A CONCEPTUAL MODEL OF ORGANIZATIONAL CULTURE AND ITS IMPLICATIONS IN THE SERVICE SECTOR

CULTURA ORGANIZACIONAL Y SUS IMPLICACIONES EN EL SECTOR DE SERVICIOS: UN MODELO CONCEPTUAL

Flor Morton[a] · Teresa Treviño[b] · Laura Zapata-Cantú[c]

Abstract

The increasingly global competition in all productive sectors – including the service sector – has forced companies to adjust their organizational processes to incorporate a customer experience approach. This adjustment implies the need for modifications to certain internal organizational factors, such as organizational culture, values and beliefs, in order to survive. This research proposes that – besides other factors – organizational culture type and the level of customer orientation can account for a considerable portion of a company's success or failure. Therefore, the objective of this conceptual paper is to propose a model that determines which type of organizational culture (clan, hierarchical, adhocracy, or market) facilitates a greater degree of customer orientation. Specifically, this research proposes that a market type of organizational culture will have greater customer orientation than the other classifications of organizational culture and that a higher degree of customer orientation fosters employee satisfaction, which can have a positive impact on customer satisfaction.

Keywords: organizational culture, customer orientation, employee satisfaction, customer satisfaction.

Resumen

La competencia cada vez más global en todos los sectores productivos, incluido el sector de servicios, ha obligado a las empresas a ajustar sus procesos organizacionales para incorporar un enfoque de experiencia del cliente. Este ajuste implica la necesidad de modificaciones a ciertos factores internos de la organización, como la cultura organizacional, los valores y las creencias, para poder sobrevivir. Esta investigación propone que, además de otros factores, el tipo de cultura organizacional y el nivel de orientación hacia al cliente pueden representar una parte considerable del éxito o fracaso de las empresas. Por lo tanto, el objetivo de este trabajo conceptual es proponer un modelo que determine qué tipo de cultura (clan, jerarquía, adhocracia o mercado) facilita una mayor orientación al cliente. Específicamente, esta investigación propone que el tipo de cultura de mercado tendrá una mayor orientación al cliente que las otras clasificaciones de cultura y que un mayor grado de orientación al cliente fomentando la satisfacción del empleado, lo que puede tener un impacto positivo en la satisfacción del cliente.

Palabras clave: cultura organizacional, orientación hacia el cliente, satisfacción del empleado, satisfacción del cliente.

a   Universidad de Monterrey, San Pedro Garza García/Nuevo León, México. Dirección electrónica: flor.morton@udem.edu.
b   Universidad de Monterrey, San Pedro Garza García/Nuevo León, México. Dirección electrónica: teresa.trevinob@udem.edu.
c   Tecnológico de Monterrey, EGADE Business School, Monterrey/Nuevo León, México. Dirección electrónica: laura.zapata@itesm.mx.

Introduction

Culture has been considered a highly relevant variable in the context of organizations. The importance of studying organizational culture lies in the belief that understanding the type of organizational culture present in a company can increase the competitiveness of enterprises. The study of organizational culture in the context of service organizations has been of particular importance since this industry features an increasingly competitive marketplace and companies must excel in comparison to their competitors in order to survive.

Since the 1930s, many attempts have been made to understand organizations by using cultural terms such as "climate," "values," "behaviors," and others. However, from the 1980s to the present, there has been increased interest in organizational culture and its implications for firms, such as the improvement in a company's competitiveness (Chan, Shaffer, & Snape, 2004) and innovativeness (Matinaro & Liu, 2017), the creation of social order (Trice & Bayer, 1993), the implementation of corporate social responsibility (Figueroa, Jiménez, & Silva, 2016), and the effectiveness of knowledge transfer (Wei & Miraglia, 2017), among other implications. Specifically, previous research has found a relationship between the type of organizational culture and different business variables, such as performance and service quality (Klein, Masi, & Weidner, 1995). For instance, Cameron and Freeman (1991) identified four types of organizational culture – clan, hierarchy, adhocracy, and market – and defined specific characteristics of each type. Deshpandé, Farley and Webster (1993) found different levels of performance for each type. Although there might be other classifications of organizational culture based on different variables (Barney, 1986; Cooke & Lafferty, 1987; O'Reilly, Chatman, & Caldwell, 1991), this research bases this classification on the competing values framework typology of organizational culture, since it has been widely accepted in organizational research due to its robust and replicable set of culture dimensions that characterize organizational culture (Quinn & Rohrbaugh, 1981; Cameron & Freeman; 1991).

