Imperial College London

Business School

The dynamics and impact of outcome-oriented control mechanisms on front-line service employees

Hae-Kyung Shin

Submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy of Imperial College London
Dedication

I dedicate this dissertation to my umma. Forgiving, generous, and wise woman but strong warrior to the final moment, my mom. Your passionate and intensive love for life was so powerful and infectious, without you, the whole world seemed simply a vacuum to me. Special thanks to you. Determination, toughness and persistence required for this solo work must have come down from you.
Acknowledgements

Thank you all who shared life journey with me here in Imperial College Business School London. Without you I would never dream of completing this project only relying on books and computers alone.

I owe thanks to many. Most of all, I appreciate those who shared life stories with me and enriched my story in this thesis. Although, I cannot reach them, I wish my voice can reach them THANK YOU!

My husband, I never enough thank you. Without your support and sacrifice, how could I even dream of finishing this long journey? Thank you for forgiving my absence physically and mentally. Your loving support reminds me of how blessed I am always. Unlimited love and thanks to my dad, my sister Ja-Kyung, and the entire family for being there for me so as have I always tried to make you proud as daughter and sister.

Dr. Jonathan Pinto, I am not able to imagine my dissertation without your help. From the moment your insightful advice awakened me, to the last day of submission, you have been my angel. Without your unconditional support, how could I have possibly survived this tumbled journey? You were a living history of my becoming a researcher. Big and heartfelt thanks to you!

My sincere thanks to Dr. Sankalp Chaturvedi. Every morning when I walk through the lobby, the memory reminds me of the first day you introduced me to this building. The excitement and anxiety, still fresh. Without your acceptation, how could I enjoy the most precious times in my life? Big thank you for giving me an invaluable present.

I truly feel I owe many thanks to friends here. Thank you Prof. Andreas Eisingerich your caring and nurturing concern of me was always a Red Bull in the morning. It was a great honour to be accepted as a member of your researcher families. Thank you Ms. ‘Purple’
Catherine. You always opened the door to me whenever I thought the opportunity was locked. Without your support, my time here must have been different.

Thank you Eliana for your loving support and trust in me. Thank you Peter for counting the D-day and cheering me up always. Thank you my old-time friends, May, Polly, Doris, Alex, William and Yeyi. Your company made me sustained through the challenging times. Thank you Xu Chang, An Upa, Maria, Cleo, Yu Ting, Lin, Esma and Britney for sharing your youth, joyfulness and passion. I would never forget your cheer-leading dance and practices for my presentation.

Thanks and gratitude to all from my deepest heart.
Summary

As customer satisfaction becomes ever more common reason for customers to either stay or exit (Fornell, 1992), customer satisfaction and lack of it (i.e., complaints) become a hot issue to modern service organizations (Fornell & Wernerfelt, 1987; Rust & Zahorik, 1993). To survive, more and more service organizations take customer satisfaction seriously, and invite customers to co-create service products and service delivery processes than ever (Chan, Yim, & Lam, 2010; Kelley, Donnelly, & Skinner, 1990). This creates new dynamics in the service organizations. When managers value, welcome and encourage critical feedback from customers on service encounters (Fornell & Wernerfelt, 1988; Johnston, 2001; Wirtz, Tambyah, & Mattila, 2010), it comes with confusions and frustration to frontline service employees (FLEs hereafter) as their work performance may be occasionally assessed by the customers who vent anger, misbehaviours and revenge (e.g., Bettencourt, 1997; Blodgett, Wakefield, & Barnes, 1995; Maurer & Schaich, 2011; Storbacka, Strandvik, & Grönroos, 1994). This thesis investigates the actual effect of relying on customer-satisfaction outcomes such as customer ratings and customer feedback (e.g., compliments, complaints) in managing FLEs.

Customers satisfaction ratings have been considered to be an important component of the FLE-customer relationship, and the consequent business profits (e.g., service-profit chain; Sasser, Schlesinger, & Heskett, 1997). Due to this importance, managers utilize reviews, ratings and complaints collected through various forms of customer survey and voluntary feedback, which may indicate how the service encounters were (dis)satisfactory to the customer. Accordingly, managers can use this information about individual FLEs’ performance to allocate rewards and resources to the ones who satisfied customers, and also to correct the ones who disappointed customers. Thus, although, the extent of formalization may vary across organizations, it is reasonable to assume that assessing and rewarding
individuals based on customer-satisfaction outcomes may have great practical implications for managers, and become a defining feature in managing the strategic goal of customer satisfaction (e.g., Hauser, Simester, & Wernerfelt, 1994; Sharma, 1997).

However, the true effects of the management practices that assess and reward FLEs based on customer-satisfaction outcomes have not been explored yet. Currently, literature has focused mainly on the performance effects and productivities. For example, managers’ commitment, practices/policies of service quality drivers and climate for customer satisfaction (Elmadağ, Ellinger, & Franke, 2008; Schneider, White, & Paul, 1998) at macro level, and its extended effects at micro level such as improved customer orientation and superior customer interactions of FLEs (e.g., Liao, 2007; Salanova, Agut, & Peiró, 2005; Spreng, Harrell, & Mackoy, 1995). The problem is that such partial focus on the performance effects results in ignoring the effect on the human beings involved. For example, unexpected behaviours are considered as responses of mal-adapted individuals, e.g., complaint hiding behaviour and behavioural coping of customer encounters (Bell & Luddington, 2006; Harris & Ogbonna, 2010). Naturally, there is a lack of understanding about the overall effects of this common practice, i.e., rewarding/punishing based on customer outcomes.

As an organizational behaviour (OB) researcher, I have been fascinated by the dynamics in the relationship between the organization and FLEs with regard to the use of customer satisfaction ratings. In particular, my attention was drawn to the contract relationship between FLEs and their organization, which has not been discussed in OB. For instance, being rewarded for customer satisfaction may encourage FLEs to exert outcome-oriented and calculative efforts in providing service for customers. However, discussions in OB mainly focus on the employment relationship and describe how essential it is to manage employees’ organizational membership for high performance, e.g., organizational identity, and organizational commitment. In this trend, there is a lack of research on the potential
conflicts between being an agent who seeks positive personal outcomes from customer encounter performance and being an organizational member whose duty is to safeguard organizational effectiveness. Control theorists suggest that managers’ choice of, and reliance on, contract relationship could influence the nature and dynamics of the employment relationship (e.g., Eisenhardt, 1985). Indeed, research finds that FLEs experience frustration and role conflicts when customer feedback is used to reward and correct FLEs (e.g., Bell & Luddington, 2006; Piercy, 1995). Therefore, it will be worthwhile to investigate more fully the relationship dynamics between FLEs and their organizations in contexts where organizations rely on customers’ monitoring for the management of its employees.

In this thesis I examine how this practice of relying on the customer monitoring creates tension on FLEs in their roles as an organizational member and as an agent, and how this tension influences FLEs’ role performance and relationships with organization. In the first essay, drawing on both the OB and Marketing literatures, this thesis develops a behavioural construct, termed as dual-goal service encounter behaviours (DSEB). By DSEB, I am able to describe contextual adaptation of FLEs who as decision-makers selectively respond to the specific rewards and punishments from both organization and customers. The development of this behavioural construct is timely, (cf. contextual behaviours, Griffin, Neal, & Parker, 2007). This two dimensional DSEB is the first contextual behavioural concept in service domain by relying on goal-setting theory (Locke & Latham, 1990) and self-regulatory mechanism of control theory (Carver, 2006). Also, this theoretically developed concept overcomes partial view on the roles of FLEs either being an organizational member or being an agent to customers. In order to show the usefulness of this DSEB construct I develop propositions with regard to its antecedents and its consequences.

The second essay is an empirical investigation and a report about how the tensions arise and are resolved in the employment relationship. Using qualitative research paradigm I
examined how formal and informal practices of customer outcome-based control create tension on FLEs and how these tensions are resolved by individuals. In particular, I focused on the process of authenticity transition in which individuals become outcome-oriented when the use of customer outcome-based control created tension between outcome for personal interest and process for organizational long-term interests. This empirical study is motivated by two gaps in literatures. First, the lack of focus on the effects of outcome-based control in service domain. Second, the gap between the macro and micro effects of strategic HRM processes. Combined together, we know little about how psychological tensions that triggered by strategic processes are managed and resolved by individuals of FLEs. To address this gap, this study inductively examined this tension experienced by individual FLEs, through interviewing 30 FLEs from 7 occupations (Airlines, Banks, Hospitals and Department stores) in South Korea and UK. Relying on the grounded theory process, data was collected and analysed. Thematic analysis was adopted to saturate the abstract of ‘caught-in-the-middle’ as being a representative context in which role conflict triggers psychological tensions between being an organizational member and being an agent. I find evidence of individuals’ coping responses and adaptation to the imposed outcome-based control under the strategic implementation. Contrary to the prediction of goal alignment of individual as an organizational member, the grounded model process suggests that strategic customer outcome-based control processes leads individuals to transform into agents who think and behave for themselves.

Thus, this thesis proposes that managers’ over-reliance on customer outcome-based control in managing FLEs will create disturbing dynamics in the relationship between the organization and FLEs. These dynamics deteriorate the employment relationship and promote an ‘agent’ mind-set. Consequently encounter interactions become opportunities for outcome-oriented or gaming-type behaviours, which has not been explained by traditional OB theories.
This argument was empirically tested within the strategic context of customer satisfaction ratings as provided by customers.

Finally, I must point out that earlier versions of the first and second essay were presented in American Marketing Association Summer Educators’ Conference in 2014 and 2015 respectively.
# Table of Contents

Dedication.................................................................................................................................i  
Acknowledgements ................................................................................................................... ii  
Summary .................................................................................................................................... iv  
Table of Contents ....................................................................................................................... ix  
List of Tables .............................................................................................................................. xiii  
List of Figures ............................................................................................................................. xiv

INTRODUCTION ...................................................................................................................... 1  
Motivation for The Research ..................................................................................................... 1  
Problem Statement .................................................................................................................... 3  
Purpose Statement ...................................................................................................................... 4  
Methods and Empirical Setting ................................................................................................ 4  
Significance of Study .................................................................................................................. 6  
Structure of Thesis ..................................................................................................................... 7

DUAL-GOAL MODEL OF SERVICE ENCOUNTER BEHAVIOURS ..................... 9

Chapter 1. Introduction ............................................................................................................. 9

Chapter 2. Literature Review ................................................................................................ 14  
2.1 Organizational Behaviour studies on Role behaviours ..................................................... 14  
   2.1.1 External view .................................................................................................................. 15  
   2.1.2 Interpersonal dynamics ............................................................................................... 15  
   2.1.3 Intention of actors ......................................................................................................... 16  
2.2 Marketing studies on Service encounter behaviours .......................................................... 17  
   2.2.1 External view ................................................................................................................ 18  
   2.2.2 Interpersonal dynamics ............................................................................................... 18  
   2.2.3 Intension of actors ....................................................................................................... 19

Chapter 3. Theory building of Contextual performance ......................................................... 22
3.1 Service encounter behaviour as Role performance ............................................. 22
  3.1.1 Guided by Role expectations ........................................................................ 22
  3.1.2 Work performance in Contexts ..................................................................... 24
  3.1.3 Aligned by Self-regulations ......................................................................... 25
3.2 Construction of Dual-goal model of Service encounter behaviours ...................... 28
  3.2.1 Two dimensional contexts by Organizational and Customer expectations ........ 29
  3.2.2 Definitions and Comparisons ...................................................................... 31
3.3 Propositions of DSEB in the organizational contexts .......................................... 44
  3.3.1 Customer emotion management as Antecedents of DSEB ......................... 44
  3.3.2 DSEB and Consequences at Individual-level .............................................. 55

Chapter 4. Discussion ................................................................................................. 64
  4.1 Theoretical Implication ..................................................................................... 64
  4.2 Practical Implications ...................................................................................... 68
  4.3 Limitations ........................................................................................................ 70
  4.4 Conclusion ......................................................................................................... 71

AUTHENTICITY TRANSITION INTO OUTCOME-ORIENTED FLES ........... 73

Chapter 5. Introduction ........................................................................................... 73

Chapter 6. Theoretical Background ......................................................................... 79
  6.1 Strategic functions of HRM ............................................................................... 79
    6.1.1 HRM & SHRM ............................................................................................ 79
    6.1.2 Alignment of Individuals with Strategic goal .............................................. 80
    6.1.3 Social dynamics .......................................................................................... 81
    6.1.4 HRM as Decisions of managers ................................................................ 82
  6.2 Outcome-based control .................................................................................... 83
    6.2.1 Definition .................................................................................................... 83
    6.2.2 Functions when fit ...................................................................................... 84
    6.2.3 Dysfunctions when misfit .......................................................................... 84
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.4 Reward and Performance Alignment</td>
<td>85</td>
</tr>
<tr>
<td>6.3 Rewarded and punished by Customer satisfaction ratings</td>
<td>86</td>
</tr>
<tr>
<td>6.3.1 Strategic importance</td>
<td>86</td>
</tr>
<tr>
<td>6.3.2 Misfit between Control and Task</td>
<td>87</td>
</tr>
<tr>
<td>6.3.3 Temporal compliance and Partial internalization</td>
<td>88</td>
</tr>
<tr>
<td>6.3.4 Evidence</td>
<td>89</td>
</tr>
<tr>
<td>6.4 Statement of the Research Problem and Question</td>
<td>90</td>
</tr>
<tr>
<td>6.4.1 Research Problem</td>
<td>90</td>
</tr>
<tr>
<td>6.4.2 Research Questions</td>
<td>92</td>
</tr>
<tr>
<td>Chapter 7. Research Design and Procedures</td>
<td>93</td>
</tr>
<tr>
<td>7.1 Methodological Approach</td>
<td>93</td>
</tr>
<tr>
<td>7.1.1 Rationale and Assumptions for a Qualitative Design</td>
<td>93</td>
</tr>
<tr>
<td>7.1.2 Positioning in Philosophical Assumption</td>
<td>94</td>
</tr>
<tr>
<td>7.1.3 Study Design</td>
<td>96</td>
</tr>
<tr>
<td>7.2 The Role of Researcher</td>
<td>97</td>
</tr>
<tr>
<td>7.2.1 Bracketing</td>
<td>98</td>
</tr>
<tr>
<td>7.2.2 Theoretical Sensitivity</td>
<td>99</td>
</tr>
<tr>
<td>7.2.3 Reflexivity</td>
<td>100</td>
</tr>
<tr>
<td>7.3 Data Collection Procedures</td>
<td>101</td>
</tr>
<tr>
<td>7.3.1 Bounding the Study</td>
<td>101</td>
</tr>
<tr>
<td>7.3.2 Data Collection</td>
<td>104</td>
</tr>
<tr>
<td>7.3.3 Data Process</td>
<td>107</td>
</tr>
<tr>
<td>7.4 Data Analysis Process</td>
<td>108</td>
</tr>
<tr>
<td>7.5 Quality Assessment and Limitations</td>
<td>112</td>
</tr>
<tr>
<td>Chapter 8. Findings</td>
<td>115</td>
</tr>
<tr>
<td>8.1 A Process model of Outcome-alignment of individuals</td>
<td>115</td>
</tr>
<tr>
<td>8.1.1 Being: Context of goal clarification</td>
<td>116</td>
</tr>
<tr>
<td>8.1.2 Challenged: Context of felt threats</td>
<td>124</td>
</tr>
<tr>
<td>8.1.3 Gaming: Context of resistance</td>
<td>132</td>
</tr>
</tbody>
</table>
8.1.4 Transforming: Context of constant self-renewal................................................................. 142
8.2 Theorising Outcome-alignment undergoing customer outcome-based control ................. 149

Chapter 9. Discussion and Conclusion .................................................................................. 151
9.1 Theoretical Contribution: Management by Customer satisfaction outcomes .................. 152
9.2 Implications to Research.................................................................................................... 156
9.3 Limitations.......................................................................................................................... 160

REFERENCES .......................................................................................................................... 161

Appendix A: Demographic Profile of Interviewees............................................................... 185
Appendix B: Interview Protocol............................................................................................... 186
List of Tables

Table 1 Summary of Behavioural concepts from OB and Marketing literatures .......... 21
Table 2 Being ........................................................................................................ 122
Table 3 Challenged.................................................................................................. 130
Table 4 Gaming...................................................................................................... 140
Table 5 Transforming.............................................................................................. 147
List of Figures

Figure 1 Framing the Dual-goal model of Service Encounter Behaviours (DSEB) ...... 29
Figure 2 DSEB linking Antecedents and Consequences at Individual-level ............... 44
Figure 3 Data Structure ......................................................................................... 111
Figure 4 Emerging themes of Outcome-alignment undergoing daily experiences ...... 116
Figure 5 Grounded model of Outcome-alignment under Strategic implementation.... 150
Declaration of Originality

‘I declare that this thesis submitted for the degree of Doctor of Philosophy is my own work. Any ideas or quotations from the work of others are appropriately acknowledged.’

Hae-Kyung Shin
Copyright

‘The copyright of this thesis rests with the author and is made available under a Creative Commons Attribution Non-Commercial No Derivatives licence. Researchers are free to copy, distribute or transmit the thesis on the condition that they attribute it, that they do not use it for commercial purposes and that they do not alter, transform or build upon it. For any reuse or redistribution, Researchers must make clear to others the licence terms of this work.’

Hae-Kyung Shin
INTRODUCTION

Motivation for The Research

Allocating resources for the achievement of organizational goals is an important activity in the implementation of strategy (e.g., strategic human resource management (SHRM) (Boxall & Purcell, 2011; Wright & Snell, 1998). This has implications for the management of front-line employees (FLEs) as I explain hereinafter. Policies and practices of performance measure/rewards systems are designed to reward individual members’ performance in order to achieve the desired customer-satisfaction outcomes as customer satisfaction is one of the means-goal (or intermediate goals) (Chenhall & Langfield-Smith, 2007, p. 270). For this reason, management practices of rewarding/punishing FLEs based on customer satisfaction ratings may be an essential part of strategic implementation, in line with the end-goal of financial benefits and competitive advantages (Banker, Lee, Potter, & Srinivasan, 1996; Heskett, Iones, Loveman, & Sasser, 1994; Kaplan, 2004; Kaplan & Norton, 1992). In contrast to its growing popularity among modern service organisations, its overall effects have not been yet investigated for the following reasons.

First, little theoretical attention has been paid to the nature of this control practice. In the literature of performance management and measurement, it is termed as outcome-based control, if resources are allocated by the outcome of performance, whereas when rewards are assigned by the behaviours, it is termed as behaviour-based control (Eisenhardt, 1985; Ouchi, 1977). At best, outcome-based control of sales personnel management in the marketing and service management literature is the closest and most relevant discussion in the academic literature. However, customer outcome-based control of FLEs and sales outcome-based control may not be interchangeable. The sales management literature on outcome-based control (e.g., Anderson & Oliver, 1987; Oliver & Anderson, 1995) informs us specifically of salesperson’s conflicts (e.g., selling- versus customer-orientation) (e.g., Saxe & Weitz, 1982).
Although, salesperson performs customer encounter task, their outcome-based control concerns about sales output, but do not focus on the service encounter (i.e., non-sales) activities of FLEs, which is the focus of this thesis. More importantly, encounter performance has inherent conflicts of FLEs between organizational well-being concern versus customer well-being concern (Schepers, Falk, Ruyter, Jong, & Hammerschmidt, 2012).

Second, the phenomenon and its discussion has been fragmented due to disciplinary or domain boundaries. In other words, although, this particular practices of reward system may belong to the outcome-based performance measurement literature initially, ultimately it belongs to the part of strategic implementation (e.g., Balanced Scorecard, Kaplan, 2004; Kaplan & Norton, 1992). Control literature (e.g., Eisenhardt, 1985) suggest that managers devise performance management system, not only for having a better employment relationship but also to increase the chances of survival in the highly uncertain business environment. To illustrate, employers decide the extent of outcome-based control in order to share managers’ own risks with employees. For this reason, examining the outcome-based control may need to consider the strategic contexts, as such contextual imperatives will give rise to the managers’ choice of and reliance on customer outcome-based control. Thus, study of outcome-based control in relation with customer satisfaction outcomes may benefit from the broader SHRM perspective rather than the narrower domain of personnel management.

As a result, we have little understanding about the overall effect of using customer outcome-based control. However, several researchers have already noticed ‘dark side’ of customer satisfaction strategy on FLEs; Silvestro and Cross (2000) describe that employees are exploited for the profits in the linkage of ‘satisfied employee-satisfied customer-profitable organization’. The findings of Bell and Luddington (2006) show the demoralization of FLEs in response to the use of customer complaints in the formal feedback system. Researchers generally agree that performance impact of customer outcome-based incentive may occur
only in the contingency with other factors such as customer profiles and associated behaviour based control (e.g., Banker et al., 1996). As empirical evidence and commentaries start to emerge with evidence of negative implication, it is time to start discussion about the nature of rewarding/ punishing FLEs based on customer outcome, and find out appropriate location in the academic domain.

**Problem Statement**

There is a lack of integrated understanding about management of FLEs in the literatures with regard to the fundamental cybernetic control process of ‘input-process-output’ (Jaworski, 1988; Wright & Snell, 1991). Accordingly, the *process* is the mechanism through which FLEs align attitudes and behaviours with organizational goals (Eisenhardt, 1985). By this *process*, organizational management practices as an *input* may be able to make changes or improvements in the *output*, i.e., firm profit. Thus, the *process* is important. Macro and meso-level inputs together are known to influence individuals’ attitudes and behaviours through culture, climate and socialization. For example, managers’ commitment and passion for customer satisfaction will shape attitudes and guide behaviours of FLEs (e.g., Schneider, Wheeler, & Cox, 1992). However, partial view from the productivity perspective inhibits us from having holistic view of the *process* through which FLEs respond to the managers *input*.

At the core of *process*, it is the relationship dynamics between the organization and FLEs, which is influenced by the use of and reliance on customer outcome-based control. On one hand, employment relationship between the organization and FLEs are based on basic employment contract and psychological reciprocities such as psychological contract and social exchange. Under the employment relationship, customer is external entity whereas organization and FLEs are one entity. On the other hand, customer outcome-based control separates FLEs from the organization as independent entities in providing service to customers, with the former (i.e., the FLEs) being the agent of the latter (i.e., the organization).
And the FLEs, as per principal agent theory, could act in their own self-interest. The current literature does not explain how the use of customer outcome-based control could influence the process by which FLEs develop attitudes and behavioural routines which may sometimes conflict between their roles of being an independent agent and an organizational member.

**Purpose Statement**

The one overarching purpose of this thesis is to develop theory about how FLEs respond to the tensions that arise from the use of customer outcome-based control within the context of strategic implementation of customer objectives. This report consists of two theory building essays. The first focuses on the tensions between the dual roles FLEs occupy during encounter performance as an organizational being and an agent, and how FLEs respond to the simultaneous pressures from the customer and organizational expectations. By developing a new behavioural concept, it describes goal-approaching nature of encounter performances as a construct of contextual performance. The second focuses on psychological tensions of FLEs when customer outcome-based control is implemented, and how this tension arises, is managed and resolved. The process of authenticity transition describes how FLEs adjust and align self with the outcome rather than the process. It is important to note the differences in terms. Outcome-based control refers to the formal ways of assessing and rewarding performance. Outcome-oriented control refers to employees’ perception that outcomes rather than processes are excessively emphasised in the organization by not only formal outcome-based control but also by informal routines thus the process become less important than producing outcomes in the organizational routines.

**Methods and Empirical Setting**

After evaluating potential research methods, I decided on a qualitative research approach. Qualitative approach serves the aim of this research for three reasons. Firstly, it is to generate theory rather than to test, as there is little understanding about the psychological
phenomena of interest. Given this lack of research, qualitative approaches assisted by
grounded theory are suitable (e.g., Strauss & Corbin, 1994). Secondly, it focuses on
psychological processes rather than the performance (e.g., Bell & Luddington, 2006). Thus,
quantitative modelling is not necessary and the interview method is more appropriate. Thirdly,
it is about practicability. Outcome-based control may be implemented as various
idiosyncratic managerial practices across organizations. Even, contingency frame may not
able to apply all other combinations of formal and informal management practices in order to
capture the outcome-based control effects. Through qualitative research techniques I focus on
the essence of these practices that influence people rather than the types of practices itself.

For these reasons, I sought to collect real life experiences of FLEs who were recruited
from different service industries, and occupations. The selection criterion was that their
organizations adopted performance management systems based on customer satisfaction.
Thus, this methodology ensured that the participants were selected based on theoretical
sampling (Strauss & Corbin, 1994), which is the fundamental requirement of grounded theory
development. By contrast, the organizational/ social settings from where the samples were
obtained were intended to diversify as much as possible in order to validate the findings by
comparing cases from diverse organizational contexts. Although, this qualitative study limits
generalizability of the findings, given the fact that the customer outcome-based control itself
is assumed to be representative of modern service organization, observation of FLEs’ self-
construction process should capture generalizable aspects of control effects. Thus, settings
were diversified between Korea and UK, comparing between the same occupations, and
across occupations.

To fulfill the purpose of theory building about control effect on intra-personal level, I
utilize phenomenological interview method. I conducted in-depth interviews with middle-
managers and FLEs to obtain information about top managers’ customer outcome seeking
tendency, the use and usefulness about the customer outcomes in managing FLEs, and the encounter tendencies.

**Significance of Study**

This thesis makes contributions across several literatures. The primary contribution resides in the management control systems (MCS) literature. The literature suggests that management control effects occur not only by the control inputs, but also by the learning capacities of the people who being controlled (Argyris, 1977; Otley, 2003). This research compensates for the imbalance in the management control literature that mainly investigates designs and implementation issues, and which categorizes those reasonable human responses as dysfunctional consequences (Otley, 2003). This research makes the case that these dysfunctional consequences are not an exception but a natural consequence of the process. Also, my framework provides a new perspective for integrating control literatures which were previously separated either functional or dysfunctional outcomes.

Secondly, this study contributes to the strategic management literature. The trend in this literature is to assess strategic control effects from contingency frame. Idiosyncratic organizational characteristics may interact with any implemented strategic tools. The effect of the strategy may depend on combinations of designs and operations of measures/rewards issues and unmeasurable informal processes (e.g., Banker et al., 1996). Presumably, inputs produce synergetic or interfering control effects, and any control effects would be difficult to attribute direct effects of design or operation issue alone. By providing insights into the ‘process’ of individuals’ self-construction and encounter behaviours, this thesis responds to the call for research that bridges the separation between SHRM effect on firm performance and on individuals (Becker & Huselid, 2010; Guest, 1999).

Lastly, this thesis contributes to the literatures of organizational behaviours and service management. Current researches on behaviours focus on individual differences and
psychological properties. Although, researchers called for contextual consideration (Griffin et al., 2007), this call of urgency is not answered yet. As a contextual performance, DSEB provides compensatory approach to the structural view of role and role taking. Through DSEB, predictions of FLEs’ goal approaching activities can be improved based on contextual and situational constrains and opportunities.

**Structure of Thesis**

The remainder of this thesis comprises two substantive essays. The theoretical model developed in the first essay consists of four chapters. The Chapter 1 introduces how academics have described the dynamics of encounter behavioural constructs, and proposes an alternative view on the meanings of encounter behaviours as contextually determined representation. Chapter 2 delineates three goals from FLEs’ perspectives within existing behavioural conceptualization. Chapter 3 formulates discrepancy management model of DSEB based on goal-setting theory and approach/avoidance self-regulatory mechanism, and presents the structure of DSEB. It also compares the new framework with existing concepts. At the end of Chapter 3 I propose several linkages between contextual performance and personal outcomes. Chapter 4 concludes with assessment about the contributions DSEB construct in the service management and researchers on encounter behaviours.

The empirical model developed in the second essay consists of five chapters. In Chapter 5, I introduce the topic of dysfunctional responses to customer satisfaction ratings and reward practices, which guides the focus of the literature review in Chapter 6. The review was performed with specific focus on the paradoxical co-existence of functional and dysfunctional responses from both literatures of strategic HRM and outcome-based control. Consequently, at the end of Chapter 6, I locate this phenomenon within the theoretical perspectives of outcome-based control in service domain, which then becomes articulated
into research questions. Chapter 7 contains information about the process of building theory based on empirical data and information about the researcher’s quality ensuring process and activities in methodology. Information from Chapter 7 provides the justification for the choice of research design, including data collection, analysis, and interpretation. Chapter 8 presents the outcomes from Chapter 7 in detail construing along two ways, main themes and a grounded model of process. The findings are accompanied by supporting data in the forms of tables and figures in order to assist readers’ understandings. The final Chapter 9 concludes the findings from the theoretical points, and assesses whether intended contributions were accomplished and whether any potential for the future researchers in the service management area.
Dual-goal model of Service encounter behaviours

Chapter 1. Introduction

Consider this episode of encounter between a customer and FLEs.

On a flight, a passenger, who had paid for his music instrument, i.e., contrabass, to be stored in a business class seat, insisted on keeping an eye on it and demanded to be seated right next to his instrument during the flight. The airline has a strict rule against unauthorised up-grade. His seat was in the less premier class. If the flight purser allows him to be seated in business class, he will be questioned by his supervisor later and punished; also he thought that other passengers will not be happy and feel unfairly treated. But he was not able to confront the persistent passenger anymore because of the organizational goal of customer satisfaction. He eventually allowed the passenger to be sat in business class because he was concerned about customer complaints. What worried him was that customer may attribute blame to the FLE for his attitude during the dispute and for his (i.e., the customer’s) dissatisfaction. The FLE in this case needed to accomplish his duty smoothly without formal complaints and satisfy the needs of customer, and more importantly safeguard his career.

Organizational goals provide organization members with targets, plan and motives, and reasons for persistence in their actions (Locke & Latham, 1990). As described in the episode, customer satisfaction targeted activities by FLEs evolve during encounters so as to swiftly address the customer needs, which are immediate and present. Although, the significance of overarching organizational goal of customer satisfaction may explain the direction and persistence of FLEs’ customer-focused behaviours, it appears that the anticipated personal significance also explain such swift, flexible, otherwise rigid responses of FLEs. This study
develops a conceptual framework of FLEs’ goal-oriented actions during the service encounter, which are motivated by the external two goals, targeting organization and customer.

A service encounter in the marketing literature is defined as “the moment of interaction between a customer and a firm” (Bitner, Brown, & Meuter, 2000, p. 139) and “a period of time” (Shostack, 1985, p.243). During service encounters, ‘critical moments of truth’ refer to the customers experience of service provided (Bitner, Booms, & Tetreault, 1990). Some service encounters may involve human elements in service, which means “dyadic interaction between a customer and service provider” (Surprenant & Solomon, 1987, p. 87). Some service encounters may not involve human interactions but service could involve physical facilities or other tangible elements as long as “customers can directly interact with a service” (Shostack, 1985, p. 243). I focus on the service encounter with dyadic and human interactions between customers and FLEs. Solomon and his colleagues described service encounter performance as “the purposive, task oriented nature of interaction…. Specific short-term goals are clearly defined and agreed upon by society” (Solomon, Surprenant, Czepiel, & Gutman, 1985, p. 101).

For long, concepts of service encounter performance have been approached from two distinct and separate domains, organizational behaviour (OB) and Marketing. By and large, theorizing the role performance of service encounter remains divided between OB and Marketing literatures, by which OB researchers attribute behaviours for effectiveness of organizations, whereas marketers attribute behaviours for effectiveness of customers.

In general, OB literature relates encounter performance with the responses to the organizational and job characteristics, i.e., FLEs’ role performances are influenced by the performance managements and HR practices. In this trend, the OB literature explains encounter performance as a combination of individuals’ attitudes and intentions with organizational contributions, in constructs such as organizational citizenship behaviour
(OCB) (Organ, 1988), discretionary service behaviours (Blancero & Johnson, 2001), proactive customer service performance (Rank, Carsten, Unger, & Spector, 2007), service-oriented organizational citizenship behaviours (Bettencourt, Gwinner, & Meuter, 2001) and prosocial service behaviour (Bettencourt & Brown, 1997).

