to improve well-being at workplaces. Non-governmental organisations are working hard in order to build better workplaces. Several organisations, such as the European Agency for Safety and Health at Work (EU-OSHA) or the National Institute of Occupational Safety and Health (NIOSH) have arisen because of an increasing active interest in promoting Organisational Health Psychology (OHP), the main aim of which is to create healthy workplaces through protection and promotion. In this line, this thesis outlines a heuristic model composed from the combination of empirical

results based on the positive perspective of enhancing workplaces instead of focusing on problems. The reason for this is that optimising the strengths of society could sometimes provide more optimal results than acting on its weaknesses. Indeed, when empirical research has compared the power to predict positive healthy and effective performance outcomes it found that they were more strongly related to positive constructs (Bakker & Demerouti, 2008).

At the same time, this thesis linked the OHP discipline with the I-M-O-I approach (explained in the previous section) in order to develop a heuristic model that explains how to develop effective and healthy teams in the specific domain of service organisations. Accordingly, the results (Chapter 3, Chapter 4 and Chapter 5) found that positive organisational milieus are positively related to healthy and effective teams. Therefore, the results from this thesis provide extended knowledge about the development of healthy and effective teams through a positive organisational milieu. Moreover, this thesis provides new insights about the promotion of health on a team level. A social ecological perspective suggests that developing a multi-level perspective should be more effective in reducing health problems from organisations (Stokols, 1996). The relationship between individual well-being and performance for individuals has been proved (Lyubomissky, King & Diener, 2005). However, well-being in teams has been studied less commonly (Van Mierlo et al., 2005; Spreitzer et al., 1999). Therefore, although team structures are growing in society, well-being in teams and team effectiveness are not topics that are frequently related.

The results (Chapter 4) found that teams shared similar levels of affective-motivational and cognitive-competent states and that these are positively related to the positive organisational milieu and the service effectiveness reported by customers. The fact that teams shared positive emergent states suggests that developing team-level interventions could be an effective strategy to improve health in organisations. In fact, scholars have pointed out that team-level health intervention strategies

could be more effective than those implemented at individual level (Van Yperen & Snijders, 2000).

In addition, this thesis also explained how to develop healthy teams and to keep them that way over time. The longitudinal character of this thesis showed that service effectiveness in service organisations is produced through a simultaneous and sequential twofold process. The results (Chapter 5) showed that positive organisational milieus are able to enhance service effectiveness reported by customers, which in turn, has a positive influence on the development of positive emergent states. In this sense, results of this thesis extend previous results that pointed out the existence of a positive process between individual well-being states and organisational outcomes (Bakker & Demerouti, 2008; Salanova et al., 2007; Salanova, Bresó, & Schaufeli, 2008). Moreover, this thesis provides an answer to current claims about the need to increase the amount of longitudinal research being conducted (Lazarus, 2003). In this regard, this thesis supports the idea that if teams have a positive organisational milieu, effective service-oriented teams are able to experience positive emergent states in the future. Two features may explain these results.

First, the interaction between customers and team members could produce a contagious feedback information process from customers with positive responses (i.e. cognitive evaluations, affective responses and conative intentions) to team workers over time. Thus, receiving positive responses, as a consequence of the services they have provided, could produce higher levels of states of collective well-being. Indeed, several authors have argued for the importance of feedback in order to enhance well-being and performance (Hackman, 1990). Second, effective performance outcomes could develop collective states of occupational well-being. This argument was previously explained by the ancient Greeks with the philosophy of happiness – Eudaimonia – as the utmost good for humans. Happiness is not something granted to us, outside our own control, but attainable by effort and education (Aristotle, 350 BC). In other words, a well-done job (previously supported by a positive

organisational milieu) is probably the best way to enhance positive emergent states over time.

#### III. Limitations

This thesis has several limitations that are described in subsequent paragraphs. One limitation is the fact that although in different chapters the relationships between variables have been tested in different field studies, the completely unified model was not tested simultaneously. In future research, the full model will be tested simultaneously.