In this paper, organizational culture is understood as values and beliefs shared by collaborators (employees) that provide them with the norms for behavior in the organization (Deshpandé & Webster, 1989). Although much uncertainty exists regarding the relation between organizational culture type and customer orientation; this conceptual study proposes that a certain type of organizational culture could promote or facilitate customer orientation more than others, particularly in services companies. The world's most advanced economies are dominated by services, and the competition in this industry is fierce (Jackson, 2017; Ostrom, et al., 2010); these type of companies have several differences from companies that provide products. Particularly, a characteristic that depends on a company's employees is known as inseparability – which refers to the fact that services cannot be separated from their providers. Additionally, the quality of services varies depending on who provides them (Kotler & Armstrong, 2016).

The objective of this paper is to propose a model that explains the influence of the type of organizational culture on internal and external variables such as customer orientation, employee satisfaction, service quality, and customer satisfaction. Therefore, this paper attempts to shed light on understanding how the different types of organizational culture can influence a higher or lower degree of customer orientation in an organization. This translates into providing better services and delighting customers by exceeding their expectations.

Furthermore, it has been proposed that organizational culture may be more critical than formal written guidelines when it comes to adequately dealing with the service delivery processes, and that a customer oriented organizational culture could be crucial to the success of services marketing (Parasuraman, 1987; Sin & Tse, 2000; Vranesevic, Vignali, & Vignali, 2002).

Moreover, previous research has found a positive relationship between customer orientation and employee satisfaction (Aydin & Ceylan, 2011) and a positive relationship between employee satisfaction and customer satisfaction (Schlesinger & Zornitsky, 1991; Hurley & Hooman, 2007; Chen, 2008; Jeon & Choi, 2012). However, the literature on organizational culture seems to be fragmented, with some researchers focusing on internal performance variables, but not assessing the effect of organizational culture on external variables such as customer satisfaction. For example, recent research has addressed how organizational culture can have an impact on several internal variables such as employee innovation and performance, work engagement, and manager turnover (Ahmetoglu, Akhtar, Tsivrikos, & Chamorro-Premuzic, 2018; Kangas, et al., 2018; Suharto & Nusantoro, 2018). However, there is scarce literature that notes how the organizational culture type impacts market orientation, and this relationship is highly linked to employee and customer satisfaction. Heskett, Jones, Loveman, Sasser, and Schlesinger's (1994) framework focuses on service firms and employee and customer satisfaction, but the relevance of organizational culture in this relationship remains unexplored. Considering this, the present research contributes to the literature by proposing a model that attempts to integrate the influence of organizational culture on both employees and customers.

This link remains unclear in the literature, and this paper may serve as a basis to address this issue. The relevance of this integration –and of the proposed study– is that it could help organizations better understand the impacts of fostering a specific type of organizational culture, that can possibly translate into meeting or exceeding customers' expectations.

In addition, although there have been efforts to study the effect of customer orientation on innovation in service firms (Wang, Zhao, & Voss, 2016), there remains ample opportunity to assess the effect of organizational culture and customer orientation in this sector. Hence, this conceptual paper seeks to shed light on this issue and proposes a model that attempts to identify which type of organizational culture facilitates customer orientation in service companies to a greater degree; it also seeks to determine the mediating role of employee satisfaction on the relationship between customer orientation and customer satisfaction.