However, marketing researchers consider encounter performance as a role playing by actors (FLEs), to which audiences (customers) actively participate and influence the FLEs’ role playing and determine service outcomes with their own behaviours (Arnould & Price, 1993; Grove, Fisk, & Dorsch, 1998). From this dyadic interaction perspective, encounter performance has been used either to describe the results of interactions with the immediate customer, customer responses, or to predict customers’ responses, in constructs such as surface-, deep acting (Diefendorff, Croyle, & Gosserand, 2005; Diefendorff & Richard, 2003) of emotional labour (Hochschild, 1983), customer orientation (CO) as observable behaviours (Hennig-Thurau & Thurau, 2003; Saxe & Weitz, 1982) or underlying attitudes (Brown, Mowen, Donavan, & Licata, 2002; Donavan, Brown, & Mowen, 2004), and service quality attributes such as responsiveness and empathy (e.g., SERVQUAL) (Parasuraman, Zeithaml, & Berry, 1988) and effort (Mohr & Bitner, 1995).

Although, this exhaustive list of conceptualizations concerns domain specific effectiveness for organization or for customer outcomes, their focus reside in partial role that FLEs play. Thus, majority of concepts describe FLEs’ roles either as organizational members or actors, but not both as organizational member and actor in service encounter settings. Recently, few behavioural constructs (e.g., prosocial role breaking, customer oriented deviance) have started to give attention to the fact that FLEs performance involves evaluations of effectiveness for organization, which may exert different effectiveness for customers (e.g., Leo & Russell-Bennett, 2012; Morrison, 2006). Still, they only highlight the conflicting effectiveness. The effectiveness may or may not be congruent between
organization and customer. FLEs’ responses to this dynamics are missing in the existing conceptualization of service encounter performance, and this is the gap this essay addresses.

The call for the greater attention to the organizational contexts is not new in the study of role behaviours (Rousseau & Fried, 2001). In marketing literature, Solomon and his colleagues proposed that “the appropriateness of behaviour is determined by others”, as encounter role behaviours are interdependent between customer and FLEs (1985, p. 108). In the OB literature, Griffin and his colleagues called for more study with regard to contextual performance, and argued that “interdependence in a work context determines to what extent work roles are embedded within a broader social system” (2007, p. 327).

This essay assumes context-dependent value of service encounter behaviours and depicts individual’s anticipatory responses to the situational contexts. Relying on goal-setting theory and control theory (Carver, 2006; Carver & Scheier, 1982; Locke & Latham, 1990, 2006), I argue that service encounter performances are part of a goal-approaching process in which organizational customer satisfaction goal affects direction, effort, persistence of encounter activities that serve for the two role perspectives from organization and customer simultaneously. More specifically, I propose the behavioural dynamics in which the ways of approaching multiple goals are managed by FLEs who approach events which are rewarded, and avoid events which are punished by 1) organization and 2) customers.

This paper contributes to both theory and practice. Specifically, from an academic perspective, this paper responds to the calls for more study of context-specific behaviours (Rousseau & Fried, 2001). It is in line with the research efforts toward better understanding of role performance in modern and dynamic organizational contexts - contexts in which prescribed job descriptions are less relevant (Griffin et al., 2007). Also, this paper contributes to goal-setting theory by extending it from single-goal contexts to multiple goal contexts. Latham and Locke (1991) point out that in real-life with multiple goals, people decide actions
which is “relevant to their own life interests and goals” (p.225). Thus, according to them, in multiple goal contexts, the effect of goal setting and goal commitment on performance outcomes will be different from performance effects in single goal contexts. Fundamentally, this essay contributes to connect the two relevant domains of OB and service marketing. Service encounters from OB have been predicted in the view of reasoned and planned action, whereas marketing literatures view it as situational role playing incorporating customer dynamics. Bagozzi (1992) argued the attitudes and intentions are not sufficient for enactment. Thus, combining the two domains will contribute to the better holistic understandings of encounter activities.

Managers may also benefit from this contextual performance model, by which managers able to manipulate desired behavioural responses of FLEs by adjusting reward/punishment practices. The model provides insights into the response patterns of FLEs. As a result, troubled managers may effectively modify performance management systems by redesigning the appraisals and rewards for service encounter interactions. by doing so, managers’ intervention can be more accurate in producing effects on the human resource management and performance management on performance (e.g., Werner, 2000).

This paper is organized in the following manner. Chapter 2 provides a literature review which summarizes existing conceptualization of service encounter performance from domain specific (i.e., OB and Marketing) perspectives. As a result, it will highlight the gap in the literature with regard to the potentially conflicting task goals for FLEs. Chapter 3 develops the conceptual framework based on goal approach-avoidance tendency of human behaviours, which resolve the afore-mentioned conflicting goals. It also develops propositions that linking interpersonal dynamics to the behavioural model, and the behavioural model to the human resource outcomes. Chapter 4 summarizes the contribution of this theorizing and the implications for future research and for practices.
Chapter 2. Literature Review

The aim of this literature review is to demonstrate varieties and redundancies that different behavioural constructs have captured by different definitions. For this purpose, I review the two major domains, i.e., management of organizational behaviours (OB) and marketing, and evaluate the existing behavioural constructs which are frequently used to predict and measure service encounter performance. Table 1 provides a summary of constructs, organized by two criteria. First, it is whether the behaviour is primarily for organization or customer interest, which are summarised in the two columns of 1) organizational effectiveness and 2) customer effectiveness. Second, it is whether the focal aspects of behaviours are defined differently by external observer of the behaviour or intension of the actor. Note that the purpose of this review is to provide evidence of redundancies and unsystematic production of behavioural concepts applied to the service encounters. Thus, as there is no clear line between behaviours of formal rules and complete voluntary, I organize them in three rows by descending degree of ambiguity in the intention of specific behaviours, 1) external view, 2) interpersonal dynamics, and 3) intention of actor.

2.1 Organizational Behaviour studies on Role behaviours

Researchers in the OB domain have been interested in the work behaviours that employees intend or the outcomes potentially improve functioning and effectiveness for organizational goal achievements (Motowidlo, 2000; Organ, 1997). The underlying assumption is that organizational functioning may not be achievable with prescribed behaviours alone (Motowidlo, 2000). For this reason, research interests have focused on voluntary, discretionary and extra-role contributions of individuals. Accordingly, the concepts can be categorised as work context specific, interaction specific, and individual specific elements.
2.1.1 External view

Employees’ responses to the situational demands are conceptualized as *contextual performance* (Borman & Motowidlo, 1997), *extra-role behaviour* (Van Dyne, Cummings, & Parks, 1995), and *OCB* (Organ, 1988). Contextual performance is defined as activities that “support the organizational, social, and psychological environment in which the technical core must function” (Borman & Motowidlo, 1993, p. 73). Extra-role behaviour is defined as “behaviour which benefits the organization and/or is intended to benefit the organization, which is discretionary and which goes beyond existing role expectations” (Van Dyne et al., 1995, p. 218). OCB is defined as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization” (Organ, 1988, p. 4). Thus OCB can be seen as individual differences that make individual tendency of civic citizenship at work. Later work redefined and expanded OCB as contextual performance as “contributions to the maintenance and enhancement of the social and psychological context that supports task performance” (Organ, 1997, p. 91).

2.1.2 Interpersonal dynamics

Employees’ emotional expression is a part of encounter performance, which is termed as *emotional labour* (Hochschild, 1983). Emotional labour is defined as “the management of feeling to create a publicly observable facial and bodily display” for commercial purpose (Hochschild, 1983, p. 7). Organizational standard for desirable expression-display rules-functions as task requirement to which FLEs self-regulate emotional states to create emotional display either modifying feelings to align with the display rules (*deep acting*) or emotional expression to be aligned with display rules (*surface acting*) (Brotheridge & Lee, 2003). In relation with dissonance between work role and authenticity, relevant concept is *personal engagement & disengagement* (Kahn, 1990), which refers to the varying degrees of
‘self in role’ states. “Personal engagement is the simultaneous employment and expression of a person’s “preferred self” in task behaviours that promote connections to work and to others, personal presence (physical, cognitive, and emotional), and active, full role performances” (Kahn, 1990, p. 700). “Personal disengagement is the simultaneous withdrawal and defence of a person’s preferred self in behaviours that promote a lack of connections, physical, cognitive, and emotional absence, and passive, incomplete role performance.” (Kahn, 1990, p. 701).

2.1.3 Intention of actors

Individual differences are observed from dispositional and attitudinal tendency of individuals. Pro-social tendency have been captured by concepts such as pro-social rule-breaking (Morrison, 2006) and prosocial service behaviour (Bettencourt & Brown, 1997). Prosocial rule-breaking is defined as “any instance where an employee intentionally violates a formal organizational policy, regulation, or prohibition with the primary intention of promoting the welfare of the organization or one of its stakeholders” (Morrison, 2006, p. 6). Pro-social rule breaking could be categorised as negative work behaviours, however, the intention in this concept is potentially beneficial to organization therefore it is a positive work behaviour.

Prosocial service behaviour refers to “the helpful behaviours of employees directed toward the organization or other individuals”, in which the foci of behaviours as customer and co-workers (Bettencourt & Brown, 1997, p. 41). Similarly, proactive individual characteristics are captured in proactive customer service behaviour (Rank et al., 2007), which are originated from traits such as personal initiative (Frese, Fay, Hilburger, Leng, & Tag, 1997) and proactive personality (Bateman & Crant, 1993). Proactive customer service behaviour is defined as ‘individuals’ self-started, long-term-oriented, and persistent service
behaviour that goes beyond explicitly prescribed performance requirements” (Rank et al., 2007, p. 364).

*Defensive behaviour* (Ashforth & Lee, 1990, p. 622) is also part of proactive performance toward self at work, which is defined as “reactive and protective actions intended to reduce a perceived threat to avoid and unwanted demand of on individual or group.” Also, different attitudes towards their organizations have been depicted as attributes to the stable differences to the work performance, which is depicted in discretionary service behaviours (Blancero & Johnson, 2001). Discretionary service behaviours are defined as “discretionary, premeditated behaviours undertaken by service agents during encounters with customer”, which resulted from FLEs’ intentions based on evaluations of perceived organizational support and experiences of psychological contract with employer (Blancero & Johnson, 2001, p. 309).

### 2.2 Marketing studies on Service encounter behaviours

The marketing literature describes FLEs’ encounter behavioural representation as antecedents to the customer effectiveness, which may lead to organizational effectiveness (Piercy & Morgan, 1991; Piercy, 1995). Thus, conceptions of role performance take a view from customer effectiveness rather than organizational effectiveness, assuming customer satisfaction is a precursor of organizational effectiveness. Based on this logic, effective behaviours are related to the customer-focused utility, e.g., to meet customer needs and to satisfy subjective expectations. Clearly, behavioural concepts rely on customer views, which do not necessarily distinguish whether the behaviours are in-role or extra-role. In fact, observed behavioural aspects that may improve effectiveness of customers also categorised into work context specific, interaction specific, and individual specific concepts.
2.2.1 External view

As for customer effectiveness, FLEs’ situational responses have received research attentions to the adaptive performance of FLEs in terms of degrees of flexibility and spontaneity. Adaptiveness refers to adaptive strategies used by frontline employees to customize their behaviours to meet customer’s need (Gwinner, Bitner, Brown, & Kumar, 2005, p. 132). Adaptability is defined as “the ability of contact employees to adjust their behaviour to the interpersonal demands of the service encounter” (Hartline & Ferrell, 1996, p. 55). Adaptive and proactive service recovery behaviour refers to “adjusting behaviour to optimally respond to customer’s complaints …and… behavioural initiative aimed at improving the current work circumstances in general or creating new one” (de Jong & de Ruyter, 2004, p. 459-460). Responsiveness represents one of five dimensions of assessment criteria when customer use to assess service quality, which is defined as “willingness to help customers and provide prompt service” (Parasuraman et al., 1988, p. 23). Customer oriented deviance is behaviour its intention is good but the degree of rule bending for customer is not acceptable level by organizational rule. It is defined as “frontline employees exhibiting extra-role behaviours that they perceive to depart from rules or prescribed norms of organization in the best interest of the customer during service encounters, which may or may not be functional to the organization” (Leo, 2010, p. 21).

2.2.2 Interpersonal dynamics

Customer perceptions such as effort (Mohr & Bitner, 1995) and empathy (Parasuraman et al., 1988) appear to be influential on customer effectiveness. Employee effort refers to the process in which employee exerts “the amount of energy put into a behaviour” and “the display of effort is part of what the customer may observe during the service encounter” (Mohr & Bitner, 1995, p. 240). Empathy is one of five dimensions of service quality assessment criteria customers use (i.e., tangibles, reliability, responsiveness, assurance and
empathy) (Parasuraman et al., 1988), which is defined as “caring and individualised attention the firm (and FLEs) provide (to) its customers.” (Parasuraman et al., 1988, p. 23).

2.2.3 Intension of actors

Marketing literature emphasised service personnel’s traits and dispositional factors that mediate firm’s customer oriented practices and the effectiveness customer outcomes (i.e., customer orientation, service orientation, service oriented OCB) (Bettencourt et al., 2001; Donavan et al., 2004). Customer orientation (CO) is defined as “an employee’s tendency or predisposition to meet customer needs in an on-the-job context” (Brown et al., 2002, p. 111). CO as well represent behavioural “practices of the marketing concept at the individual level” of the FLEs and customer (Saxe & Weitz, 1982, p. 343). Service oriented OCB (Bettencourt et al., 2001) duplication of OCB into service employee behaviours. Customer-oriented boundary-spanning behaviours (COBSBs) is defined as “customer-linking behaviours that contribute to the development of market-driven capabilities and resources” (Bettencourt, Brown, & MacKenzie, 2005, p. 142).

The problem is that, occasionally this recipient-centred conceptualization has ignored the other stakeholder present in the service encounter that FLEs also need to focus on at the same time (Leo & Russell-Bennett, 2014; Morrison, 2006). Only a few scholars have addressed this, i.e., prosocial rule-breaking (Morrison, 2006) and customer oriented deviance (Leo & Russell-Bennett, 2014). The former highlighted the dilemma of FLEs who experience role conflict and treated prosocial rule-breaking as positive construct, focusing on the good-will intention of working well and smoothly (Morrison, 2006). The same type of behaviours are termed as deviant behaviours in the latter (Leo & Russell-Bennett, 2014), highlighting rule-breaking aspects although combined with good-will intentions. As evidenced in the existing trend, when conceptions of observable encounter behaviours are depicted by partial observer’s eyes, the same role conflict resolution behaviours are categorised in different ways.
Therefore, it can be summarised as that description of behaviours misses the point of contextual values that may give appropriate angle for meaningful framework of encounter behaviours.
Table 1 Summary of Behavioural concepts from OB and Marketing literatures.

<table>
<thead>
<tr>
<th>Value assessed by</th>
<th>Primary Foci of behaviours by</th>
<th>Organizational Effectiveness</th>
<th>Customer Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External view</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contextual behaviour (Borman &amp; Motowidlo, 1997)</td>
<td>Adaptiveness (Gwinner et al, 2005)</td>
<td>Adaptability (Hartline Ferrell, 1996)</td>
<td></td>
</tr>
<tr>
<td><strong>Interpersonal dynamics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychological engagement &amp; disengagement (Kahn, 1990)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Intention of actors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prosocial service behaviour (Bettencourt &amp; Brown, 1997)</td>
<td>Customer Oriented Behaviours (Saxe Weitz, 1982)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive C S B (Proactive B) (Rank et al, 2007)</td>
<td>Service-Oriented OCB (Bettencourt, Gwinner &amp; Meuter, 2001)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defensive behaviours (Ashforth &amp; Lee, 1990)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive and Negative discretionary service behaviours (Blancero &amp; Johnson, 2001)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chapter 3. Theory building of Contextual performance

In this section, I develop the ‘Dual-goal model of service encounter behaviours’ (DSEB). This model is based on goal-setting theory (Latham & Locke, 1991) and control theory (Carver & Scheier, 1982). Unlike goal-setting theory, which is based on single performance goal, this model considers two goals which are embedded in the roles FLEs take. Further, it focuses on how individuals prioritize between multiple goals, and depicts with self-regulation mechanism proposed by control theory (Carver, 2006). As a result, this model is unique as it operates both approaching and avoiding strategies simultaneously in order to accomplish goals. First, I start with literature review and describe role performance during service encounter as role-holders’ responses to the multiple role expectations from stakeholders. Second, I develop the two dimensional model that depicts service encounter behaviour as role-holders’ adaptive alignment of organizational goal and task goals and coordination by situations.

3.1 Service encounter behaviour as Role performance

3.1.1 Guided by Role expectations

Role expectation refers to the scripts of behavioural obligations, options and constrains, which is associated with the role of persons in social positions (Biddle, 1986, p. 69). The role theory perspective adopts a theatrical metaphor in that role expectation arises with the “parts” the role player takes and the “script” the role player plays (Biddle, 1986). Thus, role expectation on FLEs may be said that the scripts of behaviours that assigned to the role of FLEs as a social identity at work, which is not to the person. For example, an individual who takes a role of FLEs at work, may take a role of customer at the restaurant in her private time. Depending on different role, the role players do play behaviours appropriate to the social identity and situations accordingly (Turner, 2001).
Multiple social roles and accompanied identities may occasionally overlap. For example, FLEs take two roles as a member of organization and as a service steward to customers. Over and above those two roles, FLEs themselves have their own role expectations out of distinctive personal values and preferences. For this reason, encounter interactions are frequently termed as service triangle (Gutek, Groth, & Cherry, 2002). By occupying multiple social roles, FLEs’ role performance require to be coordinated between the role expectations perceived from organization, customer and their own (e.g., Biddle, 1986). Thus, during encounters, the inherent tensions between multi-faced role expectations may easily arise.

FLEs’ activities that narrow the gap between customer expectation and experience are important cue to the understanding of encounter role performance. It is because outcomes of service activities manifest themselves as customer evaluations in the degrees between satisfaction and dissatisfaction and disconfirmation of expectation (Oliver, 1981, 1993; Woodruff, Cadotte, & Jenkins, 1983). Based on this understanding, marketers proposed five sources of discrepancy experiences between expectations; 1) customer expectations and management perception of customer expectation, 2) management perceptions of customer expectations and firms’ actual specifications for service, 3) service quality specifications and actual delivery of service, 4) delivered service and customer perceived service, and 5) experienced service and expected service (Parasuraman, Zeithaml, & Berry, 1985). Given the multiple gaps that may cause a threat to the customer satisfaction and disconfirmation, it is highly likely that FLEs may try to bridge the gaps expectations held by customers, management and even FLEs themselves through appropriate behaviours during encounters.

Relatively less studied aspect is about how these multiple role expectations are incorporated simultaneously by FLEs. In fact, role theorists argue that role players take up the role-set as a totality, and expected appropriate behaviours are interdependent with behaviours
of counterparts in the social roles (Merton, 1957; Rose, 1962; Turner, 2001). Intensive
empirical evidence from role conflict literatures imply that the two roles of being an
organizational member and being a service provider are inseparable role-sets of FLEs (Chung
& Schneider, 2002; Hartline & Ferrell, 1996). Yet, little attention has been given to these
role-sets as a totality. Thus, the extant literature does not explain how the multiple role
expectations are incorporated into encounter performance.

3.1.2 Work performance in Contexts

Work performance refers to “the types of behaviours that are valued in organizations
and that are important for effectiveness” (Griffin et al., 2007, p. 328). OB and Marketing
scholars have both addressed FLE work behaviour but have conceptualized role behaviours
differently. Marketers take dramaturgical view, and interpret the encounter performance as
role plays taken by FLEs with customer role players, both of whom have their own purposes
in the course of interactions (Arnould & Price, 1993; Grove et al., 1998; Solomon et al.,
1985). OB scholars describe individuals’ work performance as outcomes of relatively stable
personalities, attitudes, abilities and willingness of individuals, in response to the demands
and resource of job and organization (Barrick & Mount, 1991; Judge, Thoresen, Bono, &
Patton, 2001; Menguc, Auh, Fisher, & Haddad, 2013; Meyer, Paunonen, Gellatly, Goffin, &
Jackson, 1989).

In general, current literatures on behavioural concepts of FLEs’ role performance are
mainly constructed from individual differences (i.e., stable characteristics of individuals such
as personality, customer orientation, and proactivity). In this tradition, the individuals are
described as playing a key role in determining whether to perform fixed tasks or to expand
responsibilities by their understanding of role demands in dynamic contexts (Borman &
Motowidlo, 1993; Crant, 2000; Parker, 2007; Pulakos, Arad, Donovan, & Plamondon, 2000;
Smith, Organ, & Near, 1983). The assumption underlying this trend is that the job is well-
defined, and individuals can decide discretionary contributions on top of the compulsory tasks for organizational effectiveness (Borman & Motowidlo, 1997; Organ, Podsakoff, & MacKenzie, 2005).

Some researchers argue that “context shapes and constrains the behaviours that will be valued in organization” (Griffin et al., 2007, p. 328). Theorists in work role performance have suggested that work role performances are embedded in the contexts where the role performances are enacted (Griffin et al., 2007; Ilgen & Hollenbeck, 1991; Ilgen & Pulakos, 1999; Rousseau & Fried, 2001). Managers’ and FLEs’ ‘passion for service’ is impacted by the nature of the service climate created in the organization (Schneider et al., 1992).

In fact, work role performance in service encounter is characterised as having ill-defined and idiosyncratic tasks and problems, and is difficult to standardise and intangible, as it remains as memorable experience (Grönroos, 2007; Lovelock, 2011; Pine & Gilmore, 2011). For the reasons, it is believed that encounter performance requires FLEs to play active role in the interpersonal approach to the customer participation (Czepiel, 1990; de Jong & de Ruyter, 2004). Prior researches suggest that FLEs adjust personal emotion to address the interpersonal demands arise in the service encounters (Grandey, 2000; Hochschild, 1983). Marketers inform us that not only FLEs but also customers themselves self-regulate affective and behavioural exchange with FLEs (Medler-Liraz & Yagil, 2013; Tumbat, 2011). Given the fact that encounter performance consist of the exchanges of actions and emotions, it is arguable that conceptualizing performance of FLEs must consider customer role expectation.

3.1.3 Aligned by Self-regulations

How and when these multiple role expectations are coordinated into work role performance? Social cognitive theory suggests self-regulatory system as a mechanism of human behaviours in responses to external influences (Bandura, 1988). In essence, purposive human behaviours are regulated by anticipated outcomes. By anticipating the likely outcomes
of actions, people are able to set goals by themselves, and plan and take a course of actions, which ultimately lead to the targeted outcomes. Applying to FLEs’ role performance behaviours, self-regulatory mechanisms can describe a causal process in which anticipated likely outcomes of role performance will motivate and guide purposive actions of FLEs who intend to meet role expectations.

Self-regulatory mechanisms have been described with two distinct modes of feedback loops, which consist of discrepancy-reducing and -enlarging mechanisms that are associated with Approach/ Avoidance process (Carver, 2006; Higgins, 1987; Miller & Dollard, 1941; Powers, 1973). Discrepancy-reducing feedback loops arise when the gap is identified between current state and future desired states, to which people exert actions that may reduce the discrepancy and let them approach to the desired goal. Discrepancy-enlarging feedback loop also rely on actions, however, the actions allow people avoid the unwanted events. With the identified undesirable future events, people try to create distance between current states and unwanted states. Researchers termed this unwanted end-state as ‘anti-goal’ and ‘avoidance’ process, in comparison with the term of ‘goal’ and ‘approach’ process (Carver, 2006; Markus & Nurius, 1986).

Approach process for performance outcomes has been a major focus of traditional researches in various domains, e.g., education, work performance and personal goal (e.g., Crowe & Higgins, 1997; Elliot, Chirkov, Kim, & Sheldon, 2001; Pajares, Britner, & Valiante, 2000). These researchers have focused on discrepancy reducing aspect of activities and have investigated how individuals’ strategies and traits of promoting success are effective in this approach feedback loop (e.g., Shah, Higgins, & Friedman, 1998). Others have investigated emotional experiences in which framing of gain-non loss and loss-non gain targets ultimately result in different emotions. For example, when doing well for approach process (gain-nonloss) is related to positive affect such as elation, relief and serenity, and negative affect
such as depression and fear for poor progress in avoidance process (loss-nongain) (e.g., Carver, 2006; Higgins, 1997; Idson, Liberman, & Higgins, 2000).

Relatively less addressed is the view that considers simultaneous approach and avoidance processes for different targets in the course of goal-approaching behaviours (Carver, 2006). For example, for the ultimate goal accomplishment, one may need to approach multiple stakeholders at the same time by approaching the desired sub-outcome at one target and avoiding unwanted sub-outcomes at the other target. According to Carver (2006, p. 106), “functioning of a discrepancy enlarging process is typically constrained in some way by a discrepancy reducing process. What begins purely avoidance often leads to approach”. Occasionally, FLEs are described as caught in the middle of the two masters (Chung & Schneider, 2002; Hui, Au, & Fock, 2004). It is reasonable to argue that FLEs try to manage goal and anti-goal for organization and goal and anti-goal for customer at the same time, and coordinate between the multiple sub-goals for role performance (e.g., Rizzo, House, & Lirtzman, 1970).

Let’s take an example from one of role performance closely related to service work. Emotional labour is known for FLEs’ self-regulation of emotional expression to satisfy display rules assigned by organizational and professional expectations (Brotheridge & Lee, 2003; Hochschild, 1983). Emotional labour is performed when there is a gap between the desired emotional expression and the feelings they actually experience. For example, bill collectors may want to display cold and firm expression although they feel sympathetic. Family park staff may want to display delighted and excited although they feel indifferent. In such cases, they need to intentionally manipulate emotional expression in two ways. One is simply faking the expression, termed as surface acting, and the other strategy is changing their emotional state so as to easily express what is required, termed as deep acting.
(Hochschild, 1983). In order to achieve the expected emotional expression, the actors do narrow the gap between the required expression and the acting.

To summarise, self-regulatory mechanisms of approach and avoidance behavioural representations appear to be the appropriate explanation for the processes between environmental stimuli and motivated activities (Bandura, 1989; Latham & Locke, 1991). In particular, unitary control rather than approach process alone seem to fit with the encounter contexts that involve multiple goals. Thus, self-regulatory mechanism seems to explain FLEs’ alignment of multiple role expectations with role performance.

3.2 Construction of Dual-goal model of Service encounter behaviours

A key of this model is the service encounter that involves two dimensions, i.e., organizational goal and customer goal. The model of service encounter is framed based on role theory, by applying control theory and goal-setting theory. The two dimensions represent two approach targets of FLEs, which is consist of the organizational goal and customer goal. In order to approach the two goals, FLEs take promotion and prevention strategies by approaching a goal and avoiding an anti-goal. For the organizational dimension, the FLE’s goal is to obtain a high performance rating (which in turn would lead to career success) and the anti-goal is to avoid a reprimand from the supervisor or penalty from the organization (which could lead to job insecurity and failure). For the customer dimension, the FLE’s goal is to satisfy, if not delight the customer (which could lead to ‘customer compliments’ in the feedback and in turn to career success) and the anti-goal is to avoid customer dissatisfaction and complaints (which in turn could lead to job insecurity and career failure). This framing is depicted as strategies taken by FLEs in Figure 1.
3.2.1 Two dimensional contexts by Organizational and Customer expectations

I discuss the four quadrants in Figure 1 by first focusing on the quadrants which have congruent goals, i.e., Q1 and Q2, and then on the two quadrants in which there is lack of congruence, i.e., Q3 and Q4.

**Q1: Congruent goal approaching strategy** The contexts represent FLEs’ configuration of encounter situation in which the two goals (driven by the organization and by the immediate customer) are congruent. Q1 represents FLEs view that the encounter situation as opportunity-laden and the task is achievable within responsibility and empowerment. In this context, activities that address the customer goal (e.g., please customer) can also meet the organizational goal (e.g., reward, career safety) at the same time. I term these activities as *double-goal adaptive behaviours*. A flight attendant, Sara may offer blanket to the needed
customer without concern of future trouble. She may think it is part of task performance utilizing company resources and her helping behaviours may enhance her customer relationship task. This type of situations is described as enabling task completions, feeling fulfilled and rewarded. By utilizing self-resource and organizational resource, one may satisfy organizational and customer responsibility.

Q2: Congruent anti-goal approaching strategy The contexts represent the situations where FLEs see the present encounter situation as having potential risks to self-interest. Certain activities are required to prevent customer complaints (anti-goal avoidance) in order to prevent organizational issue, career problem and penalty (anti-goal avoidance). In this context FLEs tend to avoid confrontation and rather adopt submissive posture to pre-empt customer complaints. I term these activities as double anti-goal defensive behaviour. One may assess current situation as potentially threatening to their security from both organization and customer, then, he or she may try to avoid further troubles and withdraw uncertain discretionary responses and perform passively. For example, one may not want to make argument with angry customer. In this situation, the best approach to get task accomplished is not to make any voluntary responses to customers’ requests and even passive to physical or verbal assaults, as the individual do not consider he/she possess enough authority, or emotional resource to buffer unpleasant or unpredictable consequences.

Q3: Anti-goal avoiding strategy from organization goal. Unlike the previous two quadrants, the remaining two quadrants represent role conflict situations, which FLEs see none of activities can satisfy both stakeholders at once, but should take the side of either the customer or the organization. In other words, interest of one side will be compromised. When FLEs evaluate future troubles and the potential damage to their career, the first type of decision is Q3 in which organization anti-goal (e.g., penalty, career problem) should be avoided by persuading the customer to comply with the rules, in order to accomplish
customer goal (e.g., please customer). If the conflicting situation is configured in this way by FLEs, the responses will be compliances with organizational rules and regulations, while effort will be made to sooth customers. I term this rule-complying aspect of activities rule-complying role conflict behaviour. If Sara’s organization has a regulation on blanket, and loss of facility causes her responsibility issue, she may want to avoid trouble but instead explain it to the customer and offer alternatives, as she still need to keep customer in good mood. This type of choice can be made when attentions are given to the anticipated consequences from organizational perspective and anticipated career damage for failing the expected responsibility. That is, the anticipated impacts from customers are less salient.

**Q4: Anti-goal avoiding strategy for customer goal.** Alternatively, role conflict context may require FLEs to see the anticipated impacts from customers are more salient and urgent than from organization. Decisions of actions will focus on avoiding customer anti-goal (e.g., complaints) which will secure organizational goal (e.g., rewards, career safe). If their attention is given to the anticipated threat for failing the customer’s expectations, then expectations from organization will be less prioritised, although the choice may cost organizational interest. I term this situationally provoked activates as rule-breaking role conflict behaviour. Sara, who made actions out of anticipated fear about complaints, may take action to remove source of complaints, offering the blanket and asking for silence. These rule-breaking activities may not be frequent incident compared with the rule-complying activities.

### 3.2.2 Definitions and Comparisons

In this sub-section, I explain the definitions of the proposed model as a whole and each quadrant. This also includes distinction between the model and existing constructs. To introduce, the core contribution of this model makes above and beyond the simple collection of existing constructs is its representation of specific contexts first before defining the
meaning and value of specific behaviours. By contrast, existing behavioural concepts are constructed without contextual specifications. As a whole, the dual-goal service encounter adaptations represent contextual dynamics to which behavioural responses may differ. By each quadrant, they represent when and how specific responses occur depending on the conditions. Thus, in this section I specify the conditions in which the existing similar constructs can be used to predict and measure encounter behaviours.

A. Dual-goal service encounter adaptations as a whole

I define dual-goal service encounter behaviours (DSEB) as ‘task goal-approaching activities of FLEs that are characterised as anticipatory for consequences and reactive to role expectations from both organization and customers’.

The definition clarifies the differences between DSEB and other constructs of positive service encounter behaviours in two ways. First, DSEB is reactive to the role expectations from both organization and customers simultaneously. It is partly “task performance”. It represent DSEB as playing role-sets based on scripts, rules and regulations, as “technical core, process and essential materials and services” (Borman & Motowidlo, 1993, p. 73). Also, DSEB is partly “contextual performances”, as service encounter performances are incomplete without individuals’ momentary contributions in the production and delivery of intangible service within person-to-person interactions (Parasuraman et al., 1985; Solomon et al., 1985). Second, DSEB involves activities for anticipated results. Since “task performance” and “contextual performance” are intertwined in DSEB, the FLE takes decisions based on his or her cognitive evaluation of these dual pressures. In this aspect, DSEB is an anticipatory performance, as role performers foresee the meanings and values of the prospective activities in the immediate contexts by exercising the technical core and momentary contributions. Together, DSEB service encounter activities involve assessing the values, selecting and
enacting activities, as means of accomplishing the assigned tasks in the service encounter settings.