Moreover, only two times were measured in order to test variables over time. Thus, the addition of more times of study would allow these studies to test future cycles. This extension would provide better knowledge about the longitudinal relationships between positive organisational milieu, positive emergent states and service effectiveness, that is to say, the development of healthy and effective teams over time. However, this thesis has a longitudinal design which is hardly ever tested because of the complexity involved in collecting data. Future research will collect more than five times in order to test mediatory processes.

In addition, different samples of team workers and customers were used for the studies. However, the fact that studies focus only on hotels and restaurants warns of the need to take results with caution. Hence, although results provide an excellent view of the tourism service sector, future studies should take samples oriented towards different services in order to corroborate this model.

## IV. Practical Implications

This thesis provides several implications for practitioners who want to develop healthy and effective teams in their organisations. Several implications derived from this thesis are described in the lines that follow.

The first one continues in the line of the aims of the NIOSH to promote OHP. This thesis provides information about this kind of milieu being positively related to high rates of states of collective occupational well-being in service organisations. This positive organisational milieu is based on facilitating tasks, social relationships and customer service orientation, and might help to design future intervention strategies focused on developing positive emergent states and service effectiveness in teams. Accordingly, service organisations should put an extra effort into developing a strong organisational milieu oriented towards improving shared states of well-being.

At the same time, this positive milieu will probably provide teams with better conditions in which to produce positive outcomes. However, organisational milieus are situational. Therefore, in order to find a positive organisational milieu that is positively related to positive emergent states and service effectiveness, specific organisational facilitators and climate should be taken into account. Therefore, organisations should design specific strategies that make it easier for service-oriented workers to provide their services. Each team is likely to need different facilitators and they could change over time. For this reason, it is necessary to carry out a periodic evaluation of the organisational milieu, oriented towards removing obstacles, enhancing social support and developing customer values or other established goals.

The second implication is that most people who work in teams do not have a clear knowledge of how to do it. Literature and society have shown that teams are an effective structure for working and, in fact, are even healthier (Van Mierlo et al., 2008; West, 2004). However, schools and vocational training do not ensure the development of team competences. This thesis found that teams that provide higher service effectiveness share positive emergent states. This means that when team members are functioning properly together, and providing positive outcomes for the organisation, their shared states are also positive. For this reason, training in coordination and motivation oriented towards providing a good service together as a team could be established as basic training programmes in service organisations.

The third implication is that healthy and effective teams are positively related. Findings from a study on the Australian workforce pointed out that "the healthiest employees are nearly three times more productive while at work than the least healthy – 140 effective working hours per month versus 45 effective hours worked per month (Medibank Private Research, 2009). Thus, the positive relationship between both positive emergent states (affective-motivational and cognitive-competent) and service effectiveness becomes the best reason to encourage service organisations to show concern about the importance of well-being in order to increase organisational profits. On this score, this thesis supports the latest organisational policies that argue that keeping healthy workers is the "key for success". For instance, the Total Quality Management (TQM) strategies are oriented towards constantly redesigning, measuring and improving all the processes that are run in the organisation by taking their Human Resources into consideration as the main resources to be developed (Mele, 2007). In the same line, organisations such as the American Psychological Association (APA) or The European Foundation for Quality Management (EFQM) reward organisations that place humans as the organisation's main resources as they develop their businesses (EFQM, 2003). Therefore, this thesis recommends the establishment of healthy strategies in order to improve business profitability.

The fourth implication is that organisations are, to a certain extent, responsible for their workers' health. This means that health should be a key issue in organisations and not only because it is related to better profits for the company. Organisations are big systems that produce outcomes that affect society. Sometimes organisations carry out strong marketing campaigns explaining "the added values" that they give to society, such as social care or caring for the environment, among others. However, their main issue as far as social responsibility is concerned should be looking after their workers. This premise does not mean they should just comply with the laws on prevention of injures and damage. Rather it means they should establish mechanisms to keep workers' health

flourishing through their states of occupational well-being. In other words, they must strive to maintain elevated states of physical, mental and social well-being (WHO, 1948).