This paper is structured as follows: the next section provides a literature review section that addresses previous research, as a basis for the propositions of the present paper. Then, a suggested methodology is presented in order to study the proposed conceptual model. This includes a proposition on how to measure the constructs in the model, the suggested sample, and other issues regarding the data collection process. Finally, the conclusions and managerial implications of this paper are discussed as a basis to call for more research on the topic.

Literature Review and Propositions

Organizational culture

Culture has been defined in the previous literature in many different ways. One of the most popular definitions of culture is that of Hofstede (2001), who defines it as "the collective programming of the mind that distinguishes the members of one group or category of people from another" (p. 9). Another definition of culture is proposed by Louis (1985): "culture is a set of understandings or meanings shared by a group of people. The meanings are largely tacit among the members, are clearly relevant to a particular group, and are distinctive to the group" (p.74). Other definitions emphasize social interaction and communication rules (Schall, 1983). Culture has also been referenced as learned basic assumptions that help people solve problems. For example, Schein (1992) proposes that culture is taught to new members of a group as the correct way to perceive, think, and feel in relation to those problems. Additionally, Parasuraman (1987) considers the difference between what is formally established and what occurs in reality inside organizations.

Furthermore, definitions of culture in organizations have also emphasized the sharing of values and beliefs. For example, Wasmer and Bruner (1991) state that organizational culture refers to the "set of norms, attitudes, values and behavior patterns that form the core identity of an organization or an operating unit within an organization" (p. 38). Similarly, Deshpandé and Weber (1989) define organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization" (p. 4). Concordantly, Trice & Beyer (1993) state that the substance of organizational cultures resides in ideologies that provide meaning to people through shared norms, values, and beliefs.

The various definitions of organizational culture reveal the complexity of this concept. However, in this paper, organizational culture is understood as the values, beliefs, and norms of behavior that are shared among a group of collaborators who interact among themselves within the same organization. Most previous literature has studied the influence of organizational culture on a company's performance (Denison & Mishra, 1995; Deshpandé et al., 1993; Gordon & DiTomaso, 1992; Gregory, Harris, Armenakis, & Shook, 2009; Hartnell, Ou, & Kinicki, 2011; Marcoulides & Heck, 1993; Martinez, Beaulieu, Gibbons, Pronovost, & Wang, 2015). Some of this research has argued that organizational culture can be a source of competitive advantage for the firm (Barney, 1986; Chan, Shaffer, & Snape, 2004; Sadri & Lees, 2001). Other researchers have studied whether a firm's organizational culture can be associated with transformational leadership (Bass & Avolio, 1993). For example, Kim (2014) finds a positive association between one type of organizational culture – clan culture – and transformational leadership in a South Korean government organization. The relationship between organizational culture and firm innovation has been found to be positively related to innovation in nonprofit service organizations (Jaskyte & Dressler, 2005) and has been considered a determinant of a company's innovation strategy (Naranjo-Valencia, Jiménez-Jiménez, & Sanz-Valle, 2011). Additionally, researchers show the direct influence of organizational culture on job satisfaction, commitment, and intention to leave the job (Lok & Crawford, 1999; Lok & Crawford, 2004; MacIntosh & Doherty, 2010). However, all these studies have focused on the influence of organizational culture on internal performance outcomes, but no research has simultaneously integrated the influence of type of organizational culture on both internal outcomes, such as customer orientation and employee satisfaction, and external outcomes, such as customer satisfaction. This integration can help organizations better understand

the impacts of fostering a specific type of organizational culture, which can possibly translate into meeting or exceeding the expectations of their customers.