DSEB is strictly about ‘encounter task’- related activities, not about ‘non-encounter task’ activities. As long as the helping behaviours are embedded in the social contexts (e.g., Griffin et al., 2007), performing the helpings may “support the organizational, social, and psychological environment in which the technical core must function” (Borman & Motowidlo, 1993, p. 73). In this aspect, helping behaviours in DSEB either as task- or as contextual performance, which are comparable with ‘extra’ or ‘voluntary and discretionary’ as they include ‘non-task’ related activities (Organ, 1997, p. 90). To be specific, interpersonal helping behaviours of DSEB is related with rewards and punishment, as they are role performance. By contrast, interpersonal helping of OCB and extra-role behaviours are not (Organ, 1997; Van Dyne et al., 1995). Customer helping behaviour in OCB is discretionary, thus, managers may want FLEs to engage with but may not expect them to do. Clearly, this behaviour is not formally rewarded, as “individual behaviour that is discretionary, not directly or explicitly recognized by the formal reward system” (Organ, 1988, p. 4). Helping behaviour in extra-role is also discretionary and non-task, as it “is discretionary and which goes beyond existing role expectations” (Van Dyne et al., 1995, p. 218).

DSEB is behaviour that results from anticipated impact on self. Social cognitive researchers suggest that people behave as their own agent and chose actions, derived from anticipations (e.g., Bandura, 2006). DSEB concerns FLEs who foresee future impacts of the prospective behaviours, evaluate the options among available, select and action in order to facilitate favourable environment for themselves (Bandura, 1991). Thus, DSEB is a purposeful approach toward the role expectations from both organization and customers. However, DSEB are not negative or avoidant behaviours. In fact, DSEB is varying extents and types of approaching behaviours for customer interest and organizational objectives. In
other word, although, DSEB may not be the best behaviour for the goal of both organization and customer at times, the behavioural intention is positive as behaviours intends to improve the interests of each entity, (i.e., organization, customer or self) at least in the immediate encounter context. (c.f., Blancero & Johnson, 2001; Spector & Fox, 2002).

**Construct comparison**

DSEB shares functional nature of contributions such as discretion, proactivity, and adaptability. Although, foci of behaviour may differ as ‘benefit to customer’ and/or ‘benefit to organizational functions’, several concepts share with those characteristics such as ‘customer orientation’ (Donavan et al., 2004), ‘effort’(Mohr & Bitner, 1995), ‘proactive customer service performance’ (Rank et al., 2007) and adaptability (Pulakos et al., 2000) or adaptiveness (Gwinner et al., 2005), also prosocial rule-breaking (Morrison, 2006).

DSEB represents activities for a purpose of task goal, in a way that *work orientation* represents employees carry those “a set of general organization-wide principles… through to the extents to their own work responsibilities” (Parker, Wall, & Jackson, 1997, p. 900). Whereas, the above mentioned behavioural concepts assess the foci of behaviours or it be belong to a formal job responsibilities. In a way, the concept of DSEB is in line with broader role based activities rather than narrower job based description (c.f., Davis & Wacker, 1987). Once employees view their work as essential contribution to the organizational goal achievement, they may utilize available behavioural characteristics, e.g., task proficiency, self-initiating, persistence, adaptive skills (Parker et al., 1997).

One major difference is its clear distinctions in the targeted beneficiary. DSEB clearly defines the two targets as behavioural contributions, whereas, definitions of above mentioned constructs clearly define single target, either the organization or customers, occasionally implying extended contributions to the other. For example, proactive customer service performance specifies long-term oriented behaviour, which implies prioritised organization
effectiveness rather than customer but does not specify choices in conflicts (Rank et al., 2007). In a similar vein, CO specifies customer but assumes the extended same effect on organization without mentioning choices in conflicts (Brown et al., 2002; Donavan et al., 2004).

B. Q1, Double-goal adaptive behaviours as a result of congruent goal approaching

Double-goal adaptive behaviours are defined as ‘anticipatory service encounter activities when FLEs respond to the congruent reward perspectives from a specific customer and organization’, e.g., to initiates help, to adjust rules for special requests, extra effort, service offerings and engaging with in-role performance in timely manner. Double-goal adaptive behaviours reflect FLEs’ perspective on anticipating the impacts of potential activities when engaging activities. As in Sara’s case, a passenger may expect Sara to show empathy and flexibility. Knowing that her organization also expects her to be flexible and customized, Sara may able to respond customer needs on site. Double-goal adaptive behaviours are required in the contexts where FLEs anticipate the potential activities will meet current customer expectation and organizational responsibility for strategic goal. Also, double-goal adaptive behaviours occur when FLEs perceive the potential activities of pleasing the immediate customers will be endorsed by organization.

In a congruent goal context, FLEs may able to adapt to diverse and unpredictable customer needs and expectations by adjusting role behaviours at varying degrees (Spreng et al., 1995). Researchers named differently as task adaptivity (Griffin et al., 2007), adaptive behaviours (de Jong & de Ruyter, 2004; Hartline & Ferrell, 1996), adaptiveness (Gwinner et al., 2005), adaptability (Pulakos et al., 2000) for only behaviours, or behaviours and ability, or ability to adjust behaviours. At the core, adaptive behaviours can “deal with uncertain work situations” (Pulakos et al., 2000, p. 613). Anticipated positive responses from the both
may be particularly helpful for FLEs in dealing with unscripted requests during encounter performance, as work role may emerge from dynamics of contexts (e.g., Katz & Kahn, 1978).

In view of congruency in role expectations, I argue that double-goal adaptive behaviours require FLEs to adapt well to the emerging roles, which is more than simply performing routine tasks. FLEs with task goal of customer satisfaction may not separate types of activities whether they come from formal job-prescription or from solely discretion, as long as they result in completion of task goal. For example, one may need to be proficient in routine tasks, adaptive to specific customers and proactive in problem solving. Enacted behavioural representations may vary from basic task performance (e.g., scripted service delivery), to adaptive or reactive responses (e.g., recovery performance and offering, empathetic display), to proactive arrangement of alternatives (e.g., helping). Therefore, it may be reasonable to assume that in the situation where FLEs evaluate congruent goals of customer and organization, service activities tend to be more adaptive to customer needs than prescribed activities.

**Construct comparison**

Constructs that are relevant to this double-goal adaptive behaviours include proactive customer service performance (Rank et al., 2007), positive discretionary service behaviour (Blancero & Johnson, 2001) and adaptiveness (Gwinner et al., 2005). The core of this construct is adaptive behaviours to the emerging roles during encounters. Thus, it may be discretionary, initiatives, proactive and after all service customization (e.g., interpersonal and service offering behaviour). There are some differences between them and double-goal adaptive behaviours. Those constructs describe discretionary, proactivity and adaptiveness as out of personal traits, reciprocity or ability. By contrast, double-goal adaptive behaviours are primarily adaptive behaviours to the contextual demands regardless personal traits, ability or as reciprocity to customer or organization.
C. Q2, *Double anti-goal defensive behaviours as a result of congruent anti-goal avoiding*

*Double anti-goal defensive behaviour* is defined as ‘anticipatory service activities of FLEs when they respond to the expected congruent punishments from the customers and organization’. Typical characteristics are defensive and suppressive responses that are essential to prevent current undesirable incidents from growing to harmful events, e.g., to suppress genuine feelings toward angry and rude customers, submissive to abusive customer, begging for excuses and repeated apology on customer’s disposal. Double anti-goal defensive behaviours are required in situations when customers are highly likely to file complaints regardless whether it is service encounter of service failure or just customer dissatisfaction. Double anti-goal defensive behaviours may pre-empt potential complaints, and in turn organizational sanctions. For example, if one expects that customers may file complaints and their organization places sanctions on the individual for the complaints, then the individual would be sensitive to the customer negative expressions and feel helplessness to the abusive customers. In such encounter contexts, response patterns may be described as submissive in order to prevent the current adverse events from provoking formal customer complaints and career problem at the end.

Congruent anti-goal context may demand FLEs to engage with limited choices of role playing. This adverse context may yield passive role play in a way role incumbent allocate resource and effort for self-defence. Individuals may want to perform exactly what rules and regulations are written down in order to avoid responsibility issue. Although, FLEs adapt to this contextual demands, adaptation may occur passive ways; Individual adjust behaviours to customer differently to avoid potential complaints; individuals proactively engage with customer to remove anticipated troubles. Naturally, activities in such risky moments are characterised as defensive and surface engagement. When encounter situations are defined as congruent anti-goals, naturally, the individual would take self-defensive approach. Ashforth
and Lee (1990, p. 45) asserted that when people face issues that contains threats and embarrassment, they try to bypass these negative experiences by engaging with sub-optimal activities such as over-conformity and playing safe.

In terms of congruent potential threats, I propose that double anti-goal defensive behaviours require FLEs to detach self-preferences from activities of role playing. To be effective in such limited behavioural choices, individuals may comply with the expected role plays while their personal beliefs and values are not necessarily expressed in their own actions. Exemplary service activities are emotional labour, in which FLEs playing a role with display rules, whereas their genuine feelings may or may not be congruent with the displayed expressions (Hochschild, 1983). Also, personal engagement and disengagement describes momentary engagement and detachment of self from role performance, in which varying degrees of selves present in behaviours (Kahn, 1990). In order to perform suppressive behaviours well, FLEs may need to detach selves from required activities.

**Construct comparison**

Similar constructs include *defensive behaviour* (Ashforth & Lee, 1990) and *negative discretionary service behaviours* (Blancero & Johnson, 2001) in terms of its passiveness and reactivity. Typical defensive behaviours are characterised as ‘avoid action, avoid blame, avoid change’ in a way of enhancing self-interest in a covert ways (Ashforth & Lee, 1990). Exemplary self-defensive service behaviours are those - denying or passing responsibility for mistakes, over-conforming, playing dumb, passing the buck, and playing safe (Ashforth & Lee, 1990). Negative discretionary service behaviour (Blancero & Johnson, 2001) advocates reciprocity concept such that the way FLEs are treated by their organization will be reflected in their service encounter behaviours toward customer service. So, it can be argued if FLEs are not satisfied with the practices in the organization, then they will reflect in a way of “less
intensive form of organizational mistreatment than overt aggression or violation” (Blancero & Johnson, 2001, p. 313).

Commonality of these constructs with double anti-goal defensive behaviours is they are similar in terms of counterproductive, as they actively reserve contributions for organization in a way of ‘counterproductive to the formal goals or objective of their organization’ (Argyris, 1990, p. 45). Discretionary service behaviour suggests that FLEs can perform “in subtle ways that are capable of being hidden from both the organization and customers, reducing the influence of service agents’ normative assessment of what others think they should do or not do” (Blancero & Johnson, 2001, p. 313).

The difference of Q2 with Ashford and Lee’s defensive behaviour is that double anti-goal defensive behaviours are behaviours toward customers at a single point in time, not an attitude which belongs to one person across situations as a routine. The difference between negative discretionary service behaviour and double anti-goal defensive behaviours is that the former is a process model where negative service interactions are a reflection of negative treatment received from organization and customer, whereas the latter do not include response in negative forms but suppression of quality engagements in passive forms.

D. Q3, Rule-complying role-conflict behaviours

Rule-complying role conflict behaviours are defined as ‘anticipatory service activities of FLEs when they respond to the organizational rules over the needs of a specific customer’, such as rule-following behaviours. Rule-complying role conflict behaviours are played in role conflicts and role dilemma. They belong to the situational contexts when FLEs evaluate the costs of bending rules exceed disappointing customer. Types of rule-complying role conflict behaviours are highly dependent on the severity of sanctions associated with rules and regulations. For example, on the request for up-grade from un-well customer, a flight attendant may initiate up-grade before being requested or may reject if there is a rule that ban
unauthorised up-grade. To certain organizations, such behaviour can be considered as flexible service behaviour and being a rule, while to others it could be a rule violation and subject to penalty of some extents.

In light of the responsible decisions in role conflict context, I argue that FLEs’ task goal will be chosen by cost-benefit evaluation for self. Primarily, resolving dilemmas in role conflicts may depend on reliable references such as organizational rules and supervisor’s decisions. Role conflicts may demand FLEs to choose one side over the other role expectation between the organization and customers. The principle of loss aversion explains decision-making tendency in which people perceive loss more seriously than gain (Kahneman & Tversky, 1979). Fundamentally, significance about personal interests may determine actions. It is because breaking rules and failing to meet task responsibility may weaken collective goal achievement, which may be associated with sanctions or removal of resources. Given that the organizational goal may rely on members’ contributions and members’ activities are interdependent within organization (Katz & Kahn, 1978), it is reasonable to assume that members try to avoid costs. Members in the organization of strategic goal may gain more by complying rules and regulations.

**Construct comparison**

‘Complying organizational rules’ is similar to the concept of task performance (Borman & Motowidlo, 1993), in terms of performing the technical core. However, the concept of task performance does not mention whether the performer has evaluated the task performance as a better choice among alternatives. Rule complying performance meant the action has been evaluated and chosen action in the contexts where un-chosen alternatives are consciously ignored. Despite the contribution to organizational function, this type potentially can be viewed unsatisfactory behaviours from the perspective of immediate customer. The customer may claim that the FLE shows no flexibility, as the request is not accommodated (e.g.,
Keaveney, 1995). Thus, if FLEs go by rules, customer may think the behaviour was rigid and unsympathetic, and it could be conclusively categorised as misbehaviour (Patterson & Baron, 2010).

Again, while customers’ view on the types of behaviour as undesirable, rule complying performance actually supports organizational function, as the behaviour stays within acceptable level from the managers’ perspective. In this view, rule-complying role conflict behaviours seem to include general service recovery activities, which include variety of activities FLEs perform to alter negative customer attitude and dissatisfaction (Miller, Craighead, & Karwan, 2000). In essence, this behaviour is adaptively and proactively chosen for the organizational effectiveness, which is similar to concept of ‘persistent’ ‘long-term orientation’ elements from proactive customer service behaviours (Rank et al., 2007). Difference is that the current construct do not include the ‘self-initiating’ aspect, but rather passively ‘respond’ to the given role conflict situation.

Similarity exists between rule-complying role conflict behaviours and several quality dimensions, e.g., responding to dissatisfied customers with explanation, apologizing and showing empathy (Parasuraman et al., 1988). Fundamental differences between these constructs exist. While service recovery actions and service quality activities focus on what is offered to please customers, the behaviours of rule-complying is staged in role conflicts contexts in which the behaviours are resolving the conflicts by administrating the offerings.

E. Q4, Rule-breaking role conflict behaviours

Rule-breaking role conflict behaviours are defined as ‘anticipatory service activities of FLEs who comply with needs of a specific customer at the cost of organizational long-term interests’. Rule-breaking role conflict behaviours also happen in role conflicts situation. However, difference exists between rule-complying role conflict behaviours. Rule-breaking role conflict behaviours occasionally occur after rule-complying role conflict behaviours do
not work for task goal. Although, FLEs comply with rules, accompanied by polite and extensive explanation for the customers, FLEs’ handling of the immediate customers may disrupt the routine service delivery. Then, FLEs may consider breaking rules and making an exception. For example, a customer would not accept determined amount of voucher in the service failure and demand increases, then FLEs who had performed as rules in service failure manual, need to consider making exemptions. It is partly because, engaging with the customers may cause further costs to the general customers, and organization, and partly because, such customer may accuse FLEs attitudes being problematic if they fail to get what they want. By rule-breaking role conflict behaviours, FLEs prioritise customer demands and try avoiding customer discomfort and complaints, which require FLEs to violate to some extents of organization rules and regulations. Thus, the behaviour brings in positive effect on customer, but these positive effects may not necessarily extend to organization.

Construct comparison

Similar constructs include pro-social rule breaking (Morrison, 2006), and customer oriented deviance (Leo & Russell-Bennett, 2014). These two constructs posit that individual’s rule violating behaviour is not intended for self-interest, but for customer interest and organizational interests. The similarity between ‘rule-breaking role conflict behaviours’ and above mentioned constructs is that they are misbehaviours from the manager’s view. Particularly, it is similar to the concept of ‘reprimandable offences’ (Southey, 2012), which describes inconsistency between employees’ and employer’s view. Southey (2012) distinguishes certain employee misbehaviours from the behaviours that are defined reprimandable offences which are “unsuitable and deserving some form of disciplinary responses” from employers’ perspective. Although, rule-breaking role conflict behaviours may be viewed misbehaviours from employers’ view, they are different. Rule-breaking role conflict behaviours do not represent direct, intentional, severe harm on organization.
Although FLEs may not have the intention to harm the organization, it is possible that the consequences of their actions could cause potential harm to the organization. For example, approving a bank transaction without following the established procedures to help the customer could result in liability for the organization.

The difference with the above mentioned behaviours is they are discretionary behaviours for customer effectiveness. By contrast, rule-breaking role conflict behaviours are coerced discretionary for self-protection. Thus, this contributes to customer effectiveness, but may not necessarily contribute to organizational long-term interest from FLEs’ perspective. It focuses on FLEs effort to reduce conflict between customer demands and organizational constraints by taking tactic to avoid customer discomfort and complaints.
3.3 Propositions of DSEB in the organizational contexts

The previous section served for developing DSEB in relation to FLEs’ goal-approaching options. The underlying assumption of DSEB is that FLEs trying to align role expectations and task performances depending on situational demands. In this section, I develop propositions around the four options of contextual performances. I propose customer emotion management by FLEs lead to the choices in the four options of DSEB, which in turn influence on personal consequences of FLEs. Figure 2 illustrates the proposed linkage between customer emotions-DSEB-FLEs.

Figure 2 DSEB linking Antecedents and Consequences at Individual-level

3.3.1 Customer emotion management as Antecedents of DSEB

This section presents relationships between customers’ emotion and DSEB with the mechanism of FLEs’ customer emotion management. Customer emotion management refers to interpersonal emotion management performed by FLEs who cope with emotional demands
and needs not only for themselves but also assist in the customers’ own emotion management during encounter interactions, which arise in the unequal power relationship between customers and FLEs. Given the important role of customer input in the process of co-created service (Kelley et al., 1990), it is imperative to examine the interpersonal dynamics in the process of customer participation during production of service (Chan et al., 2010; Dong, Evans, & Zou, 2008; Harris, Russell-Bennett, Plé, & Chumpitaz Cáceres, 2010; Yi & Gong, 2013).

Although, earlier researchers on emotions have noticed unequal social status between customer and FLEs, and argued that socially assigned lower role forces FLEs to respond to the emotional demands and needs of superior customers (Hochschild, 1983; Pierce, 1996), prior researches mainly focused on personal coping of FLEs, which interested in indirect influence of emotional contagion and emotional labours effects on the customer output such as customers’ emotions, behaviours and productivities (Barsade, 2002; Hochschild, 1983; Pugh, 2001; Rafaeli & Sutton, 1990). In this research trend, FLEs’ direct assistance of customers with whom FLEs mutually cope with emotional tensions, arisen from interpersonal interactions is relatively ignored (Little, Kluemper, Nelson, & Ward, 2013; Lively, 2000; Williams, 2007).

Fundamental question, which has never been asked is that what role FLE’s interpersonal emotion management do play in the link between customer emotions as input and service behaviours as output. It is an important link as it may be a proximal input to the subsequent customer responses, i.e., behaviours and emotions. Customers who engage with service interactions may be conscious about whether it is ‘normal’ or ‘go wrong’ (McColl-Kennedy & Smith, 2006; Zeithaml, Berry, & Parasuraman, 1993). In general, literatures suggest that when customers express wide range of emotions between positive to negative such as pleasure, delight, frustration, anger and rage, verbal and/or physical attack (Fitness,
2000; Grove, Fisk, & John, 2004; Harris, 2013; McColl-Kennedy, Patterson, Smith, & Brady, 2009; Oliver, Rust, & Varki, 1997), those interactions contain intentional emotional and behavioural signals on the other side of counterpart between customer and FLEs, which result in functional or dysfunctional productions of service outcomes afterward (Chan et al., 2010; Harris et al., 2010; Hibbert, Piacentini, & Hogg, 2012; Hsieh & Yen, 2005; Yi & Gong, 2013). Thus, it is arguable that the FLEs’ emotion management include behavioural responses to not only self-emotion but also customers’ signals alike.

Based on the existing literatures of emotional contagion, affective events theory and trust, I suggest that FLE’s interpersonal emotion management for creating desirable emotional states in customer (Hochschild, 1983) may start with appraising gaps between the current and desirable customers’ emotions, and helping customers to cope with their own emotional demands by managing FLE’s own emotions and display, and by adjusting service behaviours to support customer’s coping. For example, in the same ways between baby and careers such as mom, mom not only change voice to cheer up baby but also alternate behaviours to pacify the baby. In the following section, I propose the relationship between customer emotion, FLEs’ emotion management of self and others and then, DSEB.

A. Emotional contagion, Affective events theory and Trust during the interactions

Emotional contagion refers to the transfer of mood and emotions between individuals (Hatfield, Cacioppo, & Rapson, 1994). The mechanism of emotional contagion runs with a primitive tendency of mimicking and synchronising of the physical expressions of the counterpart, which include voice, posture and movement of others. As a result of mimicry of emotional cues from the counterpart, one can experience the similar moods and emotions (Barsade, 2002). In marketing literature, studies of emotions have explicated emotional contagion as mechanism, by which customer can catch FLE’s positive emotions and distinguish between authenticity and faking of emotional labour, and subsequent
effectiveness of displayed positive emotions on the emotions and behaviours of customers (Barger & Grandey, 2006; Hennig-Thurau, Groth, Paul, & Gremler, 2006; Pugh, 2001).

I argue that FLEs also catch customer moods/ emotions in the dyadic interactions. In line with prior research findings that one person’s emotional cues transfer to the other part in dyadic interactions (Friedman & Riggio, 1981), it is likely that customer’s positive emotions such as pleasant smiles may warm smiles of FLEs and bounce back to customers. In the same way, customer negative emotions and expressions of dissatisfaction may create anxiety in FLEs, as alarming attentions may cause physiological arousals and trigger appraisals about situations (e.g., Schachter & Singer, 1962). Above and beyond primitive mimicry, people are highly susceptible to emotional contagion from important others (Connelly, Gaddis, & Helton-Fauth, 2002; Sy, Côté, & Saavedra, 2005). For this reason, FLEs may be sensitive toward customers’ emotion, which as an important information (Menon & Dubé, 1999). For example, FLEs may seek for information about whether customers are happy and friendly, which may predict customer willingness to behave citizenship (e.g., Yi & Gong, 2013), whereas customer anger and frustration may attract FLEs attentions (e.g., McColl-Kennedy et al., 2009). Also researchers suggest that individuals of lower status are more attentive to the superior’s feeling (Snodgrass, 1985). When one attend to others’ feeling, then emotional contagion is more likely to occur (Hatfield et al., 1994). In the service encounter, customers have greater power than FLEs. Thus, it is highly likely that customer mood and emotions will be picked up by FLEs by unconscious transfer and conscious attentions. To sum up, I propose customer moods/ emotions are easily picked up by FLEs and corresponding emotions are created as a result of attention to customer emotion.

**Proposition 1:** Customer moods/ emotions are positively related with moods/ emotions of FLEs.
Prior research describes FLEs’ emotional experiences in two ways, first, feeling of authenticity, and second, utilising emotional labour strategies for coping in the service interactions (Diefendorff, Richard, & Yang, 2008; Grandey, Foo, Groth, & Goodwin, 2012). This description reflects the fact that FLEs manage to express desired positive emotions in the requirement of ‘display rules’ which may or may not be congruent with their actual feelings (Grandey, 2000; Hochschild, 1983). Pleasant interactions with customers seem to give way to FLEs’ genuine feelings, partly because satisfied customers may please FLEs by thanking and appreciation, and partly because FLEs are satisfied with their successful skills of emotion management (Bolton & Boyd, 2003). Pleased FLEs may not need to fake positive emotions. Unpleasant interactions such as ‘affective shocks’, and intensive experience that ‘disrupt thought processes’ may cause negative emotions and create gap between authenticity and positive emotions (Grandey, Tam, & Brauburger, 2002; Weiss & Cropanzano, 1996). The gap may require FLEs to regulate their emotions to match display rules and suppress negative emotions (Diefendorff et al., 2008).

Consistent with prior findings, I suggest that the elicited FLEs emotions towards customer will predict the level and the lack of authenticity in performing display rules. For example, positive emotions about the customer who share smiles may predict FLEs authenticity in the smile back to the customers. In a similar vein, negative customer responses to the service activities may trigger negative emotion of FLEs toward demanding, irrational, raging customers, which will be in turn reflected in the intensity of self-emotion regulation activities by engaging emotional labour strategies such as deep acting and surface acting (Grandey, 2000). For example, FLEs may smile back to the customer by deep acting through which they try to understand the reasons why the customer was emotional aroused and enraged (i.e., antecedents-focused emotion regulation), or by surface acting through which
FLEs simply put mask on with faking positive emotions (i.e., response-focused emotion regulation) (Grandey, 2000; Gross, 1998a)

**Proposition 2:** FLEs’ emotions about customers are positively related with the levels of authenticity such that greater positive emotions toward the customer will lead to greater authenticity in the customer interactions and greater negative emotions toward the customer will lead to greater emotional labour (lesser authenticity) in the customer interactions.

*Trust* is defined as “psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions of behaviour of another” (Rousseau, Sitkin, Burt, & Camerer, 1998, p. 395). Interpersonal trust between customer and FLEs has been considered as an important factor that facilitates cooperation and alleviates defensive reactions from counterparts (Williams, 2007). The customer may build and maintain trust in service providers with beliefs about service provider’s capability, expertise and experiences (Doney & Cannon, 1997; McKnight, Choudhury, & Kacmar, 2002), good-will intention or actual pursuit of best interests for customer (Sirdeshmukh, Singh, & Sabol, 2002), and as honest and reliable source of information (Crosby, Evans, & Cowles, 1990). Together these create customer’s perceived trustworthiness of the organization (Mayer, Davis, & Schoorman, 1995; Sirdeshmukh et al., 2002).

Social exchange theory focuses on the human tendency in interactional processes to maximize gains and minimise losses (e.g., Thibaut & Kelley, 1959). The fundamental premise of social exchange theory is the reciprocity in the relationship, i.e., people tend to reciprocate the gains and losses in terms of not only material aspects but also psychological aspects (Blau, 1964). Organizational behaviour studies describe that employees regulate their contributions to the organizations depending on the perceptions of how their organization appreciates their contributions and how their organization cares for their well-beings (Eisenberger, Huntington, Hutchison, & Sowa, 1986). When employees receive greater
perceived organizational support, they tend to reciprocate this support with voluntary contributions to the organizations (Moorman, Blakely, & Niehoff, 1998; Piercy, Cravens, Lane, & Vorhies, 2006).

I suggest that if FLEs perceive the customer trusts them it will influence FLEs’ contributions to customers through reciprocation mechanism of social exchange. FLEs may able to perceive whether they are being trusted by customer, whether customer exposes their vulnerability to FLEs by taking the risk of being fully dependent on FLEs’ expertise, and whether customer shows good-will trust on FLEs rather than behaving for their own interests (e.g., Cook et al., 2005; Das & Teng, 2004; Rousseau et al., 1998). A sense of being trusted by customer will be reciprocated in the way of building further trustworthiness which includes showing greater utilization of expertise, greater promotion of customer interests and well-being, and greater endeavour of fulfilling promises to customers (e.g., Mayer et al., 1995; Sirdeshmukh et al., 2002).

With regard to DSEB, I predict perceived customer trust will be perceived differently by the contexts of goals and anti-goals. When (in Q1) FLEs face congruent goals for rewards from organization and customers, customers who trust FEL’s goodwill can make greater contributions to customers’ own interest. To the trusted expectations from customer, it is highly likely that FLEs may utilise this opportunities and reciprocate felt customer trust by exerting discretionary efforts. By contrast, congruent anti-goals for organization and customer (in Q2) give FLEs a sense of customer opportunism. For example, when customers engage in self-presentation and verbal abuses to FLEs, who have no options to avoid, FLEs may perceive the customers do not trust FLEs’ good-will and expertise to help them. Facing Q2 in which FLEs need to avoid penalty from both organizational and customers’ sanctions, it is highly likely that felt lack of trust may suppress discretionary contributions to the opportunistic customers. Thus, a sense of being trusted by customer may trigger reciprocity
obligation felt by FLEs. Q1 is the situational contexts where FLEs can apply their expertise and flexibility to adapt customer and organizational goals at the same time. In the opposite, felt lack of trust or greater mistrust from customer may lead FLEs to suppress or withdraw contribution for customer to make reciprocity even although opportunity is available.

**Proposition 3A:** Greater the perceived customer trust in FLEs the greater the likelihood and extent of positive voluntary behaviours by the FLEs in Q1.

**Proposition 3B:** Greater the perceived customer mistrust on FLEs the lower the likelihood and extent of positive voluntary behaviours by the FLEs in Q2.

**B. Role conflict resolution**

Role conflict refers to experiences of FLEs, who are described as serving two masters, in the collisions of role expectations on FLEs from customer and organization (Chung & Schneider, 2002; Zeithaml, Berry, & Parasuraman, 1988). Long history of role conflict research suggests negative consequences for effective functioning of FLEs at work (Bettencourt & Brown, 2003; Hartline & Ferrell, 1996; Rizzo et al., 1970). From customer perspective, role conflicts of FLEs can be observed as they hesitate and refuse to comply with customer requests because they are constrained by organizational regulations. As for customer, the situations of FLEs’ role conflict require them to negotiate with FLEs who may have options of withdrawals from negotiation and rigidly defend for their legitimised role plays (Van Sell, Brief, & Schuler, 1981). For this reason, it is highly likely that customers themselves need to regulate their own emotions in order to be diplomatic and cope with stress in the process of co-constructing service (e.g., Tumbat, 2011). This would be difficult, hence it is likely that role incongruent contexts are the stage in which customers do practice emotion management.

I argue that FLE’s role conflict experience will trigger customers’ personal emotion management. The causal logic is as follows. Situations which create conflicting role
expectations on FLEs and the consequent difficulty in negotiations will cause physiological arousals, appraisals of customers (e.g., Schachter & Singer, 1962) and emotionally charged interactions (e.g., Weiss & Cropanzano, 1996), which will require to be managed and coped with (e.g., Lazarus & Folkman, 1984). In the same way as FLEs do cope with stress for themselves in role conflicts, customers may engage with emotion management. Literatures suggest how individuals do regulate emotional states and its expressions, 1) intervention of emotion production process, either antecedents- or responses-focused regulation (Gross, 1998b; Gross & Thompson, 2007), and 2) coping of emotional stress, either problem or emotion-focused coping (Carver, Scheier, & Weintraub, 1989; Lazarus & Folkman, 1984). Therefore, customer, experiencing difficulties in accomplishing their own interests, may easily rely on coping strategies for emotion management. To sum up, unmet expectation and required negotiation efforts of customer followed by FLEs’ hesitance in role conflict will lead to personal emotional management of customers, i.e., emotion production process on coping of emotional stress.

**Proposition 4:** FLEs’ role conflict experience will be related to customer’s personal emotion management.

Interpersonal emotion management refers to the “attempts that individuals make to manage the emotions of others” (Lively, 2000, p. 34). I predict that customer’s personal emotion management which is triggered by role conflict of FLEs will increase FLEs’ interpersonal emotion management. Firstly, FLEs will help customer, which would not exclude helping customers’ own emotion management. It is because, unmet expectation of customers may require not only self-emotion management by customers themselves but also assisted emotion management will increase effectiveness of copings such as receiving FLE’s empathy and non-verbal communications (Sundaram & Webster, 2000). FLEs may improve customer cognitive appraisals of situations and emotion focused coping by providing detailed
explanation of the events, which allow customer re-interpret the incidents from positive perspective, showing empathy, which allow customer feel receiving support from others. Secondly, attending to customer emotions will require FLEs to self-regulate their emotions. To display appropriate emotional expressions, FLEs may modify facial and bodily expressions which may or may not be congruent with currently felt emotions (Hochschild, 1983). Thus, when organizational rules and customer expectations collide, discontent and frustrated customers’ own emotion management will trigger FLEs’ to assist customer to manage their own emotional demands and needs, which also require FLEs’ own emotion management.

**Proposition 5**: Customers personal emotion management during role conflicts will be associated with FLEs’ customer emotion management.