The fifth implication is that customer responses can also be modified after purchasing services. Customers' cognitions, affections and intentions are usually taken into consideration with an ultimate view to increasing company profits. However, customers are actually involved in the performance process. Sometimes, customers receive unsatisfactory services which yield negative responses. For instance, customers can become extremely annoyed when the person in front of them (or at the other end of the telephone line) is not able to understand what they need or to solve their problem. Therefore, a satisfying service may influence customers' affective states in a positive or negative way. Scholars have found that short encounters (i.e. the case of flight attendants) produce service responses that are significantly related to overall life satisfaction (Gountas, Ewing & Gountas, 2006). If the short encounters that are frequently repeated day by day are added up, they become hundreds per month. In consequence, another kind of social responsibility might arise for organisations, in this case, one that emphasises the need to take care of the customer responses produced as a consequence of the service.

The sixth and last implication to be highlighted is that service effectiveness, as a customer response, is related to future positive emergent states. This fact really comprises two implications. The first is that teams' and customers' responses may play a key role in the process of customer loyalty and in the teams' future states of well-being. Therefore, new strategies oriented towards modulating customers' responses should be established in order to keep teams healthy. Moreover, customer evaluations should be reported to teams in the best possible way to allow these positive emergent states to improve in the future. This can be achieved, for instance, by using the *survey feedback technique*, which gives the information back to the actors and establishes new strategies for improving the team that are designed to operate through team motivation

and participation (Grau & Gracia, in press). The second implication is whether effectiveness makes people feel healthy over time. This means that occupational well-being could depend, among other things, on how effective we are. The importance of developing strategies that make team workers ready to perform their team tasks is then even more important. This implication therefore highlights the importance of being well-trained for team work and of developing enough skills and competences to allow students to fit into a particular work team and to feel shared health.

## V. Conclusions in Spanish

En líneas generales, las principales conclusiones que derivan de esta tesis doctoral son:

Esta tesis doctoral ha sido enmarcada dentro del contexto de las organizaciones de servicios con la pretensión de tomar en cuenta el contexto organizacional en el estudio de los equipos y con el objetivo de contribuir al avance de la investigación en las tendencias sociales actuales que señalan la creciente migración laboral hacia el sector servicios. Para ello, se han integrado diferentes aproximaciones como la Psicología de la Salud Ocupacional desde la perspectiva de la Psicología Positiva, la aproximación I–M–O–I de efectividad grupal y la Teoría Social Cognitiva, entre otras centradas en el sector servicios.

De esta forma, se ha identificado e integrado aquellas condiciones organizacionales positivas para un desarrollo de equipos eficaces y saludables en organizaciones de servicios. También, se ha corroborado que este tipo de condiciones (clima organizacional, clima de servicio y facilitadores) se relacionan de forma positiva tanto con la efectividad en el servicio valorada por los clientes como con los estados emergentes positivos del equipo de especialmente facilitadores empleados. Cabe destacar los que organizacionales influyen en dicha efectividad incluso a largo plazo, lo cual amplía estudios previos. A su vez, los resultados empíricos han mostrado que el desarrollo de estados emergentes positivos, de naturaleza tanto cognitivacompetente como afectiva-motivacional, dependen de dicha efectividad en el servicio y, previamente por tanto, de estas condiciones organizacionales positivas.

En esta línea, esta tesis doctoral también ha argumentado la necesidad de estudiar los estados emergentes positivos orientados al sector servicios. Por un lado, los estados emergentes de carácter cognitivo-competencial comprenden las percepciones compartidas sobre el rendimiento de su equipo con respecto al servicio. De esta forma, este tipo de competencias compartidas poseen la especificidad contextual recomendada por Bandura (2001) para garantizar la predicción de la efectividad real del grupo (veáse Bandura, 2001). Por otro lado, también se ha subrayado la necesidad de estudiar tanto los estados afectivo-motivacionales colectivos del grupo como las respuestas afectivas del cliente debido a la implicación emocional que conlleva este tipo de contextos laborales.