Types of organizational culture

Previous researchers have offered diverse frameworks and instruments to assess organizational culture type. From the resource-based view of the firm (RBV), it has been argued that organizational culture can be classified in terms of the imitability, identifying valuable, rare, and imperfectly imitable resources and capabilities of the firm (Barney, 1986; Barney, 1991). O'Reilly et al. (1991) developed an instrument to assess the Organizational Culture Profile (OCP) based on seven dimensions of organizational culture: whether it is innovative, stable, respecting of people, outcome oriented, detail oriented, team oriented, and aggressive. Furthermore, based on the Competing Values Framework (Quinn & Rohrbaugh, 1981), Cameron and Freeman (1991) identified four organizational culture types: clan, adhocracy, hierarchy, and market. Other researchers have named these organizational culture types "group" (clan) as "developmental" (adhocracy), "hierarchical", and "rational" (market) (Büschgens, Bausch, & Balkin, 2013). The Organizational Culture Assessment Instrument (OCAI) was developed by Cameron and Quinn (2006) in order to assess a company's dominant characteristics, organizational leadership, management of employees, organizational glue (bonding), strategic emphases, and criteria for success. Together, the scores obtained relate to a type of organizational culture. Adaptations of this instrument have been developed for different types of organizations (e.g., healthcare organizations) and in different countries (e.g., Korea) and have shown to be an efficient instrument when measuring organizational culture type (Choi, Seo, Scott, & Martin, 2010; Deshpandé et al., 1993; Scott, Mannion, Davies, & Marshall, 2003).

According to Cameron and Freeman (1991), each type of organizational culture is characterized by a particular leadership style that reinforces and shares its values. Deshpandé et al. (1993) suggest that these types of organizational cultures are dominant rather than mutually exclusive. For example, the dominant attributes of the clan organizational culture include participation, cohesiveness, a sense of family, and teamwork. In this type of organizational culture, the leader is a parent figure with the role of a mentor or facilitator. Important beliefs in this culture are loyalty, tradition, and interpersonal cohesion. Organizational cohesiveness and personal satisfaction are rated more highly than financial and market objectives, and strategic emphasis is placed on developing human resources (Cameron & Freeman, 1991). In contrast, the market organizational culture emphasizes competitive advantage, goal achievement, and market superiority, and the most important measure of organizational effectiveness is productivity achieved through the market mechanisms that control transactions. The leadership style in this type of organizational culture is decisive and achievement oriented. The beliefs are goal orientation, production, and competition. Additionally, the adhocracy organizational culture emphasis is on values of entrepreneurship, adaptability, and creativity; also flexibility is an important belief of this organizational culture. The leader is entrepreneurial, risk taking, and innovative (Cameron & Quinn, 2006). In contrast, the attributes of the hierarchy organizational culture are order, uniformity, rules and regulations. Effectiveness is defined by the consistency and achievement of clearly stated goals. The leader is more a coordinator or administrator, and strategic emphasis is placed on predictability, smooth operations, and stability (Deshpandé et al., 1993).

The influence of organizational culture type on customer orientation and employee and customer satisfaction

Customer orientation (also known as market orientation or customer care) is considered by some authors to be an integral part of the overall organizational culture and to involve two dimensions: a) customer focus, an organization's understanding of customer needs, and b) needs assessment, the extent to which an organization monitors whether customer needs are being satisfied (Green, Chakrabarty & Whitten, 2007). Vranesevic et al. (2002) state that companies with a customer orientation take into consideration the interests of their consumers in all their activities and that those interests are partners in achieving organizational success. Additionally, Parasuraman (1987) considers a customer-oriented organizational culture to be a prerequisite for organizations to develop a competitive advantage.

Furthermore, since organizational cultures promote certain types of values and behaviors, and given that customer orientation is defined as the "set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise" (Deshpandé et al., 1993. p. 27), a certain type of organizational culture – depending on the values and behaviors it promotes – could encourage and facilitate customer orientation more than the other types. Previous research has established that organizations that reward their employees based on customer relationships and satisfaction tend to be more customer oriented (Jaworski

& Kohli, 1993), and according to the competing values framework, this type of reward could be characteristic of the market organizational culture. Considering the characteristics of the four types of organizational culture mentioned previously, we propose that market organizational cultures will have higher levels of customer orientation, followed by adhocracy, clan and hierarchical organizational culture types (in that order), see Figure 1. Therefore, our first proposition is:
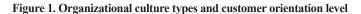
P1: Customer orientation will be higher according to the type of organizational culture, as follows: market, adhocracy, clan, and hierarchical.