I suggest that assisted customer coping strategy will predict service behaviours in role conflict resolutions. In other word, FLEs’ assistance of customers’ emotion management will result in either rule-complying or rule-breaking behaviours depending on the types of coping strategies being utilized. With emotion-focused coping, FLEs may be able to provide assistance to customer by offering detailed explanation for the unsatisfactory situations, showing empathy for the customer to feel being understood, while maintaining rule-complying behaviours of Q3. With problem-focused coping, FLEs may assist customers who insist the stressor should be removed rather than compromised, which in turn result in compliance by rule-breaking in Q4. Therefore, depending on the types of coping strategies FLEs assist in customer emotion management, subsequent role conflict resolution appears to be either rule-compliance or rule-breaking behaviours.

**Proposition 6**: FLEs’ customer emotion management will predict role conflict resolution behaviours of DSEB. Specifically:
**Proposition 6A:** Emotion-focused coping assistance will lead to rule-complying role conflict behaviour (Q3).

**Proposition 6B:** Problem-focused coping will lead to rule-breaking role conflict behaviour (Q4).

**C. Power as moderator of relationship between customer emotion and DSEB**

I propose that customer coping of FLEs’ role conflicts may be sensitive about customer power. Customer power is defined as “the ability of a customer to cause a selling firm to undertake actions it should not have undertaken otherwise” (Eric, Chandy, & Cunha Jr, 2010, p. 1164). Or “customer’s perceived ability to influence a firm, in the recovery process, in a way that he or she will find advantageous” (Grégoire, Laufer, & Tripp, 2010, p. 744). The greater customers perceive their social power, the greater advantage they can get in dealing with the firm (Menon & Bansal, 2007). Researchers have described service encounter as fighting for controlling the situation and involves the customer, FLEs and the organization (Bateson, 1985). If FLEs perceive customer power is strong, then the dynamics in the service encounter will be influenced by the perceived customer power. When customer preference of problem-focused coping competes with FLE’s preference of emotion-focused coping of customers, it is more likely that the greater customer power than weaker power will get advantage pushing forward customers’ preferences. Accordingly, FLEs’ perceived customer power provides facilitating conditions for the relationships between customer’s problem-focused coping and rule-breaking behaviours of FLEs. Therefore, the greater FLEs do perceive that customer have power in their organizations, this perception will facilitate occurrence of rule-breaking behaviours.

**Proposition 7:** Perceived customer power moderate the relationship between customer problem-focused coping and FLEs rule-breaking behaviour. More specifically, when FLEs
perceive greater customer power, tendency of customer problem focused coping and FLEs rule-breaking of Q4 will be stronger than when FLEs perceive weaker customer power.

3.3.2 DSEB and Consequences at Individual-level

Social cognitive theory (Bandura, 1989; Bandura, 2001; Wood & Bandura, 1989) describes how human agents interact with the work environment and how on-going self-regulation of purposive actions can influence and be influenced by, both work outcomes and personal consequences. In this section I will focus only on the personal consequences of the self-regulation of purposive actions. Further, questions about “individual consequences of OCB and contextual performance are especially important for human resource management scholars and practitioners” (Motowidlo, 2000, p. 124). Since the performance management system is a key topic area for HRM scholars and a key responsibility of HRM practitioners, focusing on its impact on employees’ well-being is particularly important. Accordingly I focus on four individual-level consequences of DSEB, i.e. self-efficacy, self-esteem, emotional exhaustion, and learned helplessness.

*Self-efficacy* and *self-esteem* are personal resources that allow individuals to function well in managing the environmental demands cognitively and emotionally (Brown & Marshall, 2001). Research has found *emotional exhaustion* (Maslach & Jackson, 1984) to be core of burnout syndrome. *Learned helplessness* (Abramson, Seligman, & Teasdale, 1978; Peterson, Maier, & Seligman, 1993) results from repeated behavioural conditioning and represents individuals’ passive maladaptive organizational behaviours. In the next four subsections I discuss the relationship between persistent enactment of the behaviour in each of the quadrants of the DSEB and the corresponding personal consequence.

**A. Double-goal adaptive behaviours (Q1) and self-efficacy**

Self-efficacy refers to “people’s belief about their own capability to exercise control over their own level of functioning and over events that affect their lives” (Bandura, 1991, p.
particularly at work, self-efficacy “affects task effort, persistence, expressed interest, and the level of goal difficulty selected for performance” (Gist, 1987, p. 472). Self-efficacy and the lack of it appear to be influential on goal pursuing actions both as antecedent and as consequences such that people who believe in their own ability to succeed in specific tasks will be more likely to make more efforts and persistent to the challenges during the tasks, and more likely to succeed and master the skills eventually, thereby cultivating their own confidence by their own success histories (Bandura & Schunk, 1981; Stajkovic & Luthans, 1998). Thus, an individual’s sense of self-efficacy plays an important role in connecting the individual and the work contexts by allowing the individual to choose and approach to the goal and task as much as they can manage, which in turn, direct the individuals to “develop certain competencies, values and interests … by choosing and shaping their environments” (Bandura, 2001, p. 10-11).

Double-goal adaptive behaviours aim for two criteria, organizational reward and customer rewards. Accomplishing them would result in positive feedback and improve sense of mastery about their own work (Stajkovic & Luthans, 1997). For example, supervisors and customer’s recognition and verbal praise may give FLEs confidences about what they had performed was ‘right’ and feel proud and pleased about themselves. Vicarious experience of mastery about required skills and knowledge of handling encounter demands and positive evaluation about self together may give rise to their self-belief in capability.

**Proposition 8:** The higher the proportion of double-goal adaptive behaviours in the total of DSEB enacted by the FLE, the higher will be the FLE’s self-efficacy.

**B. Double anti-goal defensive behaviour (Q2) and self-esteem**

Self-esteem is defined as “individual’s positive or negative attitude toward the self as a totality” (Rosenberg, Schooler, Schoenbach, & Rosenberg, 1995, p. 141). Self-esteem involves emotional assessment about actions and self-worth, and includes beliefs such as ‘I’m
worthy’ and emotions such as triumph, despair, pride and shame (Baumeister, Campbell, Krueger, & Vohs, 2003; Rosenberg, 1965; Tracy, Robins, & Tangney, 2007). Self-esteem is viewed either as global self-esteem (e.g., Rosenberg, 1965) or as specific self-esteem such as composite of self-confidence and self-respect (Branden, 2011), or short-term ‘state’ (Bagozzi & Heatherton, 1994). Here, I focus on global self-esteem as it is more to do with psychological well-being, whereas specific self-esteem is more to do with behaviours (Rosenberg et al., 1995).

High self-esteem predicts positive emotions, happier life, better in academic achievement and better performance at work than people of lower self-esteem (Baumeister et al., 2003; Brown & Marshall, 2001; Marsh, 1990). Development of self-esteem evolves through life experiences by factors such as parenting styles, and feelings of shame (Baumeister, Smart, & Boden, 1996; Gruenewald, Kemeny, Aziz, & Fahey, 2004; Robins & Trzesniewski, 2005). For example, on one hand unconditional caring and support develop feelings of being socially accepted and facilitate confidence about self-worth. On the other hand, conditional support makes people feel social rejection when they are not perfect, and subsequently, increases self-doubt and low self-esteem. Similarly, experience of shame triggers threats to the feeling of social worth, which eventually decrease social self-esteem (Gruenewald et al., 2004).

I propose that double anti-goal defensive behaviours would deteriorate self-esteem of FLEs through the influence of negative emotions. Defensive and submissive service behaviours (i.e., making excuses for customer forgiveness, begging customers not to file complaints) would not be pleasant emotional experiences. Indeed, it may be shameful and self-defeating for any individuals at work. I argue that negative emotions about their own behaviours will deteriorate self-esteem. Firstly, there is a good reason that individuals may not able to maintain positive emotions about self when experiencing despair, sadness, self-
pity and feeling shamed while acting defensively and submissively. Secondly, even if they have positive self-view, FLEs may feel vulnerable about self if they anticipate threat to ego. Confrontation to the unpleasant customer responses may not be easy, so that they take defence mechanism and pretend ‘do not mind’ while enacting double anti-goal defensive behaviours out of fear and in order to avoid rejections by the customer and organization of penalty. Researchers have found that a sense of acceptance is related with feeling of self-esteem (Baumeister & Tice, 1990; Leary, Tambor, Terdal, & Downs, 1995), and contingent acceptance by success is related with construction of self-esteem (Brown & Dutton, 1995; Deci & Ryan, 1995), and its anxiety buffering effect (Greenberg et al., 1992), Thus, it seems reasonable that FLEs, who want to maintain secure relatedness with significant others, are more likely to seek interpersonal acceptance by proving themselves with success (e.g., Baldwin & Sinclair, 1996). However, by acting defensive and submissive, FLEs may self-feed defeats and deteriorated self-esteem. Together, double anti-goal defensive behaviours are more likely to reduce anxiety of being rejected as FLEs may feel conditionally accepted by both customers and organization, however, negative emotions associated with such behaviours may constantly make them shattered and threaten self-worth.

**Proposition 9:** The higher the proportion of double anti-goal defensive behaviours in the total of DSEB enacted by the FLE, the lower will be the FLE’s self-esteem.

**C. Rule-complying role conflict behaviours (Q3) and emotional exhaustion**

Emotional exhaustion is defined as the state of emotional and physical depletion and fatigue that is considered as the main component of employee burnout (review, Maslach, Schaufeli, & Leiter, 2001). Maslach’s burnout construct consists of three dimensions, exhaustion, cynicism and inefficacy, which are translated into employee burnout dimensions as emotional exhaustion, depersonalization and reduced personal accomplishment respectively (Maslach & Jackson, 1984). Emotional and physical depletion of responses
impact human service employees and professionals whose works involve relational transactions with client or care-receivers (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Maslach et al., 2001). According to the burnout process (Maslach, 2003; Maslach & Jackson, 1986; Maslach et al., 2001), in an attempt to cope with the emotional and physical depletion, employees depersonalise the client and detach concern, and prevent emotional arousal in order to maintain functional effectiveness at work. Otherwise, emotional exhaustion triggers imbalance such as excessive detachment or little concern, which cause dysfunctions to the employees' health and well-being, and develop a clinical syndrome of burnout. Thus, emotional exhaustion, i.e., feeling empty with emotional energy, is a defining characteristic of burnout and distinguish burnout from related concepts such as low self-efficacy and self-esteem (Shirom, 1989). Emotional exhaustion can predict individual job outcomes such as performance and voluntary turnover (Deery, Iverson, & Walsh, 2002; Wright & Cropanzano, 1998). Job demand and continuous job stress have been identified as sources of chronic state of emotionally and physically drained employees in human works, i.e., display rules, customer aggression, role conflicts (Demerouti et al., 2001; Grandey, Dickter, & Sin, 2004; Schwab & Iwanicki, 1982). Also, lack of buffering job resources have been identified as contributors to emotional exhaustion, i.e., social support, autonomy, and coping strategies (Goldberg & Grandey, 2007; Halbesleben, 2006; Ito & Brotheridge, 2003).

I propose rule-complying behaviours in role conflicts overtime will cause emotional exhaustion for two major reasons; 1) role conflicts and ambiguity may function as job demands that may drain physical, cognitive and emotional resources, and 2) emotional dissonance or moral dissonance in taking rule-complying actions may also cause depletions of personal resources. First, the relationship between role conflict and emotional exhaustion has been empirically established (Jawahar, Stone, & Kisamore, 2007; Lee & Ashforth, 1996). Role conflict, which is a typical job stressor, occurs when individuals face incompatible role
expectations, and plays as a pressure on the individuals in the work of human interactions (Boles & Babin, 1996; Chung & Schneider, 2002; Hartline & Ferrell, 1996; Rizzo et al., 1970). Performance during role conflict requires information for decision-making and effort to remove risks in complying with one of role sender while not complying with the other role sender’s expectation. Subsequently, individuals in role conflicts exert extra physical, cognitive and emotional efforts for information collecting, decision-making, negotiating while carrying out routine service delivery and buffering negative emotional responses as well (Babakus, Cravens, Johnston, & Moncrief, 1999; Schaubroeck, Cotton, & Jennings, 1989). And such extra efforts may result in drainage of resources.

Second, role sender’s expectation may or may not cohere with self-standard, values and morals on decision-makings may conflicts, which may cause either or both emotional and moral dissonances of FLEs when performing the required activities. One of most frequently cited examples is emotional dissonance experiences in ways FLEs performance and genuine feeling is not congruent, thus, FLEs require to expense extra energy to cope with (Brotheridge & Grandey, 2002; Brotheridge & Lee, 2002). Another example of emotional exhaustion is coming from moral dissonance experiences in ways FLEs itself are not fully convinced by their rule-complying behaviours. Rather, FLEs need to persuade themselves about what they are doing is legitimized to some extents. For example, offering small compensation for customer in service failure, while FLEs consider the customer deserve more from the company, in which his/her role is to persuade the customer and make the case cleared. In such situation, FLEs may experience moral dissonances which they need to cope with otherwise, it may develop emotional exhaustions.

**Proposition 10.** The higher the proportion of rule-complying role conflict behaviours in the total of DSEB enacted by the FLE, the higher will be the FLE’s emotional exhaustion.
D. Rule-breaking role conflict behaviours (Q4) and learned helplessness.

*Learned helplessness* is a phenomenon that describes emotional numbness and passiveness to the adverse environmental stimuli even they have chance to avoid, and get into vicious cycle of psychological states such as lost self-esteem and depression (Abramson et al., 1978; Peterson et al., 1993). Perceived lack or absence of personal control over the situation and perceived uncontrollability of outcomes are considered to cause human learned helplessness, as opposed to animal experiments (Abramson et al., 1978; Hiroto, 1974; Maier & Seligman, 1976). Learned helplessness influences subsequent behaviours in ways that may stop further trials of exit behaviours, resulting in individuals becoming submissive and allowing themselves victimised to the stimuli (e.g., Peskin, Tortolero, Markham, Addy, & Baumler, 2007). Learned helplessness is also related with well-being of individuals, who become ineffective and insensitive in their decision-making with regard to their behaviours, and may develop clinical depression (Klein, Fencil-Morse, & Seligman, 1976; Miller & Seligman, 1975; Seligman, 1974).

In organizational studies, employees’ maladaptive behaviours have been explained by those concepts; *Organizationally induced helplessness*, which refers to the intrapersonal process of becoming helpless when properties of formal organizations that inadvertently condition employee, who behave passive and maladaptive as strategies (Martinko & Gardner, 1982, p. 195-196); *powerlessness* which refers to lack of autonomy and participation of employees who experience psychological adjustment which include three states of reactance with frustration and anxiety about helplessness with perceived outcome uncontrollability, and then work alienation as end state of powerlessness when low expectation of advancement (Ashforth, 1989); *alienation* (Blauner, 1964), lack of *personal control* (Ashforth & Saks, 2000). Here I specify learned helplessness about arbitrary punishment on customer.
complaints to which FLEs become passively adapted, subsequently, give up making trials on rule-complying behaviours in role conflicts.

I propose that earlier role conflict experience will determine later behaviours in role conflict resolution of FLEs. If reward/punishment is consistent as it is represented in rules and manuals, FLEs may able to construct stable associations between rule-breaking and penalty, and rule-complying-rewards. In other cases, FLEs may perceive reward/punishment is inconsistent if rule-breaking behaviours pacify unruly customers but disturb colleagues’ work, which is not detected and not punished. Also, FLEs may perceive reward/punishment is inconsistent if rule-complying behaviours provoke customer complaints, which are bound for penalty, regardless hidden effort to safeguard organizational interests. Consistency or inconsistency in the association between reward/ punishment and role conflict resolution behaviours may provide a sense of guideline for future behaviours. FLEs who had not experienced inconsistent reward/ punishment for customer complaint behaviours will strive to enact rule-complying behaviours. In this way, FLEs can safely escape the rule conflicts without being punished by organization. By contrast, FLEs who previously experienced inconsistent reward/ punishment for customer complaint behaviours may not persist to rule-complying behaviours because from the earlier experience they learned helplessness to avoid penalty if customer complaint behaviour arise. As a result, FLEs who learnt helplessness may easily give up options of persuading customers in role conflicts if the customers start to demonstrate complaint behaviours. Consequently, FLEs who experienced inconsistent reward/punishment for the role conflict resolution behaviours will have lesser rule-complying behaviours, more rule-breaking behaviours in the stimuli of customer complaint behaviours. Researches in leader reward/punishment effect suggests that inconsistency in reward/punishment result in employees’ responses to the anticipated reward/punishment practice (Judge & Piccolo, 2004; Podsakoff, Todor, & Skov, 1982). To summarise, when
rule-breaking behaviours are not punished in favour of customer complaint behaviours and rule-complying is occasionally punished for customer complaint behaviour, it is highly likely that FLEs develop beliefs that they have no control over situations to avoid future reward/punishment on customer complaint behaviours, and beliefs that there is no meaning of trying effort of rule-complying.

**Proposition 11:** The higher the proportion of rule-breaking role conflict behaviours in the total of DSEB enacted by the FLE, the higher will be the FLE’s learned helplessness about customer complaint behaviour.
Chapter 4. Discussion

Organizational goal contexts provide important conditions for the direction and persistency of FLEs’ task goal-setting and pursuing of the situational goals at each individual encounter interaction. Motivated by the lack of contextual performance concepts, this study provides new construct that illustrates context-specific and goal-approaching behaviours of FLEs. Based on evidence in several literatures (e.g., OB, marketing, management control systems), this study presents a behavioural construct, termed as dual-goal service encounter behaviour model (DSEB), which describes FLEs’ self-regulating patterns of goal-approaching behaviours by using two strategies of approaching positive end-states and avoiding negative end-states when faced with two sources of role expectations.

I conceptualized DSEB by taking goal-approach perspective of FLEs. This dual-goal model represents contextual performance of FLEs who approach goal of customer satisfaction via adaptive approach and avoidance mechanisms of self-regulation. By applying Carver and Scheier’s (1982) self-regulatory mechanism to this context, I draw 2x2, four dimensions of contextual performance in which FLEs plays two strategies depending on goals and anti-goals for both immediate customer’s and for organizational goal of customer satisfaction, in which organization and customer are the two end-goals. Finally, by adding 2 dimensions of goal and anti-goal, DSEB constructs as 2x2 dimensions.

I provided propositions that link customer input, DSEB and personal consequences. Propositions are synthesised from diverse literatures role theory, emotion, work stress and coping literatures. Overall, these propositions were constructed to be testable.

4.1 Theoretical Implication

This behavioural concept of DSEB contributes to researchers in the several relevant domains.
Contextual performance

It contributes to future researchers who are interested in contextual performance of FLEs. The theory building in this dissertation is unique, as it focuses on incorporation of the previously separated perspectives from organization and customer. Accordingly, the DSEB model captures dynamics of encounter contexts, shaped by the organizational and interpersonal contexts. In this aspect, the dual-goal model is able to describe activities that “support the organizational, social and psychological environment in which the technical core must function.” (Borman & Motowidlo, 1993, p. 73). Thus, the DSEB model represents contextual performance in service organizations.

The new construct could be utilised to predict contextual performance. Currently, empirical studies substitute OCB concept for contextual performance. Indeed, they both share many aspects such as their discretionary nature and functional effectiveness to the organization (Motowidlo, 2000; Organ, 1997). However, OCB is behaviour displayed by prosocial individuals, and it is results from attitudes which may or may not be enacted in different contexts (Bagozzi, 1992). Also, since it is personality-related, it is questionable if individuals have the “freedom to choose” (role discretion) discretionary acts. This is a critical issue in the encounter dynamics (McAllister, Kamdar, Morrison, & Turban, 2007, p. 1203).

Future research with regard to the behavioural predictions of FLEs may capitalise on each of the four quadrants of the DSEB. Currently, OCB measurement frequently is utilised to assess employee effectiveness, which measure FLEs’ tendency of acting out citizenship behaviours without assessing whether or to what extent the discretionary behaviours of interest are voluntary or socially embedded. These 4 quadrants can assess specific behaviours to see whether the each behaviour is permitted or restricted in the specific organizational contexts. Then, predictions of employee effectiveness will be more precise by examining relevant behaviours rather than context-free questions. Similarly, Griffin and his colleagues
have provided cross-classification of work role performance, and shown that cross-classification frame is useful in the investigation of types of contextual performances. It is because assessment of behaviours such as proficiency, adaptivity and proactivity are idiosyncratic characteristics by organizational and social contexts.

**Goal-setting theory**

Future research can build on this foundation of applying goal-setting theory in the context of FLE behaviours. Current theorization is the first one that advances goal-setting theory in multiple task goals for both organization and customer simultaneously. Also, based on self-regulatory approach/avoidance mechanism of control theory (Carver, 2006), I proposed dual-goal model as a decision-making by prioritising and managing two goals at the same time. The core of dual-goal model describes when individuals take approach strategy for success and avoid strategy against failure for the ultimate task goals.

Existing research in the field of goal-setting in the organization have been concerned with the single ultimate end-states achievements in the form of high-performance (Latham, Locke, & Fassina, 2002). However, it is not known about how individuals manage multiple means-goals at the same time in pursue of ultimate goal of self-interest. To this gap, DSEB provides two advantages, multiple goals at the same time, approach and avoidance strategies at the same time. Accordingly, it overcomes the single goal approach tradition, which explains approaching success factors for the ultimate goal. However, they do not mention about how people deal with failure factors for the ultimate goals, which may be performed at the same time. For example, goal-performance discrepancy (Donovan & Williams, 2003) is concerned with approach goal only (i.e., why people such as sportsman are able to revise personal goals after evaluating current room to improve). Promotion-prevention tendency (Crowe & Higgins, 1997; Higgins, 1987), which concerns one goal only, i.e., why individual differences make differences in the goal achievement by either promotion or prevention traits.
This theorizing will facilitate future empirical research. Traditionally, task goals have focused on only one aspect of goal-approaching behaviours, which is congruent goal-approaching of both dimensions. Exemplary behaviour is OCB, which assume effectiveness for customer and organization alike. Relatively less studied areas in the goal-setting of task performance are anti-goal avoiding of both dimensions, and two types of incongruent goal-behaviours (e.g., goal approaching for one-dimension and anti-goal avoiding on the other dimension). Widening research interests in various goal-approaching patterns may improve holistic view on positive task performance not only in service domain but in other organizational contexts where multiple goals exist.

**Bridging OB and Marketing views on encounter**

This study bridges behavioural concepts between OB and service management. The current study adopts a role-holder’s perspective for categorising behaviours by two major role-senders’ expectations; whether they are motivated by reward opportunities or constrained by punishment from both organization and customer perspectives. Combinations of the two role-holder’s views have resulted into four categorisations, congruent reward expectation, congruent punishment expectation, and two conflicting expectations. This frame has been derived from literature review and serves as integrative frame for the existing behavioural concepts.

Existing literature relies on one observer’s view (either customer or manager) on the assessment of behaviours, which have created incoherence in evaluating the values of encounter performance. Two distinctive expectations naturally result in different interpretations on the same behaviours and role-holder’s intentions. These incongruent views between organization and customer have resulted in paired behavioural concepts in separate domains, such as prosocial rule breaking (Morrison, 2006) in OB and customer-oriented deviance behaviours (Leo, 2010) in service management. The other problem with some of the
extant behavioural constructs is that they are phenomena-based rather than theory-based. In other words, there has no integrative and systematic approach to the understanding of encounter behaviours shared by the two domains that investigate the same phenomena of encounter behaviours with the same terms.

Further researchers who are interested in the specific phenomena may refer to the dual-goal model dimensions and map the location of their new concept in one of dimensions initially. Duplicating the same concept in different domains may waste resources of researchers if the role-holder’s view provides clearer definition of behaviours rather than one of observer’s. Taking role-holder’s view from the DSEB model, future researchers may able to integrate behavioural concepts and prevent duplications. By relying on an integrative framework, discussion about encounter dynamics may able to progress to above and beyond the separate literatures of OB and service management can provide.

4.2 Practical Implications

Several contributions may be relevant to service managers with customer satisfaction goal. First, the model of DSEB can assess the performance effects of customer satisfaction outcome-based management, i.e., whether customer satisfaction is achieved by mutual interests of organization and customer or at the expense of organizational long-term interest. By tailoring the inputs of reward/ punishment for both customer and organizational goals, managers may able to modify behavioural responses. In other word, managers who have customer satisfaction goal may utilise this dual-goal model as a tool to better modify performance appraisal and rewards/punishment practices (e.g., Eisenhardt, 1985; Werner, 2000), and control the levels of customer participation to be allowed (e.g., Hibbert et al., 2012; Hsieh & Yen, 2005). Ultimately, managers may be able to have greater control over shaping and maintaining desirable behavioural patterns of FLEs.
Second, the DSEB model can identify when would be the situation in which some encounters inherently trigger role conflicts than other situations. By contrast, existing behavioural concepts do not reflect the influence of role conflict experience and do not distinguish when the role conflict experience infringe the occurrence of the specific behaviours, i.e., prosocial behaviour and adaptability. Generally, it is believed that service encounter performance is influenced by the role conflict as being resulted from individual’s ambiguous role clarity (Rizzo et al., 1970) or as an inherent characteristic to the service work (Chung & Schneider, 2002). In this trend, remedy for role conflicts was to rely on the individuals such as improving role clarity of FLEs (Mukherjee & Malhotra, 2006) and providing greater empowerment (Chebat & Kollias, 2000). The DSEB model can add one more tactic for managers. By referring to the contexts of role conflict in DSEB model, managers may able to allocate attention to the structural source of role conflicts. For example, focused intervention with more specified exemptions to the customer complaints may help FLEs reduce tensions when they are involved in role conflicts, i.e., ‘caught-in-the-middle’ experiences. By focusing on the role conflict conditions, managers’ allocation of resources may able to reduce unnecessary causes of work stress.

Third, giving attention to employees’ perspective on decision-making, managers may able to re-assess the performance of FLEs. Traditional view on the value of behaviours has been its effectiveness in the organizational performance, i.e., financial profit, customer retention. For this reason, managers’ emphasis on customer recognitions and compliments has been justified. For example, managers with customer satisfaction goal tend to assign rewards schemes with customer recognition e.g., employee of month. Rewarding employees for satisfying customer interest may develop hindsight, as there may be case of Q4 in which FLEs try to avoid customer complaints and serve for customer interest breaching organizational rules and regulation. This DSEB model provides managers with one way of
balancing out costs of relying on the customer satisfaction ratings. For example, in some type of role conflicts, Q3 and Q4, FLEs’ persistence and efforts of rule-complying should be recognised and encouraged, as those behaviours may sustain organizational functioning, which is Q3. Also, managers can penalize the behaviour of Q4 although it achieved customer satisfaction. By taking the view on decision-makings on emerging roles in contexts, managers are better informed about the genuine nature of behaviours and managers’ resource allocation will be more effective to motivate and less frustrates FLEs (e.g., Spector & Fox, 2002).

4.3 Limitations

This theorising includes limitations. The effort in this thesis was made to accomplish integration of service behavioural concept in relation with the goals provided by organizational context. For this reason, I have limited the scope and focused on goal-setting aspects in order to capture FLEs’ self-goal choices and persistence of behavioural patterns. Although it attempted to limit the scope, this does not mean that contextual influence is a primary factor over individual differences and capabilities of emotional regulation in the prediction of goal-approaching behaviours. It may be reasonable to assume that these contextual and individual contributions are compensatory to the encounter performance under the customer satisfaction goal. Note that the main purpose was to develop the contextual performance rather than neither to assess the relative importance between individual factors nor to incorporate contextual conditions with individual factors. Consequently, the current model exempts individual contributions.

This theorising offer great potential for the behavioural researchers in terms of the development of three dimensional DSEB adding one more dimension of emotional consonance and dissonance. Emotional labour captures very important interpersonal dynamics between customer and FLEs, and is known for its subsequent impacts on FLEs’ well-beings (i.e., managed heart, Hochschild, 1983). For this reason, DSEB will be more
holistic and inclusive with 2x2x2 cubic space which could represent goal and anti-goal of the all three parties, i.e., organization, customer and FLEs. Currently, the foreseeable complexity stopped me and settled down with the 2x2 model. The unrepresented dimension (of FLEs’ own goal and anti-goal approaching behaviours) might able to represent whether the enacted behaviours are out of authenticity or emotional labour on top of 2x2 DSEB model.

One big limitation of this study is the lack of quantitative empirical examination. This thesis asked about behavioural patterns of FLEs who have multiple goals in actions. Testing behavioural responses of FLEs between different multiple organizations and professions would be necessary to find out macro-level contextual influence on micro-level performance. Also, testing propositions may able to find out customer emotion management effects on the choices in the encounter behaviours. Longitudinal observation will capture changes in the personal resources. Having empirical test may be desirable way of supporting this theorising.

4.4 Conclusion

Customer satisfaction becomes a common goal to customer and organization, as well as its members. Task goal of FLEs is naturally assigned to assist the two stakeholders’ goals. The way of approaching task goal during encounter performance deserves more theoretical and empirical investigations. Ever-growing literatures of behavioural studies have currently highlighted the specific nature of behaviours, in which each behavioural construct is described as having distinctive antecedents, process and consequences. Unlike them, this model of DSEB provides the view of role-holder’s decision-makings derived from contextual and interpersonal dynamics. Rather, it provides integrative view within which existing behavioural constructs can be mapped onto. Consequently, this research effort improves greater clarity to the behavioural literatures in two distinctive domains of OB and marketing, for which there is currently no overarching frame.
The model of DSEB contributes to this growing service behaviour literatures theoretically. It provides integrative structure that helps categorising encounters into contextual characteristics, which has two dimensions by organizational and customer goal. Dual-goal approach and avoidance model represents goal approaching behaviours serving for means-goals. Altogether, this study contributes to greater integrity of existing service encounter performance concepts, particular contribution lies in the theorising contextual dynamics of customer-satisfaction goal.
Chapter 5. Introduction

Bank teller: I asked ‘why are you angry at me?’ But I was scolded later (by superior), (and instructed) not to confront. We have a scheme based on customer satisfaction ratings, which publicises scores of each bank every month. The headquarters conducts random telephone surveys with customers who recently visited any of its branches. The term-internal satisfaction rate... which asks, do they greet you well? Were you satisfied with them? If the score is not coming out well, we go to hell, we go to hell. The branch managers will be taken to the director at the headquarters and (it means) he goes to hell. So we desperately risk our life. So if you behave that way, there is no guarantee that we are going to have a good score, so you shouldn’t dare to respond that way!

Some people come to us without their account logging book and insist to withdraw a big amount of money. It shouldn’t be approved unless manager granted it as a special case. That’s because there is a potential danger of financial accident. If the customer looks soft, we go by the rule and send them off. If the customer looks complaint, we persuade ourselves ‘it is just a tiny thing (against the manual)’. Of course, the customer may consider it as a ‘tiny thing’, so they easily insist... Then after, if you are really unlucky, they file complaints, because they felt upset... In my protection, we would say that ‘it is not allowed by the rule, but we do it for you, and you shouldn’t tell others (places and people)’. We know they wouldn’t appreciate for what we do.

Flight attendant: I don’t think I would be always, genuinely, empathetic throughout encounter incidents if the customers persist to get something more than we can do. Cases like... when we offer an alternative meal, if someone persists and refuses that offer, then, from that moment, the passenger becomes a threat object to me. I should do whatever else I can to make the passenger feel at ease first. But if the passenger crosses arms, sitting over there, protesting and refusing any meal at all, then the passenger becomes a
fearful object. Because... that person must be a kind who definitely will write a complaint. If complaint comes in then I expect to have problems, including a negative impact on my performance assessment, which would create further obstacles on my progress in the company. But what the company would say is ‘why didn’t you try more to ease the passenger’s mood whatever it cost!’ It seems to me that the company evaluates my capability of handling problem situations based on the outcomes.

If the reward system is used to align individuals with organizational goals, this reward system is supposed to motivate individual to contribute for organizational long-term interests (Wright & McMahan, 1992). Rewards and punishments as a part of the managers’ tool in strategic contexts have profound influence on its people and routines within the organizations (Simons, 1994). As seen in the opening episodes, the impacts of implemented rewards and punishment are significant on the people and their routines. Thus, it may be important to understand how the implemented reward/punishment may or may not align individuals with organizational long-term interest. This section of my thesis focuses on individuals’ alignment with managers’ goal rather than with organizational long-term interest.