Bajo esta misma perspectiva, se ha argumentado la necesidad de medir la efectividad en el servicio a través de sus receptores, de forma que la información proceda de personas "objetivo" y, además, se eviten sesgos metodológicos. Por tanto, otra cuestión importante, considerada en esta tesis doctoral, ha sido el estudio de las consecuencias del rendimiento grupal sobre los clientes. De esta forma, se ha ampliado el estudio de la efectividad grupal teniendo en cuenta las principales respuestas asociadas al servicio que los clientes manifiestan y se ha corroborado que los clientes desarrollan un proceso de lealtad cognitivo-afectivo-conativo como consecuencia a la recepción de un buen servicio. Además, se amplían previos hallazgos al demostrar empíricamente que las respuestas afectivas de los clientes median la relación entre sus evaluaciones de la calidad de servicio recibida y sus intenciones de lealtad.

Por otro lado, en todo momento se ha considerado que el equipo es la principal unidad de referencia. Por ello, todos los conceptos referidos a los trabajadores orientados al servicio han sido tratados a nivel grupal tras su debida argumentación teórica y comprobación metodológica. De este modo, se ha demostrado empíricamente que los equipos orientados al servicio

comparten percepciones sobre sus condiciones organizacionales positivas y, a su vez, experimentan estados emergentes positivos comunes tanto de carácter cognitivo-competencial como afectivo-motivacional. Asimismo, dichos resultados han mostrado que estos estados colectivos median la relación entre las condiciones organizacionales positivas y la efectividad grupal. Con lo cual, se confirma que la efectividad en el servicio sigue un proceso de rendimiento complejo, tal como preveían las aproximaciones I-M-O-I del estudio de rendimiento grupal (Veáse Ilgen et al., 2005). Aunque los resultados han confirmado el proceso simultáneo, I-M-O (que incluye un único tiempo), los resultados con respecto al proceso secuencial (que incluye diferentes tiempos) presenta aspectos reveladores situando la efectividad en el servicio evaluada por clientes en previas situaciones, como predictor de los estados emergentes futuros. Por tanto, se ha presentado un modelo específico de efectividad grupal orientado al servicio que ha sido diseñado en base a aproximaciones teóricas, diseño y análisis grupales, y que muestra la importancia de compartir unas condiciones organizacionales positivas para el desarrollo de equipos eficaces y, posteriormente, saludables. Con lo cual, esta tesis doctoral apuesta por la figura del equipo como estructura de referencia en las organizaciones actuales y señala la importancia de estudiar sus estados emergentes positivos que surgen como resultado a una óptima interacción grupal.

Derivado de la relación longitudinal positiva entre la efectividad en el servicio previa percibida por los clientes y los futuros estados emergentes positivos de los equipos orientados al servicio, esta tesis abre un nuevo abanico de posibilidades en el estudio para la mejora de la salud mental de los trabajadores a través de su eficacia en el trabajo. Por tanto, el presente trabajo, centrándose en el estudio de los aspectos positivos en las organizaciones de servicios, proporciona un modelo cuyo objetivo primordial es el explicar cómo desarrollar y optimizar no solo la efectividad de los equipos sino también mejorar la salud mental en el trabajo entendida como "un estado de bienestar en el cual el individuo es consciente de sus propias capacidades, puede afrontar las tensiones normales de la vida, puede trabajar de forma

productiva y fructífera y es capaz de hacer una contribución a su comunidad" (OMS, 2009). De esta forma, se proporciona una nueva perspectiva sobre la promoción de la salud de forma grupal, atendiendo a argumentaciones previas, que han sugerido que la intervención grupal en organizaciones puede ser más efectiva que la individual.