Employee satisfaction, also known as employee job satisfaction, is a multidimensional and interdisciplinary term; in literature there is a great amount of studies that analyze the term from many different points of view and its relationship with various organizational variables such as payment, promotion, training, social relationships with co-workers, working conditions, among other variables (Mullins, 1993; Rajak & Mishra, 2018). Therefore, there is no universal definition of employee satisfaction that represents all these dimensions at the same time, also considering that each employee is motivated in different ways, due to their unique characteristics and personality traits. In this paper we understand employee satisfaction as a pleasurable or positive emotional state as a consequence of the appraisal of the collaborators' job or job experiences (Locke, 1976). Galup, Klein & Jiang (2008) find that higher levels of employee satisfaction normally contribute to the success of an organization, and this satisfaction depends on how well the individual's characteristics and the organizational culture are harmonized. For Berson, Oreg and Dvir (2008), the type of organizational culture is highly correlated to employee satisfaction. For instance, supportive and innovative work organizational culture is positively correlated to employee satisfaction, while to the contrary, a bureaucratic organizational culture often yields negative employee responses, which leads to low levels of job satisfaction (Berson et al., 2008).

Furthermore, the attitudes of contact employees are influenced by how these employees are treated by their superiors and how they feel within the organization (Parasuraman, 1987). In high-contact industries such as the service industry, the attitudes of contact employees are crucial for performance, and customer orientation should be a shared value among all the company's employees (Vranesevic et al., 2002). Employees who are satisfied with their jobs tend to be more involved in organizational activities and more dedicated to delivering high-quality services (Jacobs, Yu & Chavez, 2016). Service quality has been understood by previous literature in terms of variables such as: responsiveness (willingness of the staff to provide prompt service and be helpful), price, product quality (items quality, e.g. food freshness), tangibles (physical place), and reliability (ability to perform promised services accurately) (Saad Analeeb & Conway, 2006).

Research on organizational behavior has consistently shown that across a wide range of industries, the job satisfaction of service workers has a positive impact on customer satisfaction (Hur, Moon & Jung, 2015). Previous research has found a positive and significant correlation between employee satisfaction and customer orientation (Aydin & Ceylan, 2011). Furthermore, organizations strive to create environments in which employees thrive, recognizing that highly engaged and passionate employees lead to delighted and loyal customers (Verhoef, et al., 2009).

The service–profit chain model framework proposed by Heskett et al. (1994) states that firm performance results primarily from customer satisfaction, which is a direct result of employee performance, which in turn is derived largely from employee satisfaction. The link between employee job satisfaction and customer satisfaction is based on cumulative perceptions of service quality and value shaped by employee-customer interactions during service encounters. Thus, employees with a high level of job satisfaction are more likely to possess

Figure 1. Organizational culture types and customer orientation level

| Organizational Culture Types: | Hierarchical | Clan | Adhocracy | Market |

Low ◄─────── Level of Customer Orientation ───────► High

Source: Authors' own contribution

better performance motivation (i.e., extra-effort service behaviors) and provide a better service quality and value than those with a low level of job satisfaction, leading to higher customer satisfaction. Previous research has found that customer orientation fosters employees' bonding with the organization (Jaworski & Kohli, 1993); this bonding could also foster employee satisfaction. Therefore, we believe that employees will be more satisfied when working in a company with an organizational culture type that is more customer oriented. Also, higher levels of service quality are expected in more customer oriented types of organizational cultures as a result of employee satisfaction, in particular because employee satisfaction will positively influence the service responsiveness and reliability dimensions of service quality. Hence, the following propositions are developed.

P2: Employees are more satisfied when the type of organizational culture is more customer oriented.

P3: Types of organizational cultures with higher levels of customer orientation will show higher levels of service quality, as a result of higher levels of employee satisfaction.

In this way, companies recognize that in the current competitive environment, customer satisfaction can be considered a critical factor when providing a service. It is known that satisfied and loyal customers yield several benefits to businesses, generating greater income, bringing new customers, and decreasing costs of new customer acquisition (Bellou, 2007). Particularly, customer satisfaction has been defined as the "summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience" (Oliver, 1981, p. 27).