Two streams of discussions have concerned about organizational reward practices. First, it is about performance effects. In the field of Human Resource Management (HRM) and Strategic Human Resource Management (SHRM), researchers emphasize the ‘fit’ between HRM practice for high performance (Becker & Huselid, 1998; Koch & McGrath, 1996; Wright & Snell, 1998). The fit perspective argues that high performance is based on effects of internal and external fits (i.e., integrity, alignment or flexibility) of HRM practices in conjunction with other organizational practices (Wright & Snell, 1998) (Wright, Dunford, & Snell, 2001). According to this stream, consistency in the HRM practices for organizational goal guide desirable behaviours through social processes (e.g., ASA model Schneider, Goldstein, & Smith, 1995; Input-process-output model Wright & Snell, 1991).
Second, it is about dysfunctional responses when limited aspects of performance are rewarded and punished. Exemplary domain is termed as RAPM (e.g., review of Reliance on accounting performance measures Otley & Fakiolas, 2000) in which designs and implementations of performance measurement have been investigated in relation with dysfunctional patterns of human behaviours. This discussion belongs to general management control literature. For example, when organizations intend to improve firm performance in pursue of objective targets, and link rewards with measures of individuals’ performance with key aspects of strategic objectives (e.g., Kaplan & Norton, 1992), people respond to cope with psychological tensions between what they think is ‘right’ performance and measured performance index when they are not the same things (Ball, 2000; Wilson, Croxson, & Atkinson, 2006). Adaptive individual level behaviours include those such as gaming behaviours, falsification, as representation of unintended consequences of being assessed and rewarded by outcome-related indices (Smith, 1993).

Surprisingly, the unlikely coexistence of high performance and deteriorated intrinsic motivations of FLEs resembles experiences of head teachers, doctors and public service managers whose organizations undergo strategic changes and performance improvement projects (e.g., Mason & Street, 2006; Smith, 1993; Wilson et al., 2006). The question is how individuals’ goal alignment would occur when the implemented strategic rewards cause psychological conflicts, and eventually gaming behaviours. Individuals tend to resolve psychological tensions by adapting to the contexts of strategic imperatives and associated reward/ punishment practices in either functional or dysfunctional ways (Bell & Luddington, 2006; Harris & Ogbonna, 2010). Yet, no research has examined about how individuals’ strategic goal alignment would occur when the reliance of outcome-based control cause psychological tension of FLEs’ authenticity between being an organizational member and being an agent.
The purposes of current research are two-fold. First, it reports the empirical investigation of the strategic HRM effects at the individual psychological level. Second, it aims to introduce the outcome-based control in examining role conflict phenomena in the service management domain. By doing so, I am able to position the new theoretical perspective of outcome-based control in examining psychological tensions of FLEs between being an organizational member and being an agent to customer. Grounded theory building approaches enabled this research to capture the process of equilibrium-instability-renewal in the alignment of FLEs’ beliefs, values, attitudes and behavioural patterns under the strategic imperatives of outcome-based control. Specific focus of change dynamics resides in the individuals’ coping by removing divergences within self through social comparisons.

This research contributes to three literatures, management control, strategic HRM and service management literature. To management control literature, it provides empirical evidence of outcome-based control effects on the shaping of attitudes and behaviours at individual level. It responds to the call for research on the underlying “dynamics of these process” of dysfunctional control effects in order to overcome the current in-advancing and limited discussions focused on the design and structure issues (Otley, 2003, p. 325). By focusing on psychological process and identifying the patterns of everyday conflict resolution efforts, this research may echo the researchers’ call for studies of rational human reactions to control system (e.g., Argyris, 1953). With regard to the strategic HRM literature it facilitates the integration of the previously separated two mechanisms of psychological and social processes into a “black box” in which HR practices impact firm outcomes as a bundle (Becker & Huselid, 2010; Guest, 1999). To the service management literature, this includes two contributions. First, it initiates discussion about outcome-based performance management in customer service domain, rather than being included the discussion of outcome-based sales personnel management. Second, it provides new perspectives on role
conflict literature in service domain. Previously, the literature predominantly attributes the FLEs’ experiences of role conflict and ambiguity to the service work characteristics that inherently involve multiple masters (e.g., Chung & Schneider, 2002). By introducing a new factor - customer outcome-based control, a more precise prediction of performance and well-being outcome will be possible. For example, distinction between institutional influence and the job itself will improve service managements’ options for reducing role conflict.

For practitioners in service organization, this research will provide an insight about the potential trade-offs between gains and losses in maintaining sustainable human resource by using customer satisfaction ratings in managing FLEs. For this reason, the identified outcome-based control effects on goal alignment of individuals may be used by senior managers who examine patterns of employee responses in order to review people practices and policies in operation. Currently researchers and managers experience lack of measurement to assess sustainable management practices in the organizations, particularly in strategic organizations (Bisbe & Otley, 2004; Tessier & Otley, 2012)

The organization of this study follows this order. Chapter 6 is devoted to examining two sub-domains of the strategic management literature with regard to the alignment of individuals’ performance and the strategic goals. After identifying the gap in the SHRM and general outcome-based control literature streams, I review on the literatures related to FLEs. At the end of review, I formulate research questions this study can focus to answer.

Chapter 7 provides the justification for taking a qualitative approach to achieve this research purpose. The methodology reports researcher’s background and reflexivity as a primary data collecting tool. Later, data collection process and analysis process are reported. Finally, this provides information about the measures researcher has taken to conduct this research in a quality manner.
Chapter 8 reports findings and describe the process of self-goal alignment model with multiple sub-processes. Later, this chapter presents the grounded model of outcome-based control effects when implemented strategic reward conflict with self-coherent behaviours.

Chapter 9 discusses theoretical and practical implication of this research. It starts with assessing whether the initial research questions have been answered. It concludes with limitations of the current research.
Chapter 6. Theoretical Background

At the outset I review the strategic HRM and HRM literatures that focus on the relationship between organizational goals, performance, and rewards. Next, I focus specifically on the possible psychological tensions and dysfunctional behaviours that could arise from implementing outcome-based control mechanisms. By doing so, I identify the gap in literatures for outcome-based control effect on FLEs. Then, I collect literature evidence of psychological tensions of FLEs in relation with customer complaints. Identified literature gap serves to formulate the research questions.

6.1 Strategic functions of HRM

6.1.1 HRM & SHRM

Human resource management (HRM) refers to ‘any system of people management’ (Storey, 2007; Zedeck & Cascio, 1984). People management involves activities of employment relationship as a bundle of practices and policies, which include selection, training, performance management and compensation (Fombrun, Tichy, & Devanna, 1984; Wright & Snell, 1991). As a set of practices, employers’ people management practices affects the ways in which employees contribute to their organizations (Guest, 1999; McGregor, 1960). Employee contributions consist of multiple elements, as described in input-process (or throughput)-output model in which inputs represent competencies, knowledge and skills of employees, process (or throughputs) as employee behaviours and outputs as affective and performance outcomes (Wright & Snell, 1991). For this reason, people management is considered to be relevant to strategic HRM, as people are human capital to accomplish strategic goals and a source of competitive advantage from the resource-based view (Druker, 2003; Wright et al., 2001). SHRM is defined as “the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals” (Wright & McMahan, 1992, p. 298). Based on this strategic importance, the functional role of SHRM
and HRM is to manage human resources to align with “senior management’s preferred organizational values” (Legge, 1988, p. 28)

6.1.2 Alignment of Individuals with Strategic goal

Establishing relationship between performance and reward is a part of HRM practices that concerned with the alignment of human resource with achievement of strategic goal (Wright & Snell, 1991). Examination of HRM effect on human resource has been approached in two ways. First, it is about motivational effects on individuals’ performance. Second, it is about reward system on firm performance. The former applied general human motivation theories to work settings, such as expectancy theory (Vroom, 1964) and goal-setting theories (Ajzen & Madden, 1986; Latham & Locke, 1991). HRM practices focused on finding out effective extrinsic rewards, as they will motivate individuals’ intrinsic desires to self-determine their actions (e.g., Deci & Ryan, 2000; Latham & Locke, 1991). Types of extrinsic motivations include practices such as merit pay for individual’s performance, recognition awards, and result-based incentives. According to this motivational effect, effective reward systems trigger motivations of employees, as they may self-determine behaviours in a given social settings.

The latter emphasis on the alignment of HRM practices with other organizational practices for strategic goal. Assumption of HRM effect is the coherence of all organizational practices with goals. For example, organizations that have greater alignment between HRM practices and strategies will have better firm performance. Thus, discussions have revolved around on different ways of examining HRM effect, i.e., universalistic, contingency and configurational perspective (e.g., Delery & Doty, 1996). However, to the question of “how HRM practices affect organizational outcomes?” (Delaney & Huselid, 1996, p. 950), researchers face problems of measuring HRM practices (Becker & Huselid, 2010; Delery, 1998). For example, characteristics of individual level of jobs and performance may vary
even within organization. Thus, the discussion about the vertical and horizontal fits of HRM with strategic goal is ongoing in terms of internal and external fit with other organizational practices, i.e., ‘alignment’, ‘integration’, ‘flexibility’ or ‘complementarities’ HRM practices (Becker & Huselid, 1998; Milgrom & Roberts, 1995). The general belief is that HRM and reward/punishment practices are idiosyncratic characteristics of organizations, which may influence attitudes and behaviours of individual. However, researchers hesitate to make conclusions of organizational level performance based on this individual level result (Becker & Huselid, 1998). Therefore, there is no reliable theoretical prediction about the alignment of individuals with organizational-level performance. Becker and Huselid (2010, p. 379) claimed that “since its inception, the SHRM literature has focused on the problem of the ‘black box’, elucidating the causal processes through which investments in HR management systems affect firm performance”. In this regard Guest states (1999, p.12) that “what is needed is an analysis of workers’ reactions to a set of practices, perhaps ‘bundled’ together to provide a distinctive focus”.

6.1.3 Social dynamics

Methodological limitations have segmented our understanding of how employees respond to bundles of organizational practices to achieve strategic goals. First, organizational theories and managers have relied on socialization. At social level analysis, when individuals go through formal and informal practices and policies of HRM (i.e., selection, training, performance assessment, rewards, culture, climate), an individual will be influenced by shared values (i.e., belief system) and internalize such values, and then eventually become homogeneous with other members (i.e., ASA) (Schneider et al., 1995; Schneider, Macey, Lee, & Young, 2009). Second, HRM literature relies on psychological mechanisms through which individuals’ responses are summarised as ‘mutuality’ in employment relationship (Legge, 1995; Rousseau & Greller, 1994; Walton, 2003). Rousseau and Greller (1994, p. 385) suggest
that “practices used in recruiting, training, performance review, and compensation all contribute to employee beliefs in a psychological contract with their employer.” Empirical studies find that employees reserve commitment and moral involvement when reward-performance related treatment is perceived as unfair and reciprocity between employers fails to meet the expectations of employees (see review, Rhoades & Eisenberger, 2002). Currently, no effort has been made to integrate the two important dynamics, social process and psychological process, of individuals’ goal-alignment that undergoes managers’ efforts. It is an important omission, because if the ultimate purpose of reward-performance alignment is to align each individual with value and behaviours for strategic goal, managers need to know about how social process of shaping homogeneous values interact with individuals’ reserved commitment. This study focuses on this problem in literature.

6.1.4 HRM as Decisions of managers

Evidence of adaptive dynamics between managers and employees can be found from general HRM debates and discussion. HRM theorists and practitioners in general believe that inherent contradictions exist between the rhetoric and the reality of HRM practices when managers attempt to influence people (e.g., Legge, 1995; Storey, 2007). The rhetorical view of HRM believes that there is a noble approach for managers to take care of employees in employment relationship while managers simultaneously integrate HR with strategic business objectives. HRM reality is described as managers’ concern about “cost-effectiveness in response to an increasingly competitive environment” (Keenoy & Schwan, 1990, p. 378). Keenoy (1990, p. 379) suggests that the gap between the rhetoric and reality of HRM is inevitable, as the gap is originated from the “irreconcilable value choices” of managers who face dual imperatives for employee motivation and control of employees for maximised economic return. In similar vein, Storey (2007) suggests that HRM quality can be categorised into two dimensions; ‘hard HRM’, which emphasizes tight fit between HRM and strategic
objectives calculative ways, and ‘soft HRM’ which views labour as a resource and concerns building and maintaining sustainable capabilities and employee commitment. To this managers’ imperative, McGregor (1960) argued that employees’ contributions with their efforts and talent for organization will be influenced by managers’ treatment of them (i.e., Theory X and Theory Y). Yet, it is unclear about the process of how members’ performance-goal alignment would occur when this potentially reserved and conditional employee commitment is integrated in the social process as daily routines.

6.2 Outcome-based control

6.2.1 Definition

Outcome-based control refers to the performance management practice which measures outcomes of behaviours rather than prescribed behaviours, and allocates rewards and incentives to the measured outcomes (Eisenhardt, 1985; Ouchi, 1979). At its core is agency theory, which is based on human nature as an economic being whose decisions are driven largely by self-interest (Eisenhardt, 1989; Jensen & Meckling, 1976). According to this theory, the ways by which performance of employees is rewarded and incentives are assigned determines agency relationship between employer and employees. When the both agree on the specific behaviours, both will be happy with behaviour-based contracts. In case the behaviours are not observable or employers do not believe employees efforts, then, outcome-based control will be optimal for employer. By aligning rewards with outcomes, managers are able to solve two typical agency problems, moral hazard and effort aversion of agent, thus securing desirable outcomes and sharing future risks with employees, which is particularly important matter to managers in the uncertain business environment. From the employees’ point of view, being rewarded by outcomes requires more attention to the outcomes than behaviours and efforts (e.g., Eisenhardt, 1989). Behaviour-based and outcome-based controls are compensatory in performance management. For example, sales force control systems
utilize both outcome-based and behaviour-based control (Anderson & Oliver, 1987).

Outcome-based control focuses on the sales outputs of each individual sales person, and sales personnel are allowed to take independent decision-makings and actions, if that are appropriate means for the goal. Whereas, behaviour-based control emphasizes on consistency in the activities of sales personnel, whose independent decision-making are substituted by monitoring and directions from supervisors (Anderson & Oliver, 1987).

6.2.2 Functions when fit

At organizational level, performance impacts of outcome-based control may vary across organizational conditions. The general belief is that it depends on contingency factors (see reviews Chenhall, 2003; Langfield-Smith, 1997). In other words, it is the fit between the outcome-based compensation and the environmental contingency such as market environment, industry types, organizational competitiveness, business strategies and internal processes (Banker et al., 1996; Homburg, Krohmer, & Workman Jr, 1999; Slater & Olson, 2000). For this reason, researchers’ efforts have been made to identify the associated conditions when the outcome-based control makes impact on performance. In relation with fit with customer-focused strategy, Banker and his colleagues (1996) found that in a retail firm, the newly implemented outcome-based incentive was effective to improve organizational performance when the stores are located in the highly competitive area and with upscale customers, and this improvement was a trade-off with the previously implemented behaviour-based control effect.

6.2.3 Dysfunctions when misfit

The dark-side of outcome-based control has been reported at individual level from a wide-range of domains such as education and healthcare sectors. Anecdotal evidence provides examples of episodes of psychological tensions of head teachers and their self-doubts (e.g., Ball, 2000). Under the scheme that intend to improve teaching outcomes, head-
teachers struggled with conflicts between accountability and job moral, as they were expected to improve attainment of GCSE and rankings in league tables. In their qualitative interview study, Wilson and colleagues (Wilson et al., 2006) argue that ‘what is measured gets done’, when improvement target is set in the field of unmeasurable performance, teachers start to establish strategies and game with this indicator. For example, teachers focus on pupils who are on borderline while the pupils who are below the borderline are less prioritised (2006). Publication of doctors’ mortality rate data and hospital outcome data trigger economic motivation and change behaviours of doctors (Mason & Street, 2006). Some cardiac surgeons are reluctant to operate on ‘high-risk’ patients, and hospitals miscoding cases in order to improve score (Burack, Impellizzeri, Homel, & Cunningham, 1999; Luce et al., 1996; Schneider & Lieberman, 2001). Key features are psychological tensions of individuals and subsequent gaming behaviours. When individuals’ performance is measured and rewarded by the organizational level key outcomes, then they make improvement to the measured aspects. However, they create ‘defensive culture and detrimental quality’ (Davies & Lampel, 1998).

6.2.4 Reward and Performance Alignment

The co-existence of functional and dysfunctional responses is predicted by researchers in the management control literature. Commentators (Argyris, 1953; Merchant & Otley, 2006; Otley, 2003) describe these ‘unintended’ phenomena as ‘rational’ human behaviours to the systems of accountability. Particularly when it comes to the effect of reward systems on individuals, the systems are more likely to cause dysfunctional responses among individuals (Merchant, 1990). According to the observations, regardless of whether the rewards are financial or subjective perceptions, experienced rewards have great impact on members’ psychological tension, which results in distorted reporting behaviours (Otley & Fakiolas, 2000). Smith (1993) provided general behavioural strategies that individuals utilize to cope with tensions when they work with performance indicator, 1) tunnel vision, 2)
suboptimization, 3) myopia, 4) convergence, 5) ossification, 6) gaming, and 7) misrepresentation. According to this pattern of behavioural strategies, individuals engage with behaviours that are aligned with measured/rewarded aspects, rather than with organizational long-term interests. Subsequently, individuals attempt to cope with psychological tensions, which in turn trigger gaming behaviours that are eventually played as behavioural norms and shared by other members (Argyris, 1977, 1985; Merchant, 1990). In short, when performance are measured/rewarded by specific outcomes, members’ attention are paid more to the behaviours that may result in the short-term outcomes, rather than the behaviours for organizational long-term goal. However, current literature on dysfunctional behaviours has relatively less focus on how individuals resolve psychological tensions and achieve homogeneity when the implemented outcome measure/reward practices facilitate individual to focus on outcomes of performance, not strategic goal.

6.3 Rewarded and punished by Customer satisfaction ratings

6.3.1 Strategic importance

The strategic importance of customer satisfaction ratings has been justified by literature streams in strategic management and service marketing (e.g., Homburg & Fürst, 2005; Schneider et al., 2009). First, researchers suggest that firms’ encouragement of customer complaints can improve customer voluntary involvement and their own satisfaction and loyalty to the firm (Bettencourt, 1997; Homburg & Fürst, 2005). Naturally, customer satisfaction ratings, or customer complaints become considered as important information about service quality and recovery process (Liao, 2007). Recently, an increasing number of researchers reflect the real life in which customer satisfaction ratings and customer complaints are utilised in the formal and informal ways of rewarding and punishing FLEs (e.g., Banker et al., 1996; Schneider et al., 1992). Second, it improves managerial effectiveness. Customer needs and satisfaction may vary widely across different customers.
(Bitner et al., 1990). For this reason, encounter tasks will be difficult to programme beforehand to be effective to each individual customer. Therefore, encouraging only consistent and prescribed activities regardless customer needs and satisfaction may be insufficient to appeal customers and gain strategic advantages. Accordingly, it may be reasonable for managers to utilise customer satisfaction ratings as outcomes of encounter tasks, and allocate rewards/ recognitions to FLEs who are competent and equipped with relevant customer skills, and correct FLEs who need improvement via formal and informal practices (e.g., Hauser et al., 1994).

6.3.2 Misfit between Control and Task

From the view of task characteristics, encounter performance needs to be managed by social control, such as selection (i.e., selecting FLEs of service oriented personality), training, and service climate. According to control theorists (Eisenhardt, 1985; Ouchi, 1979), task characteristics are important elements to consider when managers design measurement and reward structure. Two principles are considered for appropriate control strategy, task programmability and outcome measurability. If tasks are performed by prescribed activities, such as manufacturing, managers measure behaviours and allocate reward to this. If tasks are not completed by prescribed activities, such as customer encounter, managers need to measure outcomes and reward accordingly. For performance in the customer encounter, outcome measurability may cause conflict due to the use of outcome based measure/ rewards. According to the taxonomy, outcome measure/reward is appropriate only when the performance outcome is highly measurable. If not, such as in customer encounter interactions, the appropriate control strategy is social control (Eisenhardt, 1985; Ouchi, 1979). Inappropriateness of rewarding FLEs based on outcome-based measure has not been discussed explicitly yet. However, researchers provide many reasons for why customer outcomes are difficult to measure. For example, encounter role performance concerns human
interactions which are bound to be subjective, emotional in nature, and engender role conflicts (Brown & Peterson, 1993; Solomon et al., 1985). Also, marketing researchers investigate the gap between customers’ view and FLEs’ view with regard to the reasons for customer satisfaction and service failures (Bitner, Booms, & Mohr, 1994; Groth, Gutek, & Douma, 2001). Moreover, Hartline and Ferrell (1996) provided favourable evidence for the use of behaviour-based evaluation and its influence on attitudes and behavioural responses in ways that could lead to higher levels of self-efficacy and adaptability and lower levels of role conflicts and ambiguity.

6.3.3 Temporal compliance and Partial internalization

The question is how employees respond to this less than ideal control strategy. Whereas the literature has remarked on the psychological tensions between employees’ self-beliefs and values, and managers’ goals (e.g., Ball, 2000; Smith, 1993), it does not provide insights into how the psychological tensions are resolved and alignment with managers’ goals is achieved. A cue comes from dimensional aspects of employee commitment, which informs us about coping of tensions between external influence and internal cohesion. Investigating attitude change, Kelman (1958) developed a taxonomy which is relevant to explain how people adapt to external influences with different levels of acceptance. He explains that when attitudes and behaviours are changed, 1) *compliance* occurs because of related rewards, not because of shared belief, 2) *identification* occurs because of feeling of belongingness, however, the value and behaviour is not completely adopted as its own, and 3) *internalization* occurs because of the influenced values and behaviours are congruent with one’s authentic values. Thus, authentic values and behaviours of any one individual may take varying degrees of congruence when it comes to the adoption to the organizational values. OReilly and Chatman (1986) found that these different levels of commitment indicate levels of psychological attachment to the organization and also predict prosocial behaviours such as
extra-role behaviours and donation. Similarly, Ryan and Deci (i.e., self-determination, 2003) argue that self-integration occurs at different levels such as compliance, introjection, and internalization by ‘taking-in’ external values, demands and regulations as their own

6.3.4 Evidence

Empirical studies, although they are indirect findings, have provided evidence of individuals’ adaptive responses to the customer outcome-based feedback at performance and non-performance activities (Bell & Luddington, 2006; Ryan, Schmit, & Johnson, 1996; Schneider et al., 1998). Bell and Luddington (2006) found that organizational practices of using customer feedback to correct FLEs actually decreased FLEs’ commitment to customer service. The interesting point is that behaviours that may be detectable by supervisors were intact although individuals were in negative affective states. For issues around non-performance, a qualitative research of complaint concealment behaviours showed that from managers, supervisors and to lower FLEs in UK retailers and supermarkets alike were engaged in hiding activities (Harris & Ogbonna, 2010). This is consistent with Homburg and Furst’s (2007) argument that complaint concealments may be self-defensive behaviours. These findings suggest that rewards and punishment based on customer feedback may cause psychological resistance of individuals, who are engaged with behaviours that manage customer strategic-goal related objectives. The behaviours are not necessarily congruent with internal self-values.

Although these studies imply that managers’ change efforts with strategic rewards will induce individuals’ change efforts to align with what is measured/rewarded, current literature streams in strategic management report changes occurring at the level of the individuals’ performance, i.e., service climate literature. How individuals resolve psychological tensions and achieve social homogeneity and align with managers’ goal is not known yet. From the theoretical reasoning, psychological tensions between individuals’ internal values and
socially expected behaviours will be coped with on a daily basis, and the individuals eventually learn behavioural norms and assimilate themselves with managers’ values and goals. Yet, current empirical studies do not provide evidence of how social process of individual’s performance-goal alignment would occur when strategic outcome-based measure/reward facilitate concerns about performance index rather than strategic goal.

6.4 Statement of the Research Problem and Question

6.4.1 Research Problem

Customer ranking and rating of service encounters has become one of the most defining features of strategic objectives for service organizations that value publicity and reputation as firm’s strategic resources (Anderson, Fornell, & Lehmann, 1994; Fornell & Wernerfelt, 1987). For this reason, formal and informal reward/punishment mechanisms are frequently utilised to align individuals’ performance with key objectives of strategic goal of customer satisfaction, i.e., Customer Satisfaction Index, online review, and ranking in the industry league table. However, the actual impact of aligning FLE reward systems may not in line with the expected positive effects. Whereas the ‘bright sides’, i.e., the high performance and increased customer satisfaction (Schneider et al., 2009) have been highlighted, its ‘dark side’ has only just started to emerge in the literature, i.e., psychological resistance and behavioural coping of FLEs (Bell & Luddington, 2006; Harris & Ogbonna, 2010). In short, little is known about how FLEs align themselves with organizational goal when they experience psychological resistance to the practices of rewarding and punishing based on customer satisfaction outcomes such as complaints and ratings.

The OB and control literatures highlight two different aspects of identities of employees. First, OB literature concerns about employment relationship of employees as being an organizational member. According to this, management systems are supposed to promote employees’ organizational membership, identity and commitment with
organizational long-term interests. Second, outcome-based control concerns about contract relationship between employee and employer, and emphasise employees’ status as being an agent. Thus, being rewarded based on the outcomes of performance should facilitate employees to focus on the outcomes by promoting their own self-interests. Given the two faced identities of FLEs reinforced by management control system in operation, the reliance of outcome-based control may cause tension of FLEs between being an organizational member and being an agent at encounter performance. Presumably, this tension must confuse FLEs during the service encounter where role conflicts frequently arise and test FLEs’ authenticity, whether to behave as organizational member or as a self-interested agent. However, how individuals resolve such tensions and achieve alignment with strategic goal is still missing in the literature.

The mechanisms suggested in the literature are depicted in two ways. First, social process describes goal alignment of members as a consequence of formal and informal socialization of individuals such as culture, climate and personnel management, which collectively develops homogeneous belief system of members. From this view, individuals’ goal alignment occurs as a result of shared and internalized values. Second, psychological mechanisms which explain employee commitment and moral involvement with organizational goal posit that they may be conditional depending on the quality of employment relationship. What we know is social and psychological processes are both interrelated. However, how this conditional employee commitment is integrated in the social process is not yet clearly understood. Consequently, it is imperative to understand how the two dynamics are integrated under the reward - goal alignment practices on a daily basis, which is the research problem this study concerns.
6.4.2 Research Questions

“How would individuals’ strategic goal alignment occur when the reliance of outcome-based control causes psychological tension to FLEs’ authenticity given their dual roles of being an organizational member and being an agent?”

Sub-questions are:

1. How is the psychological tension resolved at encounter performance under outcome-based control practices?

2. How is homogeneity between managers and FLEs achieved under outcome-based control practices?

In the following section, I examine the research paradigm and methodological choices that best suit the investigation in the study. I elaborate the process of empirical study that addresses the research question.
Chapter 7. Research Design and Procedures

This chapter provides the rationale for the choice of qualitative research paradigm and the justification for the methodological approach of grounded theory process. Theory building requires thorough validation of right methods and procedures. Thus, I provide an overview of four steps I adopted for fulfilling the purpose of this research. First, I discuss rational of methodological approaches of qualitative study, in terms of grounded theory building process and phenomenological investigation. Second, data collection strategy of interview and method are discussed and thirdly, the process of thematic analysis is described from the grounded theory perspective. Fourth, data validation strategies are presented.

7.1 Methodological Approach

This section provides rational underlying the choice of qualitative research paradigm in relation with theoretical positioning and philosophical assumptions.

7.1.1 Rationale and Assumptions for a Qualitative Design

In social science research, researchers’ have three choices; qualitative, quantitative, and mixed method (Creswell, 1994). The choice of quantitative method is appropriate when researches are objective and impersonal, also when relationships between known variables are tested (Creswell, 2009, p.99). By contrast, the choice of qualitative method is suitable for researchers who investigate and attempt to “discover meaningful patterns descriptive of a particular phenomenon” (Auerbach & Silverstein, 2003, p. 3). Mixed method researches benefit for the merits of both qualitative and quantitative approaches.

The primary purpose of current study was to fully capture the meaningful patterns in the psychological properties of participants undergoing organizational control practices. For this reason, qualitative research methods were recruited. The choice of qualitative research expects several advantages. It allows flexible styles and variety of means for collecting the voice of participants. These include such as participant observations, interviews with open-
ended and structured questions, assisted by visual and audio data, through which researchers can gain holistic view of the phenomenon of interest. Corbin and Strauss pointed out this advantage of qualitative research as for “the inner experience of participants, to determine how meanings are formed through and in culture, and to discover rather than test variables” (2008, p. 12)

The ultimate goal of this study was to generate theory about dysfunctional control effects and explore the common themes surrounding the phenomena. For fulfil this type of goal, qualitative paradigm was selected as appropriate tool rather than quantitative approach. Creswell suggested that “the nature of the problems is an important factor” (1994, p. 10) in choosing the paradigm for a study. First of all, the nature of problem of current study is to generate hypothesis rather than to test hypothesis. As explained in the previous section, existing strategic HRM, control and OB literatures are at odd, and have insufficiently dealt with this phenomena. Thus, the phenomena of interest cannot be tested with existing theory and variables using statistical method. For this, Morse support the use of qualitative approach when “the characteristics of qualitative research problem are: the concept is ‘immature’… due to a lack of theory… the available theory may be inaccurate, inappropriate, incorrect, or biased” (1991, p. 120).

7.1.2 Positioning in Philosophical Assumption

In addition to the nature of research problem, at the core, this research shares philosophical assumptions of qualitative research paradigm. According to Creswell (1994), qualitative research paradigm does not agree with the world view that ‘the objective truth is out there to be found by researchers’. By contrary, qualitative research asks ‘how does it occur?’ and ‘what is going on?’ The worldview in qualitative paradigm assumes that the truth belongs to the subjective meaning of individual (i.e., ontological), the meaning is co-constructed by the researcher and the one being researched (i.e., epistemological),
acknowledging the role of researcher’s values in delivering the meaning (i.e., axiological), accepting personal voice of being researched (i.e., rhetorical) and inductive process to reach patterns and theories (i.e., methodological assumptions). I address each of these below.

**Ontological assumption.** To the central question of ‘what is the nature of reality?’ I endeavour to uncover relative truth rather than absolute truth by this research. I recognize that there are multiple realities with the issues of research interests. Thus, I provide participants’ perspectives by presenting their words with quotations.

**Epistemological assumption.** To the question of ‘what is the relationship between the researcher and the participants?’ I made an effort to maintain engagements with the field to observe and fully understand participants’ views. At the same time I was cautious not to overestimate my understanding of their thoughts and feelings.

**Axiological assumption.** To the question of ‘what biases does a researcher bring to this study?’ I admit that my personal views will be unavoidably embedded, thus current research could be impacted by personal values and judgements. By doing so, I attempt to be conscious about potential influence on the informants and interpretation of their responses.

**Rhetorical assumption.** To the question of ‘how does the research use language to report research findings?’ I use ‘first-person pronouns’ and use personal and engaging style in writing. At the same time I try to stay objective in writing the findings by adapting recommended style of words such as ‘credibility, transferability’ rather than words that suitable for quantitative findings such as ‘validity, objectivity’ (Creswell, 1994, p. 18).

**Methodological assumption.** To the question of ‘what method is used?’ I endeavour to utilise inductive logic. By describing details of voices and situations, I keep modifying questions to resolve curiosity and narrowing the focus of data to be collected and analysed until construct a theory.
7.1.3 Study Design

**Grounded theory as a tool for theory building**

For the purpose of theory building, current research relied on *grounded theory* method in performing qualitative study. Grounded theory is one of most widely used qualitative method. This popular method provides a systematic approach to the phenomenon being studied in ways that guide throughout the whole process of data collection and analysis to the construction of theory (Strauss & Corbin, 1994; Strauss & Corbin, 1990). By doing so, the method allows researchers to generate a theory from grounded data in a way of iterative searching for better sources of data (i.e., theoretical sampling) and heuristic abduction in due course of shaping concept (i.e., induction). The grounded theory process can digest diverse types of data such as interview and observation. As long as the purpose is to get abstractions from the data, this method constantly examines the patterns and themes through constant comparisons, ultimately reach the theoretical saturation in which a sets of integrated concepts emerge. Thus, the inductive method for theory building is proven to be effective, as “researchers concentrate on what people do and the meanings they make of their actions and on the situations in which they are involved” (Flick, 2008, p. 154).