Además, se presenta un modelo longitudinal, cuya necesidad de estudio se ha visto aclamada por la mayoría de profesionales en la Psicología de la Salud Ocupacional (p. ej. Mauno, 2007; Salanova, 2009), que describe la relación en el tiempo producida entre las condiciones organizacionales positivas, la efectividad en el servicio percibida por clientes y los estados emergentes positivos de los equipos orientados al cliente. Y abre un nuevo debate ante la necesidad de argumentar si esta reciprocidad producida entre la efectividad en el servicio y los estados emergentes positivos se debe a un efecto de retroalimentación cognitivo-afectiva procedente de los clientes, o como en la antigua Grecia ya señalaba la filosofía de Eudaimonia: la virtud del ser humano es la principal causa del bienestar más óptimo.

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## Glossary

- **Customer Affective Response**: The affective response to the perception of the attributes that compose a product and/or service (Mano & Oliver, 1993).
- **Customer Loyalty:** The extent to which a customer recommends and expresses a preference for the future use of a particular company (Caruana, 2002, p. 813).
- Emergent States. The cognitive, motivational and affective states of teams that characterize properties of the teams and that are typically dynamic in nature and vary as a function of team context, inputs, processes, and outcomes (Marks, Matheiu & Zaccaro, 2001, p. 357).
- **Emotional Labor:** Introduced by Hochschild (1983) as the performance of various forms of emotion in the context of paid employment. This requires effort, planning and control to express organizationally desired emotions during interpersonal transactions (Morris & Feldman, 1996, p. 987).
- **Engagement.** A persistent, positive motivational state fulfillment in employees (Maslach, Schaufeli & Leiter, 2001, p. 417). A positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption in the activity' (Schaufeli, Salanova, González-Romá, & Bakker, 2002, p. 72).
- Health. The state of complete physical, mental and social well-being and not merely the absence of disease or infirmity (WHO, 1948)
- Job Demands. Refer to those physical, social, or organizational aspects of the job that require sustained physical or mental effort and are therefore associated with certain physiological and psychological costs (Bakker, Demerouti, & Euwena, 2005, p. 170).
- Job Resources. Refer to those physical, psychological, social, or organizational aspects of the job that (a) are functional in achieving work goals, (b) reduce job demands and the associated physiological and psychological costs, or (c) stimulate personal growth and development (Bakker, Demerouti, & Euwena, 2005, p. 170).
- **Mental Health.** A state of well-being in which every individual realizes his or her own potential, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to her or his community (WHO, 2009).

- Organizational Climate. The shared perceptions of the organizational environment such as rules, aims, social support and innovation (González-Romá, Lloret, & Peiró, 1995).
- Organizational Facilitators: Any organizational facilitative conditions based on efforts, supervisory behaviours and HR policies that are focused on diminishing obstacles at work (Schneider, White & Paul, 1998).
- **Performance**: The process by which people try to achieve a given work goal (Roe, 1999).
- **Positive Organizational Conditions.** An environmental state that is perceived by workers supportive to avoid obstacles of the service tasks, with a comfortable organizational climate to work and with a defined specific climate oriented to improve customer values (Self-composite definition).
- **Process**: A set of activities that are interrelated or that interact with one another. It uses resources to transform inputs into outputs (ISO 9000: 2008).
- **Service Behavior**: The workers' perception of role-prescribed and extra-role behaviors (Tsaur & Lin, 2003).
- Service Climate: All the team-shared perceptions of the strategies that are rewarded supported and expected with regard to customer service (Schneider et al., 1998).
- Service Competence. The self-perceptions of team ability to serve the customer (Tsaur & Lin, 2003).
- **Service Effectiveness.** Comprises any positive customer response to the service provided as a consequence of the performance of the service-oriented teams (Self-composite definition).
- **Service Organizations.** Those that provide something that is necessary to satisfy the needs of society through a sequence of activities that do not necessarily result in the possession of any kind of tangible goods. (Self-composite definition).
- **Team Coordination.** The collective ability to push together in the same direction (Steiner, 1972).
- **Team Effectiveness**: Team effectiveness consists on the consequences of performance process resulting from the congruence between the work goal and the outcome of the process (Beal, Cohen, Burke & McLendon, 2003).
- **Team Motivation.** The collective willingness of members to contribute to the collective effort (Steiner, 1972).