Customer satisfaction with a service experience has been proved to be influenced both by internal factors such as consumers' expectations, and by external factors such as physical environment, price perception, and interactions with service employees and other consumers (Han & Ryu, 2009; Wu & Liang, 2009). Thus, customer satisfaction is a complex construct that differs between service quality, price, product offerings, and other factors. For instance, Saad Analeeb and Conway (2006) tested a model of customer satisfaction; the authors determined that responsiveness was most important to customers. Similarly, other researchers have found that customer satisfaction is strongly influenced by the interaction between employees and customers, and previous studies have shown a positive effect among these variables (Brown & Lam, 2008; Chen, 2008; Jeon & Choi, 2012; Hurley & Hooman, 2007; Schlesinger & Zornitsky, 1991; Wangenheim, Evanschitzky, & Wunderlich, 2007; Yee, Yeung, & Cheng, 2008).

Other research on the topic has further analyzed customer satisfaction and identified that customers who have had extraordinary service experiences and show a stronger emotional state satisfaction are considered delighted customers. Using a qualitative methodology, Kao, Tsaur, and Wu (2016) proposed that employees of companies that follow a customer orientation assume the personal responsibility of delighting customers and providing personalized service. Furthermore, they suggest that there is an interrelationship between all cultural domains of the company, including its values, norms, artifacts and behaviors, which work together to create customer satisfaction and, ultimately, customer delight. Furthermore, customer satisfaction has been studied by analyzing firms with different organizational culture models. Gillespie, Denison, Haaland, Smerek, and Neale (2008) use four dimensions of organizational culture models – involvement, consistency, adaptability and mission – to measure its effect on customer satisfaction. The findings suggest that diagnosing and changing an organization's culture is a viable way to improve customer satisfaction.
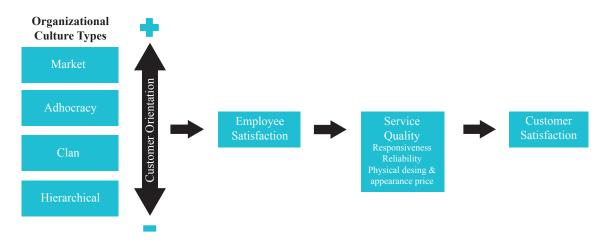
In this study, we integrate the role of organizational culture and employee satisfaction on customers' satisfaction. Particularly, this paper addresses organizational culture as one of four different cultural types. Considering that previous studies have suggested that there is a positive relationship between employee satisfaction and customer orientation, as well as that employees of customer-oriented companies assume the responsibility of delighting customers (Aydin & Ceylan, 2011, Kao et al., 2016), we propose that customer-oriented organizational cultures will have a positive influence on customer satisfaction mediated by employee satisfaction. Therefore, the following proposition is developed:

P4: Types of organizational cultures with higher levels of customer orientation will result in higher levels of customer satisfaction, as a result of higher levels of employee satisfaction and service quality.

Figure 2 presents the complete proposed model, considering the factors that affect customer satisfaction in terms of employee satisfaction, customer orientation and organizational culture.

Suggested Study Design

The emic and etic approaches are two different ways to study organizational culture. On one hand, the emic approach involves the use of qualitative methods, such as

Figure 2. Proposed conceptual model

Source: Authors' own contribution

ethnographies, textual and discourse analysis, and interviews, to understand a particular culture. This approach is characterized by its breadth and depth of understanding and by its subjective character (Morey & Luthans, 1984). On the other hand, the etic approach includes quantitative methods, such as experiments, surveys, and content analysis. The characteristics of the etic approach are its objective character, generalization, and nature of prediction seeking (Morris, Leung, Ames, & Lickel, 1999). We consider that an etic approach following quantitative methods will provide interesting insights that can be applied to different companies.