Several systematic processes involved in the current study characterise this theory building as to be grounded theory. First, this research was not relied on preconceived theories and variables. Instead, it allowed a theory to emerge from data, i.e., participants’ stories. The abstract was grounded in data of experiences of participants. Also, it allowed researchers to open to emerging themes and apply deductive and abductive processes anytime until theory was saturated. Second, this research has constantly iterated between the data and the analysis throughout the research process. Due to the iteration, the method allowed this research had a quality of self-correction. The data constantly fill the gap in the previously collected data, and the emerging themes were constantly re-examined and confirmed to remain. Third, this
research followed clear analytic process through coding and categorization strategies. The goal was to develop a core theme and a set of integrated concepts. As it progressed, the network of concepts as a whole explained the phenomena of interest. In a big frame, the iterative process itself enabled the researcher to conceptualize the theory based on the similar experience of participants. This research benefited from taking grounded theory process, which are characterised as inductive, iterative and systematic processes. Strauss and Corbin described this process as a core of grounded theory and summarised as being “derived from data, systematically gathered, and analysed throughout the research process” (1998, p. 12).

**Phenomenology as a tool for data collection**

Getting rich data is one of critical element in conducting the grounded theory (Charmaz, 2006). For the “detailed, focused, thick and full” data (Charmaz, 2006, p. 14), the current study utilised the phenomenology tradition in association with the grounded theory process for data collection and analysis. Phenomenological method design gives descriptions of ‘lived experiences’ (Heidegger, 2002). This design can deliver the phenomena from the view of the person who experienced the phenomena (Valle, King, & Halling, 1989). Naturally, the interview method was chosen to channel the participants’ experience to be explicated. Combined design has enhanced outcomes for the theory development purpose.

**7.2 The Role of Researcher**

Special care is necessary in the role of researchers in conducting qualitative research, in collecting data from interviewing and interpreting with the data. From the view of researcher as a primary ‘instrument’, researchers’ values and biases are inseparable elements in the process and product of the qualitative study (Russell & Kelly, 2002). Having pre-existing assumptions and training in academic theories, researchers’ subjectivity may work in-between as guidance to the theory building from messy data and as obstacles to the open-mind for new concept. The best practice advised in the literature (Strauss & Corbin, 1990) is
to understand how researchers assumptions will influence the research initially, i.e., reflexivity (Russell & Kelly, 2002). For example, researchers must have appropriate level of skills and knowledge for performing qualitative inquiry, as such ability will assist in capturing the emerging patterns from the data and making appropriate decisions during interpretation (i.e., theoretical sensitivity, Strauss & Corbin, 1990). Also, it is important to have a critical thinking about the data collecting tool (i.e., the researcher) which is prone to be biased. For this reason, I intend to explicate may own previous experiences and expectation on this research put aside (i.e., bracketing).

Thus, it is reasonable for the audience and reviewers to know about the researcher’s background, expectations, and interests involved in this research project, as they may be influential in performing the research and the outcome. It is advised that such openness is ‘useful and positive’(Locke, Spirduso, & Silverman, 1987). It is a particularly sensitive issue in PhD research. As the research is designed by the researcher initially and managed by the same researcher throughout, the researcher’s potential biases should be explicated.

7.2.1 Bracketing

Soon after university, I joined an airline company in Korea and worked as a cabin crew member for 16 years. During this period, society entered the ‘customer is king’ era and the company I worked for was the one that led the trend of ‘customer-orientation’. What I observed in the society as a whole was a greater importance was given to the ‘customer satisfaction’ in any businesses and to any customer. The company was sensitive to the online reviews and customer complaints. It was obvious that colleagues hated their job when they were neither able to satisfy customers who seemingly believed that they had right to be treated well and satisfied, nor had autonomy to avoid contact with difficult customers.

Living and studying in UK, I have witnessed fundamental differences in the organizational approach to customers between the two social contexts. In this study, I
expected to hear about the influence of customer satisfaction policy and practices; mainly inner voices of FLEs who face customers on a daily basis and resolve role conflicts as routines, therefore there could be some cognitive filtering on my part.

7.2.2 Theoretical Sensitivity

Theoretical sensitivity refers to the ability to reconstruct the meaning, detect patterns, have analytical depth, and understand researcher’s biases (Strauss & Corbin, 1990; Weick, 2007). It is “a complicated sensing device to detect a complicated set of events” (Weick, 2007, p. 14-15). Theoretical sensitivity is an important aspect of the researcher who is involved in grounded theory building process, as the research requires attending to the meanings of words and actions which are intrinsically complex and nuanced (Strauss & Corbin, 1990).

The development of the theoretical “sensing device” began with my initial academic degrees in HRM, and my exposure to the literature on emotional labour, burnout, service management and marketing. My reading of the HRM literature developed my understanding of linkages in existing concepts and theories at individual level, and the psychological aspects in particular. My review of the literature in the fields of service employees and customers also created a synergistic influence to develop the inter-disciplinary framework of service employee related concepts. This review process crossing the two domains of HRM and service marketing and management gradually resulted in a conceptual map containing either connected concepts or broken links, which indicated gaps and contradictions in the literature.

In fact, the process of searching, expanding and relocating the focus of literature review resembles the process of grounded theory. Dey (2010, p. 176, see also Charmez, 2006) argued that “we should not confuse an open mind with an empty head.” Further, I constantly updated my theoretical sensitivity incrementally during the data collection and analysis. The literatures I revisited mainly were perception, and service behaviour concepts. It was
necessary to identify the nuances and complexities of inner thought from the informants.

Only when I was able to detect the meanings and understand patterns of words and actions, I was able to get the analytical insights and move on to next stages of sampling and perform the higher level of coding to achieve abstraction and identify the emerging story. For the whole course of theory development, my theoretical sensitivity constantly asked ‘what is this about?’ to the new information, and constantly challenged the emerging relationship between categories.

7.2.3 Reflexivity

Reflexivity is defined as “the ways in which a researcher critically monitors and understands the role of the self in the research endeavour” (Daly, 2007, p. 188). It may be both “opportunity and limitation” that the researcher has his or her own values and emotions about the phenomena of being studied (Finlay, 2002, p. 531). The researcher’s experience and familiarity related to the topic and informants will influence the interpretation of the data and findings (Russell & Kelly, 2002). Being aware of the influence, I undertake reflective journey (Finlay & Gough, 2008) as described below.

I put myself in the role of craftsperson. The representation of the researcher’s role as craftsperson was described by Kvale (1996). Kvale (1996) noticed the characteristics of interactions between interviewer-interviewee, interviewing gives voice to people who usually do not have the chance to communicate with the general audience about their own social contexts. Dialogical interviews have been considered as generating close personal interactions. The natural reciprocity between researcher and the researched is caring, and liberating (Brinkmann & Kvale, 2005). Engaging with this process, I considered myself to be playing the role of a craftsperson who supports informants to liberate their lived experience through which I can re-interpret the meaning of the lived experiences with my style of craftspersonship.
In addition to this role of craftsperson, I admit this role tends to exploit the people who were interviewed. I admit that trust from the informants enriched the dialogue, and I thus tried to reciprocate empathy. By doing so, their confidence led to the sufficient data being provided. Knowing the power of empathetic approach, I, the researcher expected to get data of their life experience that interviewees might not have necessarily voiced. Thus, although, my journey as a craftsperson may have intended to capture the emerging themes, I admit that I may have influenced the emerged themes, as an unintended consequence of power dynamics. This purposeful approach has already been criticised by researchers in the terms of “a quasi-therapeutic interviewer role” (Fog, 2004, in Kvale, 2006), “faking friendship” (Miller, Birch, Mauthner, & Jessop, 2012), and “manipulative dialogue” (Kvale, 2006, p. 484-485).

7.3 Data Collection Procedures

I report the essential elements of data involved in the current research. As the nature of inquiry determined what data to be collected, I describe the steps involved with regard to data collection as follows: 1) bounding the study, 2) collecting information through interviewing and 3) protocol and managing the data.

7.3.1 Bounding the Study

Miles and Huberman (1984) suggested four parameters to assess the fit of sample and collected information. These parameters are setting, actors, events, and process. For selection of participants, I endeavoured to find informants who were willing to verbally describe their experiences. Polkinghorne (2005) explained, “because the goal of qualitative research is enriching the understanding of an experience, it needs to select fertile exemplars of the experiences. Such selections are purposeful and sought out; the selection should not be random or left to chance” (p. 140).
Setting

To fulfil the nature of inquiry of the study, I specifically looked for frontline employees of service organizations in South Korea and United Kingdom (UK). Initial setting was South Korea where news coverage provide evidence of dysfunctional customer behaviours and the related FLE well-being issues due to the marketing strategy of customer satisfaction. Major organizations practices such as ‘happy call’ to collect customer experiences after services are provided. For this reason, customer monitoring has powerful impact on managerial decisions on employees and sub-contractors. Thus, this social context is appropriate to observe the phenomena of study interest.

Actors.

Qualified informants a) worked for service organizations with customer satisfaction strategy, b) were both formally and informally assessed, and corrected by customer ratings, c) and identified encounter performance as a part of their job description. Initial informants were recruited from South Korea and then, UK. In total the sample comprised 27 interviewees from South Korea and 3 interviewees from the UK, across six occupations such as flight attendants, bank tellers, retail shop-floor staff and managers, a student coordinator, and nurses. Customer contacts were mundane tasks of informants who were full-time employees at non-supervisory or first-line supervisory positions. The range of work experience was from 2 to 25, and the average age was 33.44 years, and 3 of them were male. Appendix A provides the demographic details of informants.

According to the guideline from grounded theory process, the researcher needs to decide when ‘theoretical saturation’ has achieved (Strauss & Corbin, 1994). Thus, activities of collecting and processing data continued to iterate until the researcher found no more new information from different sources of informants in terms of between countries, professions, and organizations. Initially, the majority of data came from Korea and then, UK data was
collected to triangulate the data source. For example, the 7 in-depth interviews offered
general opinions from wide range of job statuses. However, they were mainly from former
and current employees of two major airlines. Subsequent semi-structured interview tried to
expand the sources of data to other type of service industries and multiple organizations,
including hospital, bank and department stores. As there were obvious cultural issues
appeared, I intended to compare the same professions in different countries, i.e., department
store and hospital between Korea and UK. Later, I compared those two data with data from
more traditional institution, i.e., Business school. The main purpose of triangulation is to
improve generalizability of the findings from this study. Although, generalizability is not the
goal of qualitative study, however, the goal of this study is to provide generalizable theory
about the phenomena of interest. Otherwise, the study may be termed as case study about
Korea. For this reason, I tried to multiply sources of data and find compensatory sources
when the voice of participants started to confirm the same themes.

**Event**

During the interview, I ensured the participants were able to “articulate their lived
experiences” (Creswell, Hanson, Plano, & Morales, 2007, p. 119) about incidents
surrounding their ‘caught in the middle’ experiences. ‘Caught-in-the-middle’ refers to the
situations where organizational boundary spanners (i.e., FLEs) experience role conflicts
between manager’s and customer’s role expectations. Researchers describe FLEs in a ‘three-
cornered fight’ as competing manager and customers are represented at the ends whereas
FLEs are ‘caught-in-the-middle’ (Bateson, 1985).

**Processes**

The process of collecting participants started with convenient sampling and utilised
snowball techniques. I contacted former colleagues in the previous work place and asked
them to introduce their acquaintances outside the organizations (South Korea). Also, I
contacted PhD students, professors, and staff in business school and was introduced to people who expressed willingness to be interviewed.

7.3.2 Data Collection

Interviewing was the tool for collecting data. Utilising interviews in data collection is a recommended practice by qualitative researchers (Creswell et al., 2007). In particular, interviewing gives researchers a solid and deep understanding about the context where the phenomenon of interests occurs. By focusing on contextual variations, researchers may able to see emerging patterns; patterns of overlapping themes, and patterns of conflicts and its resolutions. Rich information—“detailed, focused, thick, and full” (Charmaz, 2006, p. 14) was the focus in the interview. This included information about the contextual variations and the patterns.

To answer the research question about what is going on in the organizations in relation with the outcome-based control effect, it was essential to collect data that could reveal members’ experiences, thoughts, feelings, and the background of behaviours. Thus, I chose the interview as a vehicle to collect such data. Interviewing has several advantages for my research objectives. It is particularly useful when informants and their behaviours are not directly observable, as service interactions occurs in the dyadic setting and difficult to monitor; effective to get historical and contextual information which determine the choice of behaviour; effective to control the data collecting process with the questioning strategy. I combined face-to-face and telephone interview depending on the location of interviewees.

**Individual in-depth interviews**

Evolution from in-depth interview to semi-structured occurred, which was in line with essential iteration process as grounded theory advises (e.g., DiCicco-Bloom & Crabtree, 2006; Strauss & Corbin, 1990). Initial individual in-depth interviews allowed researcher to detect different angles on the phenomenon, were conducted with a theatrical sampling. This was the
basis for later, more focused, semi-structured interviews with a larger sample of informants. Initial interviews were conducted between March 2013 and June 2013. Seven informants were interviewed either in person or on the phone. The duration of the interviews varied between one hour and one and a half hours. Questions varied by informants’ job and organizational experience for the seven informants (retired airline vice president, retired flight purser and 4 current flight attendants in A and B companies, current team director of cabin crew in B company).

**Semi-structured question**

In the later stage of data collection from July to December 2013, semi-structured interview was conducted with 23 informants across two countries, four business sectors and six occupations (Airlines, Health institutions, Department stores, and banks). The average duration was 40-55 minutes and some of them took less than 30 minutes (three interviews did not yield any episodes).

Semi-structured interviews allow researchers to explore interviewees’ experiences in-depth (Creswell et al., 2007). The semi-structured questions were elaborated upon to maximize interviewees’ reflection on their activities during service interactions and work life in general. In a way, interviewees were able to start to talk or free to interpret the meaning of the question. It was important to let them feel free to describe what they do routinely and verbalize in their own language without priming, i.e., exceptional situations or episodes. When interviewees found it difficult to recall episodes, the interviewer asked about a memorable event in today’s or yesterday’s work or asked to describe routine days from the moment of arriving at work as a starting point and proceeded from there via probing. The semi-structured questions led to open dialogue in varying degrees. Some interviewees continued to produce a series of episodes, which naturally contained enough contextual information, feelings, behavioural strategies and norms. Others interviewees were guided by
spontaneous probing questions after the initial semi-structured question. Overall, each interview attempted to draw balanced episodes if the initial episodes came from either positive or negative side of encounter experiences.

All the interviews were conducted by the same researcher in order to maintain consistency in applying the interview protocol. Interviews were carried in person or on the phone with the interview protocol at hand. In case of calls, the researcher first confirmed whether the informant was in a quiet and private place, which was important due to the sensitivity of the subject-matter, prior to conducting the interview. The interview protocol started with consent for recording and consent for the use of information in the academic purpose.

Two strategies were used to facilitate the dialogues. The first is to let them feel comfortable enough to describe even negative experience and feelings. By doing so, the barriers between the researcher and the one being researched were reduced and the collaborative relational experiences enriched the dialogues. Consequently, the dialogues would probably better represent the elements of their life with minimal self-filtering. The second strategy was to let them articulate the logic of their own behavioural responses by picking up on contradictions in their talk or previously mentioned actions. On being challenged, they were able to distinguish the contextual characteristics and produced examples of episodes to justify their actions. It was important to use the two strategies in a mixed manner. It was because when the interviewees explicitly stated that the interviewer had reached the same level of understanding of their work context, they started to omit to explain the motives of taking certain action or alternatives, which was the important information to be collected by the current research.
7.3.3 Data Process

All informants were informed about confidentiality and their right to withdraw from the process at any time, and consented for recording. After obtaining consents, the interviewer introduced research area in one shot sentence, intending not to prime the direction of desired answer. Interviewees were asked to tell their tenure and job for recording the demographic data. All informants were asked with the same question, ‘tell me about your experience in routine and exceptional situation in service encounter’. Informants were allowed to talk as much as they wanted to about episodes and variety of aspects of work including opportunity and constrains from organization and customers. Interview protocol itself has been modified after the initial interview and revised throughout the period of research. The final version is provided in Appendix B. The interviewer tried to minimise influence on answers, and made questions only when clarifications and summaries. When there were contradictions in the statements or implied meanings, interviewer intended to requested them to clarify.

Later the recordings were transcribed for further analysis. If necessary the recordings were translated and transcribed by the researcher immediately after the interview. Identifiable information with names and company names were removed from the transcripts. Translated texts were double-checked by English native speaker in order to improve clarity. The targeted level of clarity had to make trade-off between intended messages in translation and smooth English expression, as researcher is not a professional translator. Most importantly, the choices of words in English sometimes do not convey the emotional expression and implied meaning delivered in Korean. Consequently, researcher had to make decisions between the natural English expressions and expressions with exact words that was emphasised by the interviewees. In most cases, the researcher tried to include all nouns. Also, all translations were revised at least 4 times before sending to the English speaking reviewer.
Following the grounded theory process, I utilized field notes as a part of data. Field notes were recorded after interview and impression were recorded whenever each translation was completed. The record included my impressions about the informants and comparisons between previous informants, which occurred throughout the data collection and analysis period.

7.4 Data Analysis Process

The aim of analysis for the study was to reduce data into meaningful abstract concepts and build a theory. I relied on the grounded theory process, particularly, iterative coding steps until the saturated categories will find ‘patterns’ and story emerges (Strauss & Corbin, 1990). During the iterative process between data and themes, I was guided by the research question, which made me move forward to the next steps without being lost. The analysis strategy I adopted was data deduction through thematic analysis, which has been proved to be effective tool for qualitative research (Lee & Fielding, 1996). Bearing in mind the criticism that qualitative researches tend to omit detailed process of analysis, I intend not to omit to mention ‘how’ analysis was carried out (Attride-Stirling, 2001; Lee & Fielding, 1996). I now report the process of categorising data to illustrate how the grounded theory process of iteration has been applied to reduction of data, and help to emerge key themes and patterns in the data. The first step of analysis started while I was collecting and transcribing data, and comparing the contexts between informants (Strauss & Corbin, 1990).

Categorising Data

The full process of thematic analysis has evolved with three stages in terms of reducing the volume of data. According to Strauss and Corbin (1990), thematic analysis starts with coding and categorising data. The evolution of categorising was not linear, but it proceeded as follows: 1) open coding of the text segment, 2) axial coding and 3) selective coding to rearrange coding according to the emerging core category. By moving toward next stages,
there was growing homogenization, resulting in the abstraction of concepts, and choice of selective coding so as to answer the research question in a narrative manner.

**Phase 1**: In this phase I tried multiple false trials of open coding; line-by-line analysis and paragraph-by-paragraph. For the beginner qualitative researcher by myself, assigning codes and categorising needed essential training of false trials. Also, I first attempted the analysis using the N-vivo software tool, but later used MS-Excel simply because it was more convenient. At the end of this period, I created every possible set of open coding with initial nine semi-structured interviews into a spread sheet. Field notes were a good source of creating key words into a code book. Also, repeatedly reading and listening to the audio recordings allowed me to see and hear emerging implicit words and meanings from words. At the end of these trials, a set of open coding emerged in a sequence of condition-action strategies-consequence, as established researchers described (Strauss & Corbin, 1990).

**Phase 2**: Axial coding was attempted with analytic approach of ‘condition, action, and consequence’. In this stage, the focus of thematic analysis was the alignment of themes. Insights from informants’ ‘narrative structure’ guided the categorising process. In this manner, actions were grouped into sub-categories of strategies such as pleasure seeking and opportunistic responses. The two sub-categories started to form associations with sub-categories in conditions and consequences. During this period, re-assigning codes and re-creating lower level sub-categories constantly occurred. When these layers of categorisation emerged with meaningful relationships between themes, I needed to decide when to proceed for selective coding. This decision were made when after reviewing and refining the whole open coding, themes (core categories) and relationships between them recursively, and solid and comprehensive patterns emerged in the sequence of conditions-interactions-consequences.

**Phase 3**: In this period, I focused on the refinement of selective coding, and core categories (themes) emerged from axial coding process. Strauss and Corbin (1990) advised
that core themes will link other themes and will theoretically explain the phenomena of interest. The discovery of the core theme happened by iterating between field notes and each category and by going closer and retired from analysis. I kept examining the relationships from different angles of theoretical concepts in order to understand the meaning of categories (Russell & Kelly, 2002). The central category (core theme) emerged with integrating the three themes, which can be described in a story, as suggested by methodological experts (Strauss & Corbin, 1990). As they recommend, I choose (or select) the categories “that appear to have the greatest explanatory relevance” and develop them into a story line. For example, I focused on authenticity crisis which had sub-categories of cognitive labour, efforts discrimination and psychological dissonance strategies. Selecting the authenticity crisis as the central construct, I noticed two emerging patterns. First, distinctions in the situational conditions became clearer meaning between pleasure seeking and opportunistic responses. Second, patterns emerged in the relationships between the triggers in organizational contexts and consequences of the conflict resolutions. As established selective coding procedures suggest, I continued verification of the model with further interviews from the same theoretical sampling strategy and three interviewees from outside the population in order to check the model fit the customer satisfaction strategy context. As an outcome of this selective coding process, I obtained the final data structure which is presented in Figure 3. This data structure summarises the third order themes of becoming outcome-oriented FLEs on which the model of outcome alignment is constructed.
Figure 3 Data Structure

First order

- Genuine belief in the customer value for organizational goal
- Shared imperative of Customer satisfaction
- Feeling proud of and rewarded for winning competitors
- Customer well-being concern vs. CS Index, ranking concern
- Recovery of discomfort vs. removal of complaints
- Structural alignment of incentives with customer index
- Outcome accountability aligned vertically and horizontally
- Naming and shaming routines
- Conflicts between rules and outcome-focused assessment
- Incomprehensive rules for customer outcomes
- Ambiguity in opportunistic flexibility
- Challenged belief about effort appreciation
- Discontent about quantifying efforts by customer outcomes
- Loss of confidence on making efforts
- Fear responses to personal significance of customer outcomes
- Helplessness to perceived uncontrollability of customer outcomes
- Turning self ON and OFF
- Opportunistic efforts satisfy demanding customers, but is it right for organization?
- Suppressing self pacifies encounters, but is it what I wanted here?
- Self-doubts gradually dismantle authentic affections
- Social pressure for collective tasks
- Shift in quality from affective to agency relationship
- Shift in behavioural invovlement from engagement to mutuality
- Getting used to collective commitment of outcome priority
- Changing attitude from 'right' to 'outcomes' for tasks
- Joining with pervasive ignorance of process and rules
- Emerging sense of human sacrifice for collective task
- Becoming submissive and indifferent

Second order

- Authenticity for Customer goal
- Discrpancies in the orientation
- Perceived outcome orientation
- Confused as outcomes defeat rules
- Discouraged as complaints tell efforts
- Threatening penalties
- Authenticity crisis
- Self-correction imperatives
- Re-defining employment relationships
- Adopring new behavioural routines
- Believing disposal human being

Themes

- Being: Context of clarified goals
- Challenged: Context of Felt threat
- Gaming: Context of resistance
- Transforming: Context of constant self-renewal
7.5 Quality Assessment and Limitations

Although I tried to establish the quality throughout the study by following the recommended procedures for data collection and analysis by grounded theory, it is necessary to explicate quality of investigation and its outcomes.

Assessment of Quality

The ultimate goal of validity assessment resides in whether what was reported is congruent with the reality of what was studied (Flick, 2006). Researchers in general believe there is “no ‘golden key’ to validity” in qualitative research (Silverman, 2013, p. 275). For this reason, I rely on experts’ advice to assess published qualitative research by several criteria, which are credibility, transferability, dependability and conformability (Krefting, 1991; Lincoln & Guba, 1985). Creswell (1994) suggested recruiting at least two strategies to improve trustworthiness in the qualitative research.

Following the established advice and practices, I evaluated research process I had taken and now present how I tried to ensure quality in due course of sample selection, data collection, and the process of analysis. First, I tried to improve the credibility of research result by focusing on theoretical sampling in terms of clear sample selection process and criteria. In order to discover the patterns in their experiences as perceived by informants, I tried several strategies. I maintained theoretical sampling by intentionally diversifying sources of informants (e.g., triangulation) and comparing discrepancies in the information between different sources of informants (e.g., constant comparative method).

Second, although importance of transferability may not be a concern of descriptive research, it is an important criterion as the purpose of current research was to generalize the findings about customer outcome measure context (Krefting, 1991). Thus, I attempted to improve transferability by focusing on selecting samples across different organizational settings, so as the informants to represent the phenomenon of interest above organizational
characteristics. By doing so, I ensured that evidence from different settings would reflect the shared phenomenon of psychological and behavioural responses.

*Dependability* of data was aimed to be enhanced by reliable data management. For example, I followed coding-recoding procedure, which is comparing my own data coding with the previous coding after returning a couple of days of different tasks. By doing so, I was able to have fresh view on the data and improved consistency of findings until no changes made. Also, I tried to describe the process with as much as details. Dense description may provide readers with information about the characteristics of context and whether the study can be repeatable (Krefting, 1991).

For broad *conformability*, I invited my doctoral supervisors to examine the transcriptions of random samples, coding, field notes, and interview protocol, and asked whether the emerging pattern and story was acceptable. Ideally, the validity of this phenomenological study depends on how it accurately delivered the first person descriptions of the phenomenon, and readers would agree this interpretation (Giorgi, 1970). Another way I adapted to establish conformability was reflexive analysis through which I tried to be aware of my influence on the data collection and analysis.

**Limitation**

This qualitative research has intended to produce grounded theory and followed the process. Although, the researcher has ensured to abide by the rigorous systematic procedures from the preparation to the data and analysis, the quality of this study might be limited by the potential researcher bias. A couple of reasons – the researcher itself started the research with preconception, influenced on the core theme and the emergence of theory. Also, the data in this study concern the organizational experiences of FLEs, and their behavioural decisions during service encounters. Evaluation of their own behavioural choices may not be based on true events, as they may wish to justify their behavioural choices. Their recall of past
episodes may be biased, because it is inevitable that emotional-laden episodes could suffer from self-serving biases. Thus, the data may be exaggerated and not completely reliable about the reality.

**Summary**

In this chapter, I addressed the fit of theory building and qualitative research paradigm, and explained the rationale of methodological approach to support the choice of paradigm and assumptions. Grounded theory methodology was adopted as a guiding tool since it facilitates construction of theory from raw data. The phenomenological interview was the method of data collection. The data analysis procedure was described in multiple phases in order to show systematic approach taken by this research. The validity of the reported phenomena was assessed.
Chapter 8. Findings

8.1 A Process model of Outcome-alignment of individuals

To the main question of “how would individuals’ strategic goal alignment occur when the reliance of outcome-based control cause psychological tension to FLEs’ authenticity between being an organizational member and being an agent?” this research presents findings of outcome alignment. Outcome alignment is an on-going and self-regulating process by which individuals cope with psychological tensions at the contexts of encounter performance, which is a testing ground of whether to behave with authenticity or not, termed as authenticity crisis as a central theme of change process. In an effort of resolving the recurring tensions out of authenticity crisis, individuals naturally transform self into the new form of individuals; on the one hand constant removal of affective values and bonds with work-related belief system, on the other hand, constant integration with outcome preferences, eventually, which help minimise divergences with important others and converging into outcome-oriented collectives.

The core theme emerged from the process of outcome alignment with strategic goals was fundamentally individual’s coping efforts against authenticity crisis, as their held values were not always effective in resolving encounter conflicts. Rather, a sets of existing authenticities caused destructive self-doubts and psychological dissonances, as encounter performance required them to behave in an inconsistent and different manner from what they believe and feel in everyday routines. From clarification to destabilisation, and to subsequent incremental replenishments of self-belief system, the process of outcome alignment was non-linear but rather a constant on-going comparison and search for equilibrium between self and their immediate social contexts in organizations.

As illustrated in Figure 4, outcome alignment went through four contextual stages, where individuals found tensions between self and external demands, which are summarised
as: 1) being (understanding organizational goal and discrepancies between authentic beliefs and collective commitment with customer values), 2) challenged (felt threat to the unmet expectation about the customer focused control), 3) gaming (psychological resistance to the authenticity crisis) and 4) transforming (constant renewal of outcome oriented self). The process of outcome alignment consists of a series of gaps that represent individuals’ experience of social environment. Also, each stage represents gap contexts where individuals’ instable selves were triggered to be changed.

**Figure 4 Emerging themes of Outcome-alignment undergoing daily experiences**

![Diagram of Outcome-alignment](image)

8.1.1 Being: Context of goal clarification

The theme of ‘*being*’ represents the context of social comparison wherein informants form understanding about distance between authentic beliefs of ‘what is right’ for customer satisfaction and personal experiences of ‘how it works here’ related to the strategic goal of customer satisfaction’. Identifying this gap context is an important starting point to gain insights into what may trigger the instability in the self-belief system and subsequent change
efforts for a firmer state of authenticity. At the fundamental level, informants’ perception of
differences started with observations and comparisons of authentic values in relation with
organizational and social contexts. The analysis indicated these perceived discrepancies were
obtained by the three angles of observations from: 1) authentic belief in values of customer
goal, 2) customer well-being concern vs. customer outcome concern, and 3) perceived
outcome orientation. Table 2 presents supporting data. These sub-themes together formed the
initial context in which comparisons of self-beliefs and values develop the momentum of
authenticity destabilisation.

**Authenticity for customer goal**

As a baseline of social comparison, there was clarification about the value of customer.
Frequently, informants reported themselves as genuine believer of customer satisfaction. A
sense of authenticity about customer satisfaction was observed from the most of the
informants although they belonged to multiple and unrelated organizations and professions.
Informants provided their interpretation in ways of varying degrees of internalized value and
belief of customer satisfaction as job requirements and organizational identification. For
example, some informed that their attitudes were influenced by the organization wide
implementation of ‘customer satisfaction’ strategy. The descriptions included consistent
reminders of managements’ goals as presented in artefacts such as ‘vision’, ‘motto’, and the
slogan of ‘customer is king’. Managements’ consistent efforts on shaping attitude appeared to
be successful, as many informants verbally repeated organizational goal as if it was their own,
such as ‘customer satisfaction is important’. Managements’ efforts were successful in
aligning the attitudes with self-goal, ‘we have a motto - customer satisfaction, so we need to
be kind to customer’.

Shared sense of goal imperative was observed in the informants’ attitudes towards
collective tasks and goal, which were slightly different from abstract values of customer
satisfaction. When informants constantly referred to ‘customer is the fundamental to business survival’, it was to define their roles in the achievement of the collective task. This collective customer goal was described as if it was their own goal, ‘Once we rank in the first place, we gain trust from the general customer with the recognition of competitiveness. It distinguishes us XXX (company) as superior from any other competitors in the department store businesses. So we take it seriously.’

Individual’s beliefs about the importance of customer satisfaction were evident as if it is genuine belief when they demonstrated pride and feeling of achievement about their organization’s higher ranking among competitors. ‘If we do rank at the first place, it is a big honour to us. All the branches of the bank across the nation gather in the XXX park and receive prizes. We work for the day’s (competition). All we share is the feelings of achievement, feeling rewarded.’ Overall, informants’ authentic beliefs were represented in several ways; they were aware of the customer satisfaction as the organizational objective and internalized the importance. Also, informants defined their task goal accordingly to the shared objectives with organizational achievement.

**Discrepancies in customer orientation**

Informants clarified that there was a gap between their task goal of customer satisfaction and their understandings of managers’ customer goal. Informants reported that their customer well-being concern was clearly different from customer outcome concern such as ‘national customer satisfaction index’ published in newspapers. Authentic concern about customer well-being was clear, as one informant described, ‘because I cannot bear to see them uncomfortable’ and others stated as, ‘would do my best as long as circumstances allow’. A sense of the authentic concern about customer well-being was observed as a mixture of innate tendency with enforced values and job morals, supported by organizational customer satisfaction strategy. As one informant said, ‘I have a mind-set. Once I have passengers who
are elderly, then I feel like they are my mom… Whatever the reason, once they are under my care zone and if they feel uncomfortable, then that really makes me feel uncomfortable. Aren’t you?’ The authenticity seemed to provide a foundation of stable attitude toward general customers.