- **Team Performance.** The collective actions followed by a team when confronted by a task that, on difference of individual performance, involves interpersonal exchange and coordination (Steiner, 1972)
- **Team.** Collectives who exist to perform organizationally relevant tasks, share one or more common goals, interact socially, exhibit task interdependencies, maintain and manage boundaries, and are embedded in an organizational context that sets boundaries, constrains the team, and influences exchanges with other units in the broader entity (Kozlowski & Bell, 2003, p. 334).
- **Vigor.** Intrinsical and extrinsical motivation that reflects activation and energy, effort and persistence of the motivated behavior, as well as, goal directness in terms of concentration on a specific work goal (Salanova & Schaufeli, 2008).

## Curriculum Vitae

Esther Gracia (1980), natural de Andorra (Teruel), se licenció en Psicología en la Universitat Jaume I de Castellón en 2003 y comenzó sus estudios de doctorado con el Doctorado Interuniversitario (con mención de calidad del Ministerio de Educación y Ciencia) de Psicología de las Organizaciones y del Trabajo (POT), y bajo la tutorización de la Dra. Rosa Grau, la Dra. Eva Cifre y la Dra. Marisa Salanova. Desde 2003 es Técnica Superior en Prevención de Riesgos Laborales especializada en Ergonomía y Psicosociología por SGS. Desde ese mismo año colaboró con el equipo "WoNT Prevenció Psicosocial" en varios proyectos de investigación, todos ellos subvencionados por diversos organismos nacionales, como son. "Influencia de los obstáculos y facilitadores en el rendimiento y afecto del empleado y del cliente. Un estudio experimental y longitudinal", o "Evaluación de la incidencia del trabajo en la salud mental de trabajadores de pymes".

En 2004 y 2005 fue becaria de colaboración del Departamento de Psicología Evolutiva, Educativa, Social y Metodología de la Universitat Jaume I y becaria de colaboración de la Oficina de la Cooperación Internacional y Educativa de dicha universidad. En ese mismo año fue galardonada con el Primer Premio Nacional de Estudiantes de Psicología otorgado por la Universidad de Elche. Al año siguiente disfrutó de una beca Leonardo Da Vinci para realizar una estancia de investigación en la Universidad de Utrecht bajo la supervisión del Profesor Arnold Bakker. Y en 2007 recibió una de las 17 becas internacionales destinadas a la asistencia y participación en el congreso de Psicología Positiva, "Gallup World Forum" en Washington.

En cuanto a su experiencia profesional, ha trabajado como Técnica Superior de Investigación en la Universitat Jaume I (2006–2008) para llevar a cabo el proyecto "Estudio psicosocial sobre las condiciones de trabajo en el sector de la construcción". Recientemente ha sido profesora de la Universidad de Zaragoza y ha prestado servicios de consultoría de Recursos Humanos, especialmente en cuestiones relacionadas con la Calidad Organizacional y la Salud Ocupacional (2009–2010). Actualmente, es Profesora Ayudante Doctor de la Universidad de Valencia en el departamento de Psicología Social y Profesora Invitada del Master Oficial del Trabajo, las Organizaciones y de los Recursos Humanos de la Universitat Jaume I. También, es miembro de la European Work and Organizational Psychology y de la European Association of the Occupational Health Psychology y revisora de revistas de impacto internacional como Cornell Quartely, Group and Organizational Management y Tourist Management.