Sample and data collection

As the first step in our approach, the sample for this proposed study should include service firms because of the uniqueness of the interaction between employees and customers in these firms. Data will be collected through an online questionnaire applied to employees who have been working in the company more than one year and to customers who have been involved with the company for at least eight months. This process will allow researchers to ensure that those participants know the organization deeply, which will help to obtain more realistic data. Additionally, employees will be categorized based on their managerial level and/or rank in the organization, which can serve to further test the impact of organizational culture on employee and customer satisfaction.

Measurement of variables and suggested statistical analyses

The constructs considered in this study (organizational culture type, customer orientation, employee satisfac-

tion, and customer satisfaction) will be operationalized by adapting scales previously developed in the literature on the topic. In particular, we suggest measuring organizational culture type using Cameron and Quinn's (2006) organizational culture assessment instrument; this variable is categorical as it classifies an organizational culture into one of the four categories. In particular, the instrument measures 6 dimensions (dominant characteristics, organizational leadership, management of employees, organizational glue, strategic emphases, and criteria for success) and respondents must allocate points from 0-100 for each of the items of the 6 dimensions (see Table 1), then the researcher adds together all the points allocated to the items for each letter (A, B, C, D) and calculates an average for each one; each of these scores relates to a type of organizational culture. A represents the clan, B the adhocracy, C the market, and D the hierarchy types of organizational cultures. These averages are then plotted into the quadrants developed by Cameron and Freeman (1991) to categorize the organizational culture type. Additionally, we recommend the scale of Deshpandè et al. (1993) for customer orientation; the scale of Wangenheim et al. (2007) to measure employee satisfaction, and Saad Andaleeb and Conway's (2006) service quality (which is constituted of four dimensions: responsiveness, reliability, physical design and appearance, and price) and customer satisfaction scales (which must be adapted to the type of service firm to be evaluated) measured using a 7-point likert scale. Table 1 shows the items for each of these variables. However, other variables such as satisfaction with payment, promotion opportunities, and training variables could also be measured as control variables. It is important to consider a pre-test before the data collection phase because some further adaptation may

Table 1. Proposed instruments

Construct	Related studies/scale	Items
Culture type	Cameron and Quinn's (2006) Organizational Culture Assessment Instrument.	**1. Dominant characteristics**
		(A) The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.
		(B) The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.
		(C) The organization is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.
		(D) The organization is a very controlled and structured place. Formal procedures generally govern what people do.
		2. Organizational leadership
		(A) The leadership in the organization is generally considered to exemplify mentoring, facilitation, or nurturing.
		(B) The leadership in the organization is generally considered to exemplify entrepreneurship, innovation, or risk taking.
		(C) The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.
		(D) The leadership in the organization is generally considered to exemplify coordination, organization, or smooth-running efficiency.
		3. Management of employees
		(A) The management style of the organization is characterized by teamwork, consensus, and participation.
		(B) The management style of the organization is characterized by individual risk taking, innovation, freedom, and uniqueness.
		(C) The management style of the organization is characterized by hard-driving competitiveness, high demands, and achievement.
		(D) The management style of the organization is characterized by security of employment, conformity, predictability, and stability in relationships.
		4. Organizational glue
		(A) The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.
		(B) The glue that holds the organization together is commitment to innovation and development. There is emphasis on being on the cutting edge.
		(C) The glue that holds the organization together is the emphasis on achievement and goal accomplishment.
		(D) The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.
		5. Strategic emphases
		(A) The organization emphasizes human development. High trust, openness, and participation persist.
		(B) The organization emphasizes acquiring new resources and creating new challenges. Trying new things and searching for opportunities are valued.
		(C) The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.
		(D) The organization emphasizes permanence and stability. Efficiency, control, and smooth operations are important.
		6. Criteria for success
		(A) The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.
		(B) The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.
		(C) The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.
		(D) The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.