While clarifying the authentic-value of customer well-being, informants were also able to clarify how different managements’ customer outcome concern was. Their managements’ passions were learned from strong commitment with the implemented strategic practices such as market survey rankings (e.g., customer satisfaction index), customer feedback (e.g., ‘voice of customer’ (VOC), ‘happy call’), and flawless service (e.g., zero complaints). Informants reported that managers’ commitments were strongly reflected in organizational structure and systems such as ’48 hour feedback’ target for online complaints, and ‘Customer service (CS) team calls to customers’ within complaint management practices. Informants were clearly aware that managements’ focus on customer outcomes was to reduce the number of customer complaints filed in comparable period of time.

Naturally, acknowledging that managements’ interest in the number of customer complaints, informants had been influenced by this. There was evidence that informants tried to meet management’s expectations with extended definition of task goal as, ‘we should focus on no complaints’. Concern about complaints had an influence on expanding role boundary toward customers emotion management and became part of the informants’ role. Informants rationalized it in this manner, ‘we shouldn’t offend customer’ mood’, and ‘company policy is not to harm customer’s feelings’. It was a striking observation that informants’ perceived role boundary extended to the territory of customer ‘feelings’. Clearly, management’s passions about complaint management had added uncontrollability in the encounter tasks of informants.
Perceived outcome orientation

The third angle offered a view of how informants understood the routines, practices in organization, and members’ responses in relation to the customer satisfaction goal. What informants understood was that collective activities converged into managing index of the customer outcomes. Informants’ observation about routine activities primarily came in three ways; physical organizational structure, accountability structure, and ‘naming and shaming’ practices. Actual objective of collective activities was quantified customer outcomes such as ‘ranking’, ‘complaints’ and on-line reviews. When they observed that the whole organizational structure and operations were designed to manage a variety of different performance indices under the customer satisfaction label, and each department communicated with numbers whether the index had improved or worsened from the previous quarter, the understanding became obvious that informants’ own interpretation of customer satisfaction was too idealistic. Informants perceived that the collective commitments were aligned with customer index goal.

Further, there was interweaving of responsibilities among individual members of the organization. From the top management to the lower-down employees, everyone’s performance was connected through a network of targets and measurements. The accomplishment of each individual was considered as part of collective target implementation. Failures or faults of any individual had ripple effects on collective level performance outcomes.

An overwhelming sense of obsession was experienced as informants described the collective commitment of customer complaints. Informants observed their team managers’ career perspectives depended on management of customer voice (VOC index) and rankings in the published league table and reviews. Informants concerned about the headquarters’ practice of naming and shaming tactics to motivate competitions among branches. For
example, informants emphasised the fact that receiving complaints downgraded rankings between branches, which had an impact on collective others. Branch managers would be demoted, and called up by headquarters, colleagues would have fewer opportunities to get promoted (i.e., promotion quotas would be increased).

“the team leaders and director get a direct damage on them, it comes down to us and tightens up and screw on us, So that’s the mechanism why he cannot stop focusing on CS, as it is the easiest way of scoring.”

Collectively, there were common characteristics in individuals’ understanding of themselves. Individual members’ own observations and comparisons of self-belief and activities in contexts of their organizational routines gave them a clear idea of gap. This perceived disparity was salient when they realized they are part of collectives who are maintaining the customer index.
### Table 2 Being

<table>
<thead>
<tr>
<th>Descriptive summary</th>
<th>Quotation</th>
</tr>
</thead>
</table>
| **Authenticity for customer goal**                            | "Department stores are built on the customer trust. Without customer, how could the department store continue the business? The ultimate goal is customer. (Department store)"
|                                                              | "We have a 'Customer satisfaction', and CS (Customer satisfaction) training regularly, I guess CS must be penetrated into me, perhaps? (Bank teller)"
|                                                              | "Service industry, even hospitals are on the trend to offer high quality service to patients and try to make themselves more favourable to the customers. So we have a motto that we ought to be kind to them (Hospital nurse)"
|                                                              |                                                                                                                                                                                                                                                                                                                                         |
| **Discrepancies in the orientations**                         | **Authentic concern of Customer well-being**                                                                                                                                                                                                                                                                                             |
| Comparing authentic motive and managements' market index orientation toward customer activities | "It’s because I cannot bear to see them uncomfortable. I’d like to help ease their discomfort whatever it takes, if I can. First of all, they give me salary—which is my perspective. Long or short flights it may be, I’d like them enjoy flight comfortably, to my best… If they experience discomfort, which bother me a lot, that comes first."
|                                                              | **vs.**                                                                                                                                                                                                                                                                                                                                 |
|                                                              | **Management's concern of Customer index**                                                                                                                                                                                                                                                                                               |
|                                                              | "Now, the biggest concern is the outcomes (rankings) from many of service assessment organizations. Once we are defeated, the company breaks into a war and fall into chaos. Once we receive outcomes from these organizations, the company get into turmoil."
|                                                              | "They look desperate with the assessment. Seems like it's because… it is airline, they consider how we look externally 'the company image' … very much…"
|                                                              | "The title itself, they value"                                                                                                                                                                                                                                                                                                          |
Table 1 (Continued)

<table>
<thead>
<tr>
<th>Descriptive summary</th>
<th>Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived outcome orientation</strong></td>
<td><strong>All branches in the nation are placed in rankings by its score every year. From the first to the last in one line, then, cut the bonus from the bottom. S grade 150%, A grade 120%... 80%, 60%... Like this they cut the bonus. And also, individual staffs are affected by their branch outcomes. (Bank teller)</strong></td>
</tr>
<tr>
<td>Constructing the understanding about the patterns and routines of collective commitments with managing customer outcome index</td>
<td><strong>&quot;We have a local headquarter, he need to get a good impression from the local headquarter. Branch manager cannot go his own way. Worse more, if he doesn’t get a good CS outcome, he will be taken to the local headquarter, and get ashamed by his superior. So that’s the mechanism why he cannot stop focusing on CS, as it is the easiest way of scoring. (Bank teller)&quot;</strong></td>
</tr>
</tbody>
</table>
8.1.2 Challenged: Context of felt threats

The title ‘challenged’ encapsulates the second context and is a stage in the process of psychological and emotional resistance to the discrepancy between members’ ‘hoped for’ and ‘experienced’ interactions within organization in relation with customer outcome oriented control. As psychological and emotional resistances arose, these gap experiences in real life naturally triggered destructive influences and destabilised held beliefs. Three sub-themes emerged as psychological responses to the practices of organization that disturbed and destabilised the existing task related belief systems of individuals, and are entitled as: 1) confused as outcomes defeat rules, 2) discouraged, as complaints tell efforts, and 3) threatening penalties. These are explained below. Table 3 presents additional data.

Confused as outcomes defeat rules

The first challenge to the existing self-belief system came with inconsistent performance assessment. Informants reported that they trusted the organization to be fair based on the ‘written’ rules and ‘unwritten’ norms. Informants’ encounter performances were largely determined by ‘service delivery procedures’ and ‘written’ rules and manuals. These formal referents- manuals and up-dated rules and regulations- were constantly updated and detailed to improve service quality. Rules and regulations were respected as a standard and enforced with punishment if breached.

The trust on rules as reliable performance referents was challenged as managers’ assessments swung between formal task referents and arbitrary and subjective customer outcomes. When it came to customer complaints, rules and regulations no longer provided firm standards that the informant could rely on. One informant described it in the following manner, “there are rules and regulation one moment, and they disappear at another moment.”
“Look at the complaint handling, if I receive a complaint later, it means I should have let them go with it. Looking at this [practices], then [I ask myself] what is the purpose of the rules and job manual?” (A15)

There were complaints about the incompleteness and inadequacy of rules with regard to covering the possibilities that could arise in the service encounter. Informants described that they were confused because the ‘written’ rules in work manuals do not reflect the ways they believed to be effective in positively and affectively impacting customers. One stated as “if you do just by the manual, there will be little chance they’ll get touched. I suppose. When there is something special, and then customers’ get affected and they give us a letter.” Ambiguity results from the contradictory messages about whether to behave flexibly or stick to the rules and regulations. Informants believed their encounter performance could be improved if they had greater flexibility and were allowed to go the extra-miles to meet the situational demands from the customer in order to compensate for the rigid rules. Under the ever more detailed rules and manuals for service standardization, tougher sanctions on unstandardized performance, informants started wondering whether any empowerment with regard to flexibility were given to them.

“It implies that ‘depending on customers’ if the customer looks … then you should look at his (her) face and examine the personalities of the customer. Then you find him (her) difficult person, and then you let him get what he wants. If the customer seems to understand the rule, you should be strict about the rule. Like this message?” (A15)

**Discouraged as outcomes tell efforts**

Belief in effort-making was challenged by incidents where performance management gave unbalanced emphasis between customer outcome and efforts. Informants believed their efforts were essential to irregular encounters. They also believed that making efforts would
change dynamics in service failures either process failures or simply customer discontents. Customers noticed their heartfelt concerns and appreciated their efforts, which gave them great pleasure from the encounter tasks. Informants believed making efforts spontaneously, without calculating, was an important aspect of encounter performance.

Belief in spontaneous, non-calculating efforts was challenged when they faced the complaints handling procedures of the organization. Complaints are typically investigated by the ‘customer satisfaction (CS) team’. Once complaints filed, then, there was little chance for the informants to be cleared. Complaints which were formally filed were considered as failure in tasks. For example, informants described how the reward systems distinguish failure to be punished as such, “complaints are assigned to different levels of severity such as poor and regular.” Even, their supervisors cannot defend themselves, as it was the target to be managed by the CS team. Informants were aware of the fact that their supervisors and reward/punishment system of customer satisfaction would look at the customer outcomes and evaluate their efforts from the outcomes.

Informants also expressed discontents about the quantification of their efforts. They described that the concept of measuring their performance by numbers of compliments and complaints was not acceptable. Informants argued that service work is intangible, and it is not possible to measure the genuine quality of service. But what they found was service works were assessed by the measurement system such as the number of customer complaints and checked lists by mystery shoppers. One of informant complain as follows,

“They only look at numbers. Human elements… but they measure with number…because, to them it is observable….but to us… who actually perform the service work… it is not observable thing to us…, As they are trying to quantify (the service work), they end up setting the standard…. Those people who set the standard, they are just a couple of people in the ‘Quality Team’.”
Informants appeared to have lost confidences in their own value judgements with regard to prioritizing between organizational long term interests and customer interests. It was the natural consequence of customer outcome-based performance assessment, as informants described performance assessment would depend on customer subjective evaluation. Informants frequently mentioned dilemma situations in which they experienced conflicts between values for organization and customer. If they focus on outcomes, then they had to violate the process defined by rules and regulations. If they make an effort to respect the process, then, customer outcomes may not always positive. This awareness made informants feeling unsecured about priority for judgments.

**Threatening penalties**

Felt threats represent emotional reactions to the punishments that were related to customer complaints. Feeling of anxiety emerged as an everyday occurrence. Many informants reflected on exemplary incidents in which they learned lessons of how big damage any complaints would make, and how destructive it could be to their careers. So there was a sense that it is imperative that complaints should be avoided at any cost. There were two themes which were interrelated with this avoidance imperative: fear and helplessness.

**Fear**

The destructive impact of complaints on career was very big. An informant confessed how she felt, “Very! Very! Scared... that is... extremely... like fear... it’s a fear.” Informants described the impact in sequence. “It makes a record on my assessment history, and the records will be reviewed when I get to a point where I should be reviewed for progress and promotion, and make me not qualified for a progress and promotion.” The link between complaints and consequent damage on career was clearly understood by the most of informants, thus, naturally the complaint was perceived as a fear object to informants.
Although the informants came from different organizations, their organizational use of complaints in the performance management system (PMS) and the significance of complaints in the career decisions was similar. One described personal significance of customer complaints as “the impact of complaints is great on me, the process is painful, Later there are great impact on my promotion and on the members of my group”. The reason was “with just one complaint, it blows you. I would get a big damage on my record with just one complaint”. The impact was described as someone might have life changing experience with one. “I guess I would be sacked only after internship, if I have a complaint, I won’t be able to get a full employment”, “if one gets a complaint, then the guy can’t get promoted in the next year.” This overpowering penalty than reward was a dominant expressions of Challenged.

Helplessness

Informants reported perceived uncontrollability in the judgement of customer outcomes in everyday routine interactions with team managers and the CS team. It was about distrust in the process and in the verdicts of customer outcome related performance assessment. Informants reported unfair and unbalanced approach to the handling of complaint by authorities, “they take the customer’s perspective”, and “if customer makes an issue out of it, our justification will not be accepted”. About complaint assessment, informants described how they felt unfairly treated, “although we do make efforts to recover from the mistakes, the company puts a penalty on the mistakes’, and ‘if it happens’ we feel unfairly treated.”

Informants who recalled incidents generally described the incidents as ‘traumatic’ and having a ‘bomb-like’ impact on their psychological states. Informants frequently used such descriptions and intended to represent their unmet expectation for the hoped-for process by authorities. The consequence was that such experiences had profound and lasting impact on their confidence about organization’s appreciation about their actual, unobserved contribution during encounters.
“Once you have such experience it is like a bomb has exploded on you, it comes as ‘damage’ on your mind…, you fall down and get depressed for a while…, you cannot escape from it. When we experience through this and fall depressed…. the process until I get out of the depressed states by myself, it is a struggle all by yourself.” (Flight attendant)

There were several reasons why informants agreed that complaints should be avoided in the first place. Their perception about helplessness was a reflection of how they perceive organization is fundamentally outcome-oriented and performance assessment as well is conducted in the same manner. One described as, “However excellent, detailed, and skilful you are, when there is a complaint against you, you become a concern among your team managers.”

“We have done well with 10 times, if one moment when we make one single mistake … then, they make a measurement system on service we offer … do not consider what happened before and after, what was the circumstances, just look at the isolated incident, and focus on the fact that we made a complaints … and categorize by the severity of the incidents and give impact on our performance assessment. That’s difficult.” (Flight attendant)

The felt dissonances in performance management between ‘hoped for’ and ‘experienced’ had un-ignorable impacts on informants. The impact was destructive on their confidence to deal with everyday routines. When they described about the encounter incidents, the awareness of these organizational outcome-oriented routines was underlying the interaction, with the fear of punishments based on the incidents of customer complaints. Difficulties and hesitations in maintaining self-beliefs, values and principles, together provided sufficient instability of psychological states of individuals.
<table>
<thead>
<tr>
<th>Descriptive summary</th>
<th>Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Confused as outcomes defeat rules</strong></td>
<td>“It’s not written in the manual, but, as a result, if complaint coming into the office later, the office examines whether the manager had tried to solve the issue in the spot... I think this is the way of manual reflected in the way of what we do.”</td>
</tr>
<tr>
<td></td>
<td>&quot;There are clear rules and regulations in manual, but the mails from customers have shown that if you do just by the manual, there will be little chance they’ll get touched.&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;We have a restrictive rule about assisting customers with hand carriages. But, the company posted a complaint letter which written as ‘she didn’t help me lift the baggage, she was just standing beside me and watching me’ So, we are having complex thoughts about it.&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;It’s not a concretely ‘written’ guide line, but they hate the issue would grow up and comes into a problem of concern, easy to say.&quot;</td>
</tr>
<tr>
<td><strong>Discouraged as outcomes tell efforts</strong></td>
<td>“Although every effort had been made, if complaint filed, the whole effort we made won’t be considered”</td>
</tr>
<tr>
<td></td>
<td>“What we hear from the office later is that ‘why didn’t you try to make more efforts to ease the passenger’s mood, and try to stop this complaint coming in at the first instance!’”</td>
</tr>
<tr>
<td></td>
<td>&quot;Although, we do make efforts to recover from the mistakes, the company put a penalty over the mistakes. Those are the things than make us hard.&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;They only look at numbers. Human elements... but they measure with number...because, to them it is observable....but to us... who actually perform service works... it is not measurable thing to us.... As they are trying to quantify the service work, they end up setting the standard.... Those people who set the standard, they are just a couple of people in the 'Quality team'. &quot;</td>
</tr>
<tr>
<td>Descriptive summary</td>
<td>Quotation</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Threatening penalties</strong></td>
<td>Emotional resistances to the relevancy and significance of punishments associated with customer outcomes</td>
</tr>
<tr>
<td><strong>Fear</strong></td>
<td>“I guess I would be sacked only after internship, if I have a complaint, I won’t be able to get a full employment”, “if one gets a complaint, then the guy can’t get promoted in the next year.”</td>
</tr>
<tr>
<td></td>
<td>“It makes a record on my assessment history, and the records will be reviewed when I reach to a point where I should be reviewed for progress and promotion, which will make me not qualified for a progress and promotion.”</td>
</tr>
<tr>
<td></td>
<td>“With just one complaint, it blows you. I would get a big damage on my record only with a single complaint”</td>
</tr>
<tr>
<td></td>
<td>“If a complaint filed, then I would expect to have disadvantages on me, negative impact on my performance assessment and it became further obstacles on my progress in the company.”</td>
</tr>
<tr>
<td></td>
<td>“The impact of complaints is great on me, the process is painful, Later there are great impact on my promotion and on the members of my group”</td>
</tr>
</tbody>
</table>
| **Helplessness** | "They take perspectives from the customer side"
| | "If customer makes it an issue, our justifications and appeals will not be accepted."
| | "As we know that the company take it super serious … And if you get a complaint, you will not able to get promoted, you will get into trouble … As the company tells us 'absolutely don’t make any complaint’, all of crew become cautious. The more and more we get crawl the floor and the more … " |
8.1.3 Gaming: Context of resistance

Decision-making during encounter performance was a testing ground for enactment of authentic beliefs and values. The theme of ‘gaming’ represents informants’ struggles to manage desirable customer outcomes across time by taking opportunistic approaches, presented in Table 4. In most of the cases, encounter activities were routine, as one of informant mentioned, “we do things ‘as usual’.” At other times, from the data it appears that informants’ decision-making quite often stretched to meet customer needs and requests on-sites. These struggles in problematic situations did not always lead to self-coherent actions. Indeed, FLEs played opportunistic performance, depending on the situational demands. As one might have expected, the lack of confidence about how outcomes will be treated, and the fears of complaint spilled-over into decision-making contexts. In particular, when customer demands reminded informants of anticipated future consequences of rejecting their demands, decision making on behavioural responses tend to be unconfident. Decision-making were occasionally inconsistent across incidents in which individuals experienced self-incoherence, i.e., behaving in a manner that is contrary to their own principles and values. These gaming, which describe opportunistic behaviours, were certain form of implicit resistances and adaptive responses of FLEs, as they were not able to explicitly confront the legitimised enforcement. Daily occurrences of self-incoherence caused psychological tensions which were taxing and necessitating individuals to remove such tensions, which are termed as: 1) authenticity crisis and 2) self-correction imperatives. These are explained below.

**Authenticity crisis**

Authenticity crisis is the central context in the dynamics of self-transformation. Authenticity crisis represents struggles to resolve psychological conflicts during the performance of encounter interactions, which occur when internal values collide with external demands. Informants made efforts to maintain self-coherent encounter activities as
an expression of authentic values and beliefs about job, organization and customer. In most of the cases, informants were able to evaluate which values had to be prioritised, and the conflicting values and psychological tensions were easily resolved. The informants’ desire to perform self-coherent activities was frequently challenged when customers’ expectations exceeded more than FLEs can handle within their responsibility. It was because, although, informants had customer well-being concerns, they had to obey organizational rules and act within their authority that was delegated to them.

When customers persisted and made demands that went against rules and regulations, informants’ understanding of their duty and tasks was to persuade the customers and ‘sooth their feelings and mood’. Leaving the customers dissatisfied with their feelings and moods unresolved and unmanaged was risky, as they perceived that their roles and responsibilities included managing customer feelings and moods. Losing a sense of situational judgement can cause a great danger of complaints, and subsequent damage on career. Informants reported outcome oriented strategies for encounter performance, which they used in resolving their own psychological tensions caused by authenticity crisis. The strategies are; 1) cognitive labour, 2) effort discrimination, and 3) suppression of self.

**Cognitive labour** Cognitive labour represents informants’ evaluation activities for decision-making that assesses priorities among competing values within organizational responsibilities. It seemed individuals have their own decision frameworks, as one described as “that may be the basic line of decision-making, not making any big issue, anything that helps me work smoothly, at the same time the decisions do not depart from the regulations. After all, when everything has done and finished, the basic line is….the result shouldn’t cause any damage.”

The cognitive labour was due in part to the informants’ constantly having to predict what the consequences could be of the each of the actions that they could perform, which one
informant illustrated as “think, decide, and act”. This think and decide before acting approach allowed informants to assess anticipated effects of the chosen acts in advance. Consequently, by assessing and selecting in advance, they were able to regulate psychological tensions associated with the prospective consequences of acts they about to deliver.

“If I want to make a RIGHT decision as a manager, I should select the one good choice that actually can benefit both the company and the customers. If you consider the benefit to company and customer, there comes regulation. If we keep the regulation, then it could cause trouble to the customers. If we break the regulation, it could cause harm to the company. So we have to make a decision between both sides.” (Flight attendant).

As a benefit of cognitive labour, informants were able to turn ‘On/Off’ among contrasting beliefs and values alternately. Relying on an outcome assessing frame, informants were able to prioritise values and align with appropriate activities within the given situations, rather than align self with acts of personal preference. It appears that by applying outcome assessment frame on decision-making, informants were able to evade the risky activities and avoid the complaint provoking activities. When they turn-on with one suitable value, they were able to find the way through removing risk.

"The worst scenario-if I do not lift it alone, then the customer would possibly make a complaint, but if I lift alone, then the customer would not complain at all about this.” (Flight attendant)

**Efforts discrimination** Effort discrimination represents efforts are made in opportunistic ways for self-protection in order to manage psychological tension. When customer demands collided with organizational long-term interest concern, effort making on defending for organizational interests varied by opportunistic manner. There was a sense of “performing properly is difficult”. Thus, template emerged as a guideline for making
decisions in-between equally important values, which was “when things going bad”. This ‘preventive approach to decision-making’ template was deeply rooted in the anticipated responses from the office and impacts on their career as,

“Disadvantage? Assessment? If only things have gone bad, and the investigation started, and ask them ‘why you had done this way, although, you didn’t necessarily need to do that? Reprimand!’” (Flight attendant)

Occasionally, extra-efforts were engaged in, not out of their own volition but because they felt coerced into performing them. Informants reported outcome concern was the criteria by which extra-efforts were made. It was all about psychological safety-seeking strategy, ‘depending on customers’ who can enjoy an unwarranted advantage without revealing it to others, making it a shared secret between the customer and the FLE. For customer satisfaction, informants had to be hypersensitive to distinguish between customer types to identify whether he/she would appreciate their risk-taking, or betray their good-will rule-breaking by reporting to the company. Risk-taking desire appears to be related to the expression of customer engagement, however, this desire also should be suppressed when the rules and regulation was strongly enforced with related responsibility. One described how to select a customer who deserves such secret rule-bending,

“Confidence that the customer would not log any complaint with this, and confidence that she would appreciate my sincerity, then, I want to do that for them. Depending on the customer, I wouldn’t do at all. I wouldn’t do things without confidence.” (Flight attendant)

Over-compliance was another type of effort-making discrimination against authenticity. It happened in the situations when informants felt it was inevitable that they would be exploited by customers. It was because, in their evaluation of situations, preventing the potential complaints has greater urgency than being fair to other customers or performing by
the rules. By breaching rules, they were able to ensure to remove potential threat of complaints. This is interpreted as ‘flexible’ in a cynical manner by informants, but yet, it is accompanied by some psychological tensions.

“Like this, he can make it a loud issue. In my protection, we say that 'it is not allowed if we go by the rule, but we will do it for you, you shouldn’t tell it to others (places and people).’ We know they wouldn’t appreciate for what we did risk taking for them… then, I talk to my self… 'This time only!' ” (Bank teller)

**Suppression of self.** Certain activities could have been routine service interactions, but the same activities become coerced activities when the informants were forced to perform them. Suppression of self refers to internal self-persuading activities to engage with self-incoherent activities. Psychological dissonances were created, which include intensified moral and emotional dissonances such monologue as, “Why should I be treated in this way by this one?” and “…just put up with this time”

From the observations of informants who operated these three outcome-oriented strategies, destructive patterns emerged about authenticity crisis. When encounter interactions involved competing beliefs and values, informants tried to find out the priority if they were able to manage self-determination on activities. If threats were foreseeable from both organization and customers, then, encounter activities resulted in self-incoherent activities, as there was no freedom in decision-making. In the ‘no-options to choose from’ situation, performing self-incoherent activities was associated with suppressing genuine beliefs and feelings. Taking outcome-oriented strategies frequently resulted in persuading themselves and suppressing discomforts under the customer oriented organizational context. Although, taking outcome-oriented activities reduced immediate risk of complaints, these struggles did not resolve internal tensions. On the contrary, the outcome-oriented acts itself intensified
internal dissonances and self-doubts. It was not a sustainable resolution. A more permanent remedy was needed.

**Self-correction imperative**

Experience of authenticity crisis has developed instability in the current-self, which created a momentum of self-change. Authenticity crisis created incremental chaos in self-belief system. Chaotic states became evident when performing self-incoherent behaviours. This self-contradiction caused self-doubt, which was destructive. Destructive self-doubts bounced back and raised fundamental questions about each value and belief about job, organization and customer. Informants reported how the imperative of self-coherence arose in the face of chaotic states in the self-belief system. The self-correction imperative came from 1) destructive anarchy states in belief system, and 2) social pressure for collective tasks. These are explained below.

**Destructive anarchy states in belief system**

Anarchy states in belief system emerged when informants confessed about their struggles in maintaining affective values (e.g., commitment) in the face of challenges. Some of the extreme feelings were observed in their evaluations of work identity, pride, and employment relationship described in words such as desperation, frustrations, and betrayals.

Across all professions of informants, many informants were struggling to maintain a sense of pride with work identity. The essence of pride from work was muddled, when they were involved with tasks which were intended to resolve customer complaints. One described “Is this the job I so desperately wanted to do?”

Deprived ownership of decision-making emerged when informants reported as they were not able to decide activities based on what they believed ‘right’. Without having appropriate ownership in decision-making, informants became more reliant on written rule, and defensive with narrow interpretation of language.
Anger and blaming were expressed toward the organization and cynical attitudes manifested with regard to the ways in which the organization had treated them. Informants reported that their observation developed distrust on their supervisors in dealing with complaint handling and assigning penalties. Although, informants described the outcome-oriented organizational structure and systems themselves were to blame in which their supervisors and superiors were not able to provide protection. Indeed, informants described incidents in which they felt disappointment as, “When we receive a complaint which is related with these irrelevant issues, the company should able to say ‘we can cover such things although you received a complaint”. Dissatisfaction about the organizations was obvious among informants who had experienced disappointment in their organizational treatment of the incidents. From the informants’ eyes, it seemed they deserved appreciation for the contribution they made. However, they were disappointed about the treatment which reflects that their partnership for the customer goal was not recognised by the company, which resulted in employees feeling that they were dispensable or disposable, not being treated as a partner in pursuing a goal.

Among informants, a sense of urgency built up to handle these negative emotions as they were destructive to their minds and work attitudes. Feeling negative about their work and work relationships was never constructive, but fuelled self-doubts. The doubtful aspects needed to be removed.

**Social pressure**

Crucial roles of social pressures surfaced whenever informants faced decision-making dilemmas. Lost confidence in self-beliefs and values was compensated for by complying with the social referent. The supervisors’ role was particularly critical in the sense making response of subordinates. One informant described it as:
"If we have loud issue, then he sometimes even scolds us. ‘Why did you say in response to him, you should have not commented back (to customers).’ Yes we are often told off.” (Bank teller)

The real reason that individuals comply with apparently self-incoherent behaviours was that supervisors would formally assess performance of subordinates. Thus, their attention needed to shift from what individuals think is ‘right’ and how they ‘feel’ to the imperatives of collaboration for the collective tasks. By complying with social pressure, informants seemed to find justification for removing psychological tensions of self-incoherence.

It was clear that instable authenticity, caused by self-incoherent behaviours and psychological dissonance, found one possible route to reach equilibrium. In search for the how equilibrium started to embedded, I focus on how self-correction imperatives were intentionally adjusted toward social pressures.
### Table 4 Gaming

<table>
<thead>
<tr>
<th>Descriptive summary</th>
<th>Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authenticity crisis</strong></td>
<td>Struggling to make outcome oriented decisions in dilemmas in self-inconsistent manner</td>
</tr>
<tr>
<td><strong>Cognitive labour</strong></td>
<td>&quot;When we make decisions like this... is a double-edged sword..., after we decide, if the result is good, even if it is bad decision, we would get compliments from the company. But, whatever good decision I made, if the result turns out bad, then they would get punishment from the company. Would they choose ‘by manual’?... even if they give inconvenience to the customers... then is that right service? always we are making this kind of decisions...”</td>
</tr>
<tr>
<td><strong>Effort discrimination</strong></td>
<td>&quot;The worst scenario-if I do not lift it alone, then the customer would possibly make a complaint, but if I lift alone, then the customer would not complaint at all with this. Whenever, we do offer a service for customer, the basic thought, always there is ‘(I should) not receive a complaint’… although, manual is very important, I do behave for the sake of (preventing complaints)&quot;</td>
</tr>
<tr>
<td><strong>Suppression of self</strong></td>
<td>“Like this, he possibly makes it a loud issue. In my protection, we'd say that 'it is not allowed if we go by the rule, But we will do it for you, you shouldn’t tell it to others (places and people).’ We know they wouldn’t appreciate for what we did risk taking for them.... then, I talk to my self. 'this time only!'”</td>
</tr>
<tr>
<td></td>
<td>“I vary my approaches of handlings according to the differences I feel from them”, “try to find out the type of customers by their eyes”</td>
</tr>
<tr>
<td></td>
<td>For me, it is my job where I shouldn't be bothered with this, so I did my best and tried to keep the interaction with smiley face. He again talked down and said...And I tried to show empathy and deliver all my concerns for him the best way I can. But he said like spitting.. I asked myself 'why should I be treated in this insulting manner by this person'. To be honest, I must be feeling bad that moment. (A15, p2)&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;I get to have a mind-set such that ‘I should survive by myself, and I do handling the situation’. So, I do apologise ‘I’m sorry customer’ then I ask myself ‘what did I have done wrong?’ (B2, p,9)&quot;</td>
</tr>
<tr>
<td>Descriptive summary</td>
<td>Quotation</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------</td>
</tr>
<tr>
<td><strong>Self-correction Imperative</strong></td>
<td></td>
</tr>
<tr>
<td>Self-doubts and social influence</td>
<td></td>
</tr>
<tr>
<td><strong>Destructive Anarchy states</strong></td>
<td></td>
</tr>
<tr>
<td>Be-held affective authenticities were challenged and doubted</td>
<td>&quot;When I heard of that episode I felt upset. I had a thought about it as, ‘is that serious mistake which made her sacked from the company for which she really wanted to work?’: Looking from the way of how they handle these issues, although this place was my dream company and I was excited to join, I feel doubts about the company.&quot;</td>
</tr>
<tr>
<td></td>
<td>&quot;There is things, I really don’t want to do, such as kneeling down to a passenger, only to beg.. I don’t know whether what I’m doing is ‘service’ or begging for forgiveness on my crime. The ideal image that the airline company want from aircrew … delivering fresh, classy, and graceful service. I’m questioning to me whether I’m doing such services? I have doubts in those situations.&quot;</td>
</tr>
<tr>
<td><strong>Social pressure</strong></td>
<td></td>
</tr>
<tr>
<td>Sense making about how to behave for the collective objective</td>
<td>&quot;If we have loud issue, then he sometimes even scolds us. ‘Why did you say in response to him, you should have not commented back (to customers) ’, yes we are often told off. More than others, as banks are profit seeking organizations; it may consider your performance outcomes in a way how strong initiative you have, and how details you pursuit. Such items will be a major, but at the end of the day, I suppose, all fall into subjective.”</td>
</tr>
</tbody>
</table>
8.1.4 Transforming: Context of constant self-renewal

Any troublesome elements of beliefs and values of individuals had to be removed to ease psychological conflicts. ‘Transforming’ represents the context where informants’ intentional change efforts progress and make themselves outcome oriented’. Table 5 provides additional data. When examining the gap between themselves and outcome-oriented others in collectives, problematic outliers in selves become salient. Informants had to make intentional efforts on trimming out them and filling the gap with routines and behavioural norms of outcome-oriented others, in order to make even with others. Fundamental changes were observed in three themes; 1) redefining employment relationships, 2) adopting behavioural routines and 3) believing individuals are disposable assets of the organization. These are explained below.

Redefining employment relationship

One of the most salient changes that happened in individuals’ belief system was adjusting the nature and quality of mutuality with employers. Some provided views on adjusted employment relationship as principal-agent relationship. Others expressed modified moral responsibilities based on this emerging relationship. Informants admitted they constantly re-examined frustrating organizational treatment and unmet expectation for protection. One described as “they say 'employee protection!', 'employee protection!', but they don't protect employee, they protect customer!” Their initial expectation about fair treatment was reciprocated with betrayals. “The company keeps pushing us ‘do better!’ ‘Do better!’ and doesn’t do anything to protect its employees”. Even informants easily reached conclusions that their contributions are not appreciated with the expected return from the organization as, "whatever excellent service I had offered to the customer, the company wouldn’t protect me from this customer". Signals of de-graded employee-employer
relationships emerged. Informants frequently expressed frustrations, anger, and blaming toward the company.

“I understand that as an employee to the company, I should focus on no complaint … but there are things very subjective … when we receive a complaint related with these irrelevant issues, the company should able to say ‘we can cover such things although you received a complaint’. If the company has a clear line, we don’t need to crawl the floor over the faults we had nothing to do with.”

(Flight attendant)

Feeling of an agency relationship was reinforced when members described the relationship between organization, customers, and themselves. Informants frequently described themselves as dehumanised in the middle of organization and customer relationship as. “As I interpret this treatment in that frame, although, I get upset, it cannot be helped but I take B, as he takes A position at the moment.”, and “we cannot beat customer. If we win now, revenge comes later definitely in different forms.” Continuous up-dates in the relationship quality successfully separated individuals’ affective bond with work values in belief system.

As a natural consequence, the responses to the unmet protection expectation led to the lowered reciprocity return policies of informants. According to informants, they reasoned there were no obligations for returning with extra efforts at work. Informants actively made excuses why they did not reciprocate with protecting organizational interests, although their rule-breaking was not acceptable deviations from organizational perspective. As removing affective expectations and becoming more realistic, informants were able to establish priorities in the face of competing values between organization, customer and self-protection, and becoming tolerant to their opportunistic behaviours.
Taking-in new perspectives

It is observed that informants emphasised the value of customer outcomes from the perspectives of collective task rather than individuals’ preference. Informants described that compromising with individual customer cases will contribute to the ultimate organizational goal of customer satisfaction. That means informants take an outcome frame as the master perspective in organizational life, such as,

"Whatever reason, we are employees as a part of the big organization…In fact, the complaints itself are not good stuffs to report… Therefore, for us, the best solution is that we HIGHLY compromise and round up issues, by doing, that ways, it’s good for customers and for us.” (Department store)

Attitude changes were observed. As maintaining conscious-self and fighting against psychological strain, it was natural consequences that they intentionally shifted from the perspective of ‘doing right’ to ‘flexible by customers’. One confessed that she changed from stiffness to compliance,

“For me, in the past, I had an opinion that if things are not right from the perspective of manual, I should not commit, but if you continue to work here, you will realise that the people in my back office…..so I’ve changed a lot differently from the initial stance. If I say it in positive tone-I became flexible, if in negative tone-just I take the view that it will be much better if I can avoid the situation from getting noise.” (Bank teller)

Pervasive ignorance of process and rules were taken for granted by informants. They confessed that it was important to comply with and justify as, "there are internal (security regulation) procedures. But no one takes the measure, because the branch performance outcomes matter at the end of the day.” For the reason of collective objectives, individuals
and collectives alike prioritised prevention of immediate complaints. This includes the activities that may harm long term interest of organizational interests and colleagues’ welfare.

“We have team managers who prefer working 'smoothly'. Actually, it’s not allowed to conduct an identity-check over the phone. But they directed me to ‘pass the check as if it was being done in person’. So I did it as the team manager wanted me to do.” (Bank teller)

**Believing that individuals are disposable assets of the organization**

Observation showed that individuals believe in the values of sacrificing individuals for the collective objectives. One informant described her existence for organizational goal as, “when I'm in uniform, I am a part of company asset, not a human being’. Others reported how colleagues themselves dehumanise one another for the collective task. One informant described the reason why people ostracise a colleague who had sued a customer because he had physically attacked him.

“When you make a big trouble… once you get marked, he supposed to have difficulty in get promoted and everything etc…. etc… it is really scary. If it happens, it could have happened to you- to you-it must be an accident, you are supposed to receive empathy, but if it is other’s business, they would criticize.”

(Hospital)

Informants confessed that they become submissive to aggression and physical abuses by customers. It was intentional tolerance to the violence according to the informants. They described it is mandatory to endure certain level of insults, harassments and physical attacks. One describe as, “we don’t give attention to receiving compliments; we are trying not to get abusive language at least that’s the way we consider.”

To summarise, the analysis provided evidence that individuals’ belief system changes underwent the strategic use of customer outcomes in managing FLEs. The process in which
authenticity were constructed, challenged, and faced with crisis, which were eventually refined to adapt to the outcome-oriented organizational demands was not linear but coincided with multiple layers in routine days.
<table>
<thead>
<tr>
<th><strong>Descriptive summary</strong></th>
<th><strong>Quotation</strong></th>
</tr>
</thead>
</table>
| **Re-defining employment relationship** | "We have a frame of thought...that the customers who come to the bank overpower us. We are joking about it…. if they are A, then we are not even closer to B or C, we are far lower than D"  
   “They say 'employee protection!', 'employee protection!', but they don't protect employee, they protect customer!”  
   “I have a clear line by myself. Although, I feel like going extra more for them, I say to myself ‘up to this point!’.”  
   “I have similar pattern of thinking 'not necessarily!!! I wouldn't volunteer to do something until they ask, in case where he could possibly accuse me of, the reason is, I don’t want to get involved with any kind of possibility.”  |
| **Adopting behavioural routines** | "The foremost goal is to solve smoothly"  
   "There are internal (security regulation) procedures. But no one take the measure, because of the branch performance outcomes at the end of the day. yes it is super important "  
   I get used to this circumstance now. I get a frame of attitude 'they will get whatever they want!', I mean that 'I'd better do whatever they want, finish them quickly and send them off sooner'. So I’ve just changed my attitude such that I just do whatever they want and send them off, simple! That’s the way I approach my work now.  
   If such processes become more frequent, we get used to numb about the danger of accidents. When I initially had such cases, I was nervous and anxious, thinking ‘what if I get a financial accident’. Now I think as ‘No…it’s not likely!’" |
<table>
<thead>
<tr>
<th>Descriptive summary</th>
<th>Quotation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Believing in disposable human asset</td>
<td>&quot;If you were engaged with any trouble, people tend to give you more attention. If it happens, - if it had to happen 100%, it could have happened to you, to you, it must be an accident you are supposed to receive sympathy, but if it is other’s business, they would rather criticize&quot;</td>
</tr>
<tr>
<td>Believing and behaving individuals should be sacrificed for team objectives</td>
<td>&quot;Cases like … kind of sexual harassment, [the ways] customers speaking to a crew. Although, she senses it as a kind of sexual harassment, they just put up with (the harassment) … they don’t want to make it a loud issue of it, thinking in a way ‘just put up with this time’ &quot;</td>
</tr>
</tbody>
</table>
8.2 Theorising Outcome-alignment undergoing customer outcome-based control

In the previous section, I reported narrative descriptions of the process of how individuals’ outcome alignment occurs in sequential themes. In this section, I present a grounded model that theorises how outcome alignment occurs under the implementation of strategic objectives that collides with FLEs self-belief system. Figure 5 illustrate this grounded model.

Understanding about the transformation of the self in the process of outcome alignment starts with insight into the individuals’ intentional change efforts in the face of triggers and subsequent equilibrium efforts. 1) Discrepancy between authentic belief of customer value and collective pursue of customer outcomes resulted in perception that their organization is outcome oriented, by which individuals construct understanding about different meanings of achieving strategic goal of customer satisfaction. 2) Discrepancy between hoped for and experienced treatment by organizations resulted in psychological and emotional resistance, which in turn developed defensive attitudes to customer complaint. 3) During encounters, dormant fear of complaints and helplessness about outcome unpredictability intensified psychological conflicts between customer satisfaction and customer satisfaction index. To resolve encounter tensions, strategies are utilised, which involve turning on and off the ‘self’ (which generates psychological dissonances), which result in occasional self-incoherent activities. These detrimental states were uncomfortable, which had to be removed and stabilised. 4) Individuals intend to reduce the discrepancy with others by taking in the behavioural norms of outcome priority and individuals as a whole to eliminate defectors who do not comply with the customer outcome activities, and 5) gap in mutuality between organization and customers are intended to be removed by eliminating affective values in employment relationship and customer relationship. Ultimately, individuals become
integrated into collective commitment of customer outcome orientation and constantly attempt to achieve stabilization in self.

Figure 5 Grounded model of Outcome-alignment under Strategic implementation

- **Gap in mutuality is targeted to be removed by eliminating affective values**
- **Gap between hoped for - experienced treatment developed defensive attitudes to complaints**

1. Gap between self - outcome orientation reminded differences in the meanings of customer goal
2. **Needs for Self-coherence arise as a result of gap in self with behaviours, and psychological dissonances, which were detrimental**
3. Goal-orientation
4. **Gap with others were targeted to be removed by taking in the view of outcome priority**
5. **At Service encounters Collective commitments with CS Index**
Chapter 9. Discussion and Conclusion

‘Customer satisfaction’ may be one of the most popular strategic objectives for modern service organizations. Surrounded by competitive and uncertain external markets, service organizations’ people management become increasingly essential internal effort in order to align its individuals with the strategic goal. However, practices and policies of people management must evolve by time and develop distinctive rewards and recognition schemes to meet different objectives of organizations. Given the potential imbalance involved in these idiosyncratic practices, little is known about whether the alignment of individual with the strategic goal of customer satisfaction would occur as managers hope for. The main purpose of this empirical study was to understand how individuals’ goal alignment occurs in the contexts of outcome-based control under the strategic implementation. The outcome-based control context is representative of self-interest promotion, while organizational rewards are supposed to encourage members to align with organizational long-term goal. Research on this inherent tension and individuals’ responses is rare. Thus, we need theoretical understanding about individuals’ responses to this conflicts and how these conflicts are resolved. In particular, this empirical research aimed to investigate daily development of FLEs’ goal alignment at psychological level analysis, which provides insights into the process of how social process is integrated with psychological process. Relying on grounded theory process and phenomenological investigation, I inductively explored the strategic control effects on FLEs from several organizations which use customer satisfaction ratings in both formal and informal ways of assessing and rewarding/punishing FLEs as an implementation of customer satisfaction strategy. The findings form the grounded model of goal alignment suggest that strategic outcome-based control ultimately influence on members’ alignment with managers’ preference of customer outcomes, not organizational long-term interest in a way they ‘become outcome-oriented’ and focus on measurable performance outcomes.
9.1 Theoretical Contribution: Management by Customer satisfaction outcomes

**Empirical examination of Outcome-based control effect on FLEs**

The primary contribution is that this study provides empirical evidence of outcome-based control effects for the first time in service domain. Consistent with findings in other domains of professionals (e.g., education, healthcare, public sector, and accounting), the use of customer satisfaction rating tied with reward system of FLEs has been shown to create both functional performance (i.e., flexible to customers such as effort discrimination) and dysfunctional consequences (i.e., deteriorated human resources such as learned helplessness and arising agent relationship) simultaneously. In this study, the existence of dual-focus (i.e., customer concern vs. outcome concern) suggests trade-off between performance outcomes and work morals of FLEs. Under strategic practices of outcome-based control, FLEs’ behaviours were aligned with the measured/rewarded outcomes rather than the behaviours of long-term benefit for organizational goal. Particularly, during ‘caught-in-the-middle’, FLEs failed to maintain consistency in their own behaviours and experienced psychological tensions. These uncomfortable daily occurrences triggered the need for self-consistency, followed by self-correction and ultimately minimised divergences with outcome oriented management and colleagues, and the quality of employment relationship has been degraded.

Specifically, this finding improves our understanding of FLEs’ outcome-oriented control effects. Although, outcome-based control of FLEs has been mentioned by several researchers (Bell & Luddington, 2006; Hartline & Ferrell, 1996), both theoretical and empirical study within service work have been scarce. By focusing on encounter performance which is FLEs’ main task, this study was able to make the first case of outcome-based control effect. Taking exclusive focus on customer encounter performance away from sales activities, this study contributes to initiate discussion of FLEs’ outcome-based control in its own position. Although, FLEs and sales personnel have common aspects in task requirements (e.g.,
customer contact context, customer orientation), there are fundamental differences between quantifiable performance outcomes (i.e., sales activities, sales output) and unquantifiable performance outcomes (i.e., intangible interaction, subjective evaluation). Thus, distinction in the FLEs’ outcome-based control effect from sales personnel’ may improve discussion of performance outcomes, by focusing on the characteristics of service activities such as intangibility, heterogeneity and inseparability (Parasuraman et al., 1985).

As a result of empirical study of outcome-based control, a new concept emerged, i.e., perceived outcome orientation that link implemented control and the person being controlled. This perception variable emerged as independent from individuals. The concept of perceived outcome orientation may be useful to improve prediction of activities in role conflict activities. Generally, the ‘caught-in-the-middle’ phenomena were interpreted as role conflict situations (Rizzo et al., 1970), in which role-holders perceive incomparability between multiple role expectations. Current literatures about role conflict of FLEs do not answer which role values FLEs will take with priority when organizational expectation conflict with customer role expectations (e.g., Bettencourt & Brown, 2003; Turner, 2001). Although, role conflicts arise from ‘caught-in-the-middle’ situation, manageable role conflict (i.e., role ambiguity) and unmanageable role conflict (i.e., ambiguous rules) should predict different patterns of encounter behaviours. With regard to this complexity, the perceived outcome orientation concept may be able to disentangle contextual influence from individual difference on the role-holders’ responses (e.g., Turner, 2001).

**Process of SHRM**

Each question set out for the current thesis should be assessed whether they are answered by now. The main question concerned about the integration of psychological and social processes during strategic implementation. The question was how goal-alignment occurs at the individual level when implemented strategic reward aligns individual’s
performance with measured outcomes rather than the strategic goal. Currently, social process explains the link between managers’ activities and employees’ response: managers’ change efforts and activities will guide and shape belief system of members, whose internalized values, beliefs and shared behavioural norms will align their performance with organizational goal (Eisenhardt, 1985; Simons, 1995). However, empirical research on the psychological and behavioural response of FLEs draw different pictures: individuals experience and cope with psychological tensions which result in deteriorated customer service and irrational behaviours (Bell & Luddington, 2006; Harris & Ogbonna, 2010). Consequently, this gap between macro and micro level analysis of strategic HRM effect remains as a concern of researchers (Becker & Huselid, 1998, 2010; Guest, 1999).

The process of goal alignment in the current research illustrated how the imposed macro and meso level change efforts have triggered changes within individual’s beliefs, values, and behavioural patterns. The contexts where goal alignment emerged involve 4 stages as goal clarification, felt threat, behavioural resistances and self-renewals. The underlying dynamics of this intentional transformation of self was the individual’s constant stretch efforts to reach equilibrium between ongoing construction of self and pressure from external demands on self. Eventually, the transformation on a daily basis from previous self to the renewed self was able to reduce the psychological tensions resulting from self-inconsistency in the encounter actions. This was achieved by trimming off any trouble-making authentic values and replacing them with outcome-orientation. From perspectives of motivation theories, this finding confirms that the self-renewal occurred was a compliance or introjection, but not internalization (Ryan & Deci, 2003). Also, the findings confirm the understanding that there are different levels of employee commitment, as represented in the terms of compliance, identification, which are distinguished from the internalization (Kelman, 1958). This finding of change dynamic is consistent with meso-level HRM
mechanisms that describe how individuals who are attracted to, and remain in the organization, ultimately share similar characteristics with founders and managers and become homogeneous (Schneider et al., 1995).

**Psychological tension and resolution at Encounter performance**

The first sub-question was triggered by the gap in service management literature, and asked how the psychological tension in encounter performance is resolved under strategic outcome-based control. The findings reveal the opportunistic strategies FLEs utilize, i.e., all the strategies aim to achieve self-protection at the cost of general customers’ interest or organizational long-term interests. When tensions arose during ‘caught-in-the-middle’, encounter performances were conducted in an opportunistic manner, as follows: 1) cognitive effort was made and evaluated anticipated outcomes against responsibility; 2) effort was made discriminatively for selective customers, for whom FLEs reluctantly breached rules in order to prevent complaints for short term target; and 3) efforts were also invested in self-persuading for making self-incoherent activities, which were accompanied by moral and emotional dissonances.

The evidence of psychological tensions and their resolution in the form of opportunistic behavioural patterns was consistent with anecdotal evidence of dysfunctional response to outcome oriented control. For example, when organizational performance is ranked in league table and publicized, professions such as head teachers and doctors start to allocate attention to the measured performance index and gaming with reporting system. It is generally believed that although, measured performances improves, unmeasurable quality deteriorates when management over-rely on the outcome oriented control practices (e.g., outcome measure, evaluation). To make it short, the finding is important extension of our knowledge in the behavioural studies, as it is the first observation of agency problem in service encounter performance; when principals’ outcome measure based resource allocation was not optimal,
agency problem is not completely resolved to prevent the opportunistic behaviours (Eisenhardt, 1985; Eisenhardt, 1989).

**Lack of Alignments with HRM**

The second sub-question concerns about the lack of cohesion among internal HRM practices. Current understandings suggest the use of clan control for the tasks that are characterised as low programmable and low outcome measureable (Eisenhardt, 1985; Ouchi, 1979). It is because such tasks are not manageable with performance measurement system alone. Thus, it is individuals’ own internalized values and beliefs that will ‘minimise divergence of preferences’ among members (Eisenhardt, 1985, p. 135). Given the unfit between ideal and actual control practices, we know little about how this minimising divergence of preferences would be achieved among managers and members. Findings present that under the strategic practices of customer outcome-based control, internalization did not occur. On the contrary, the minimised divergence and alignment of interests were in consistent with the idea of varying extent of internalization (Ryan & Deci, 2003). The theory advocates that the internalization under the controlling context is simply introjection, and “contingency of worth about the activities only when the activities are instrumental for the approval from significant others” (Ashforth & Mael, 1989, p. 260), rather than assimilation with the manager’s value (i.e., attraction-selection-attrition cycle, Schneider et al., 1995). Therefore, my findings not only confirmed that changes occur toward assimilation with others, but also expanded knowledge that the effect of minimizing divergences occurred in the form of compliance when organizational members were faced with the inappropriate outcome-based control alignment with strategic goal.

**9.2 Implications to Research**

The findings lead to some interpretations that may be important for researchers and managers who concern about the performance and wellbeing of organizations. First, it is
about the conditions in which customer coproduction may create value. This study started questioning about performance management by customer satisfaction outcomes. Findings suggest that the reliance on customer satisfaction outcome in rewarding/punishing FLEs may result in undesirable consequences, which include the formation of attitudes and behaviours toward customer satisfaction rankings and ratings rather than customer satisfaction. Thus, it is questionable whether this customer outcome-based control would actually create customer satisfactions and profits in the service industry. Scholars (Payne & Frow, 2005) who believe customer strategy should be managed from the business strategy point of view suggest that the fit conditions must be considered between customer strategy and control practice in service organization. It may be a promising research gap to the scholars in the field of management and strategy. On the one hand, as marketers’ view highlights the bright side of customer involvement in the production of service, their views mainly focus on values customer received as memorable experiences, and customer loyalty and its potential to organizations (Dong et al., 2008; Kelley et al., 1990). On the other hand, values organization received as realized customer profits may vary depending on various combinations between valid customer strategy, firm strength and internal management practices (Skaggs & Youndt, 2004). Thus, management and strategy researchers may scrutinize how much customer participation could be allowed in terms of creating real value for their organizations, based on this study’s finding of the human resource costs of that approach.

Second, it is time to discuss about the appropriateness and optimal intensiveness of outcome-based control in service work. Although, similarity exists with salesperson management, applying the same frame of quantifying performance outcomes will be problematic in managing service performance for service quality (Parasuraman et al., 1985). Even, practicality of modern service organizational strategic imperatives take primacy than the suitability of outcome-based control in service work (e.g., Eisenhardt, 1985; Ouchi,
1979), it is researchers’ role to discuss how to minimise negative effects on workforce in the operation of customer outcome-based control. Also, managers need to establish review system to assess the effects of the operating practices and policies, and maintain communication with employees for feedback (i.e., interactive use of control, Simons, 1994; Tessier & Otley, 2012). In the current study, most of interviewees have agreed about the use of customer satisfaction ratings but disagreed about the ways of handling and the intensity of reliance on the customer voice in their career. Likewise, the choice and operation of customer outcome-based control practice and performance management system may have been better operated if managers determined to communicate with employees and revise the intensities in order to reduce psychological resistance of FLEs. In addition, managers can give more emphasis on behaviour-based control than outcome-based control of FLEs. Behaviour-based control relies on supervisors’ on the job monitoring and correction, and its’ superiority in managing FLEs’ role conflicts and role ambiguity has been suggested earlier (Hartline & Ferrell, 1996; Singh, 2000). By giving more trust on supervisor than customer, managers may able to promote reliable performance and reduce role conflicts experience of FLEs.

Third, traditional FLEs behaviour study examined stewardship (e.g., OCB, CO) effects separated from agency problem on service performance, as if good and bad FLEs exist as separate individuals (exception, Schepers et al., 2012). The source of the problem is that this tradition has examined behaviours from role theory perspective, which created barrier between attitudes based routine and planned behaviours, and role conflict behaviours in dilemma situations (Bettencourt & Brown, 2003; Chung & Schneider, 2002; Hartline & Ferrell, 1996; Schneider & Bowen, 1985). Future researchers who study FLE behaviours may take control perspective and investigate how organizational control strategy could change the dynamics of competing values across different encounter situations and alteration between planned and trying action (Bagozzi, 1992).
Finally, it is about the causal role of organizational control design and practices in the value conflicts, work stresses and subsequent coping. Traditionally, human work has been considered to source specific job-related stress symptoms (e.g., emotional dissonance, emotional exhaustion, and burnout) (Maslach, 2003; Schaufeli & Bakker, 2004; Schwab & Iwanicki, 1982). To this, researchers suggest that individual differences (e.g., emotional competence, emotion regulation, personality) may be the reason for buffering someone from falling unwell (Brotheridge & Grandey, 2002; James, 1989). This traditional view can be tested. Taking analytic approach will be interesting if we examine the relative causal effect of innate customer contact stressors and customer outcome-based controls on the emotional depletion of FLEs. This may be a promising area to develop theoretical arguments and test the outcome-based control effect on the causes of work stress in comparison with neutral work control context where customer satisfaction outcome is not applied to performance assessment. My findings illustrate how organizational customer outcome-based control facilitated fear and anxiety of FLEs as a bottom line and intensified value conflicts when they needed to comply with demanding customers. Without such influence, FLEs’ customer encounter experiences may produce different levels’ of work stress, which need to be empirically compared. The finding provided the context where FLEs have little option to choose from and have to perform self-incoherent activities, which in turn caused psychological dissonances. This finding was consistent with general discussions about reduced emotional dissonance and burnout symptom when FLEs have freedom to be authentic self during encounters (Grandey et al., 2012). Given the importance of work strain in human works, it is a promising area to develop theoretical arguments and test the outcome-based control effect on the causes of work stress in comparison with neutral work context and devise interventions accordingly.
9.3 Limitations

Although, my study has yielded insights into contextual influences on the self and goal alignment of FLEs, it has some limitations which could be overcome by future research. Firstly, generalizability is not possible with this qualitative study. Also, samples came from mainly one country although the range of service professions numbered six. Preferably, the wider range of countries and professions would be helpful if researchers wish for generalizable evidence from qualitative study. Secondly, personal characteristics of interviewees (e.g., personality, values, and ethnicity) seemed to have a strong influence on the behavioural responses and attitudes adopted. In this study, it was not designed to isolate the role of these individual differences; thus, future research could address this issue. Thirdly, adopting a multiple method approach would enable the testing of the insights from this study. Finally, longitudinal study would be desirable to examine the changes in belief systems of individuals from the entrance of organization, duration to exit. This study has unlimited number of limitations that was not possible to overcome at once.

I presented the empirical evidence of strategic outcome-based control effects on FLEs with regard to the reward/punishment practices associated with customer satisfaction ratings in the strategic organizations. Perspective from outcome-based control has helped to examine the phenomenon in which FLEs’ behavioural performance can be incoherent with psychological experiences and this incoherence between attitudes and behaviours has been sustained under the strategic outcome-based control. This suggests that taking the outcome-based control perspective will be a useful theoretical approach for examining phenomena in the organizational behaviours. It is particularly relevant to the customer satisfaction rating of individuals when the customer outcomes are partial implementation of strategic outcomes in service domains. I hope this research triggers further studies in the management of FLEs and related literature.
REFERENCES


Connectedness, Business and Learning: Creating Sustainable Communities: 91-102.


## Appendix A: Demographic Profile of Interviewees

<table>
<thead>
<tr>
<th>Number</th>
<th>Code</th>
<th>F/M</th>
<th>Age</th>
<th>Tenure</th>
<th>Location</th>
<th>Medium, Duration (minutes)</th>
<th>Industry</th>
<th>Role/Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-depth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>M</td>
<td>60s</td>
<td>35</td>
<td>Korea</td>
<td>F-to-F, 50</td>
<td>Airline</td>
<td>Former director in Cabin crew department</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>M</td>
<td>50s</td>
<td>24</td>
<td>Korea</td>
<td>F-to-F, 115</td>
<td>Airline</td>
<td>Manager in cabin crew department</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>F</td>
<td>30s</td>
<td>4</td>
<td>Korea</td>
<td>Tele, 50</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>M</td>
<td>60s</td>
<td>4</td>
<td>Korea</td>
<td>F-to-F, 40</td>
<td>Airline</td>
<td>Flight purser</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>F</td>
<td>30s</td>
<td>4</td>
<td>Korea</td>
<td>Tele, 70</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>F</td>
<td>40s</td>
<td>21</td>
<td>Korea</td>
<td>Tele, 85</td>
<td>Airline</td>
<td>Flight purser</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>F</td>
<td>30s</td>
<td>2</td>
<td>Korea</td>
<td>Tele, 110</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>Semi-structured</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>A1</td>
<td>F</td>
<td>30s</td>
<td>13</td>
<td>Korea</td>
<td>F-to-F, 55</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>2</td>
<td>A2</td>
<td>F</td>
<td>30s</td>
<td>14</td>
<td>Korea</td>
<td>F-to-F, 45</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>3</td>
<td>A3</td>
<td>M</td>
<td>40s</td>
<td>20</td>
<td>Korea</td>
<td>Tele, 60</td>
<td>Airline</td>
<td>Flight purser</td>
</tr>
<tr>
<td>4</td>
<td>H1</td>
<td>F</td>
<td>40s</td>
<td>19</td>
<td>Korea</td>
<td>Tele, 40</td>
<td>Hospital</td>
<td>Outpatient ward trainer</td>
</tr>
<tr>
<td>5</td>
<td>A4</td>
<td>F</td>
<td>20s</td>
<td>4</td>
<td>Korea</td>
<td>Tele, 30</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>6</td>
<td>A5</td>
<td>F</td>
<td>20s</td>
<td>5</td>
<td>Korea</td>
<td>Tele, 30</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>7</td>
<td>A6</td>
<td>F</td>
<td>20s</td>
<td>3</td>
<td>Korea</td>
<td>Tele, 30</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>8</td>
<td>A7</td>
<td>F</td>
<td>40s</td>
<td>19</td>
<td>Korea</td>
<td>Tele, 60</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>9</td>
<td>D1</td>
<td>M</td>
<td>30s</td>
<td>13</td>
<td>Korea</td>
<td>Tele, 45</td>
<td>Dept. store</td>
<td>Dep. floor manager</td>
</tr>
<tr>
<td>10</td>
<td>B1</td>
<td>F</td>
<td>20s</td>
<td>2</td>
<td>Korea</td>
<td>Tele, 45</td>
<td>Bank</td>
<td>Bank teller</td>
</tr>
<tr>
<td>11</td>
<td>D2</td>
<td>F</td>
<td>40s</td>
<td>20</td>
<td>Korea</td>
<td>Tele, 50</td>
<td>Dept. store</td>
<td>Sales manager</td>
</tr>
<tr>
<td>12</td>
<td>A8</td>
<td>F</td>
<td>30s</td>
<td>10</td>
<td>Korea</td>
<td>Tele, 25</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>13</td>
<td>A9</td>
<td>F</td>
<td>30s</td>
<td>8</td>
<td>Arab Emirate</td>
<td>Tele, 25</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>14</td>
<td>B2</td>
<td>F</td>
<td>30s</td>
<td>8</td>
<td>Korea</td>
<td>Tele, 45</td>
<td>Bank</td>
<td>Bank teller</td>
</tr>
<tr>
<td>15</td>
<td>D3</td>
<td>F</td>
<td>40s</td>
<td>8</td>
<td>Korea</td>
<td>Tele, 30</td>
<td>Dept. store</td>
<td>Sales assistant</td>
</tr>
<tr>
<td>16</td>
<td>D4</td>
<td>M</td>
<td>20s</td>
<td>2</td>
<td>Korea</td>
<td>Tele, 45</td>
<td>Dept. store</td>
<td>Dep. floor manager</td>
</tr>
<tr>
<td>17</td>
<td>A10</td>
<td>F</td>
<td>40s</td>
<td>16</td>
<td>Korea</td>
<td>Tele, 50</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>18</td>
<td>A11</td>
<td>F</td>
<td>30s</td>
<td>8</td>
<td>Korea</td>
<td>Tele, 50</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>19</td>
<td>A12</td>
<td>F</td>
<td>20s</td>
<td>3</td>
<td>Korea</td>
<td>Tele, 45</td>
<td>Airline</td>
<td>Flight attendant</td>
</tr>
<tr>
<td>20</td>
<td>D5</td>
<td>F</td>
<td>30s</td>
<td>3</td>
<td>U.K.</td>
<td>F-to-F 60</td>
<td>Dept. store</td>
<td>Shop assistance</td>
</tr>
<tr>
<td>21</td>
<td>A13</td>
<td>M</td>
<td>40s</td>
<td>25</td>
<td>Korea</td>
<td>Tele, 55</td>
<td>Airline</td>
<td>Flight purser</td>
</tr>
<tr>
<td>22</td>
<td>H2</td>
<td>F</td>
<td>30s</td>
<td>4</td>
<td>U.K.</td>
<td>F-to-F 60</td>
<td>Hospital</td>
<td>Nurse</td>
</tr>
<tr>
<td>23</td>
<td>S1</td>
<td>F</td>
<td>40s</td>
<td>2</td>
<td>U.K.</td>
<td>F-to-F, 50</td>
<td>Business school</td>
<td>Administrator</td>
</tr>
</tbody>
</table>

Note:
M=Male, F=Female, F-to-F=Face-to-face, Dept. store=Department store
Appendix B: Interview Protocol

Hello, I’m Hae-Kyung Shin and I am doing a research study for my doctorate degree on the role of organizational policies with regard to customer-employee interactions.

This interview is only for research purposes and everything you say will be kept confidential. I will not record any information that will identify you or your organization. Would it be alright if I recorded our conversation for my research purposes?

Interviewee:

To begin with, could you tell me a little bit about yourself? What is your role in the organization? And how long have you been in this role and in this organization?

I would like you to share your thought about what company policy guide you when you interact with customers.

When front-line service employees engage with customers they are guided by their organization’s MANUAL. Usually interactions when you deliver service are routine, but sometimes there is an exceptional situation, and I would like you to focus on these.

Situation:

With regard to your interactions with customers could you tell me what company policies influence your interactions with customers?

Are there any examples that have been particularly memorable for you?

- Why do you consider this to be particularly memorable or impactful?
- What specific circumstances led up to this situation?
- What did you do and say?
- Were there other options you had or thought of?
- Does your organization have a policy that covered the situation that you have just described?
- What are the response options that are contained in the organizational policy?
- Why did you choose the particular option and not one of the others?
- What was the result or outcome of this situation?

Individual Employee:

- What were your feelings during the situation?
- What were your thoughts during the situation?
- Was the outcome in line with your expectations?
  - If yes, why?
  - If no, why not?
• If a similar situation occurs again, will you adopt a similar response?
  o If yes, why?
  o If no, why not?