(*Continued*)

Table 1. Proposed instruments

Construct	Related studies/scale	Items
Customer orientation	Deshpandé, Farley, and Webster (1993); 5-point Likert scale.	1. We have routine or regular measures of customer service.
		2. Our product and service development is based on good market and customer information.
		3. We know our competitors well.
		4. We have a good sense of how our customers value our products and services.
		5. We are more customer focused than our competitors.
		6. We compete based primarily on product or service differentiation.
		7. The customer's interest should always come first, ahead of the owners'"
		8. Our products/services are the best in the business.
		9. I believe this business exists primarily to serve customers.
Employee satisfaction	Wangenheim, Evanschitzky, and Wunderlich (2007); 5-point Likert scale.	1. Overall, how satisfied are you as an employee of (firm's name)?
		2. Would you work for (firm's name) again?
		3. I like my job at (firm's name).
		4. The working atmosphere in our company is very good.
		5. My colleagues support me in helping my customers.
		6. My superiors are living examples of our company's goals.
		7. My superior is open-minded towards me.
		8. My superior always helps me in case of difficulties.
		9. I can count on my superior's word.
		10. My superior values my work performance.
		11. The flow of work in our company is very good.
		12. All employees in our company have the ability to make decisions in order to react flexibly to customer wants.
		13. I am provided with all the materials and equipment necessary to do my job.
		14. All imperfections in our operations are resolved swiftly.
		15. Our company encourages making suggestions for improvements.
Service quality	Adapted from Saad Andaleeb and Conway (2006); 5-point Likert scale.	**Responsiveness**
		1. Employees were attentive.
		2. Employees were helpful.
		3. Service was prompt.
		4. Server's appearance was neat.
		5. Employees understood your needs.
		6. Server was courteous.
		7. Server was qualified.
		Reliability
		8. You received exactly what you ordered the first time.
		9. Your service was error-free.
		10. The products were good quality.
		11. Your service was delivered error-free.
		12. The characteristics of the product were just right.

(*Continued*)

Table 1. Proposed instruments

Construct	Related studies/scale	Items
Service quality	Adapted from Saad Andaleeb and Conway (2006); 5-point Likert scale.	**Physical design and appearance**
		13. Lightning in the facility was appropriate.
		14. Adequate parking was available.
		15. The facility was clean.
		16. The decor was visually appealing.
		Price
		17. The service was expensive.
		18. You paid more than you had planned.
Customer satisfaction	Adapted from Saad Andaleeb and Conway (2006); 5-point Likert scale.	1. Overall, you were satisfied with your service experience.
		2. You would return to the facility in the future.
		3. You would recommend the service company to others.
		4. Considering the type of service company, the quality of service was excellent.

Source: Authors' own contribution

be needed, depending on the selected companies' context and type of industry. Confirmatory factor analyses, MANOVA and structural equation modeling are suggested as statistical analyses to assess construct validity and a model's goodness of fit (Schreiber, Nora, Stage, Barlow & King, 2006).

Conclusions and Managerial Implications

Currently, service firms face the challenge of satisfying customers' expectations, while also exceeding these expectations in order to delight customers. Globalization has transformed the world into a marketplace in which a firm competes with others beyond its country and region. At the same time, technological advances are created in a marketplace in which transactions are not only conducted face-to-face, but virtual interactions are becoming more common. In both scenarios, standardization and personalization in customer approaches have become key to competing. In this regard, customers are eager for tangible, experiential and exclusive experiences that are made possible through human contact – experiences that make them feel unique.

To achieve this complex task, rethinking the organization's culture, processes and practices in order to improve customer experience and satisfaction would be crucial for configuring the business strategy. This paper intends to shed light on the topic of organizational culture and its impact on employee satisfaction as a prerequisite to achieving customer satisfaction. Particularly, we propose a model that calls for empirical evidence that supports these ideas.

On one hand, we expect that an organizational culture classified as a "market" culture according to the definition by Cameron and Freeman (1991) will have a greater customer orientation than the other forms of organizational culture. Furthermore, customer orientation is expected to positively influence employee satisfaction, and customer orientation – mediated by employee satisfaction – is also positively related to customer satisfaction. We believe that this model will nurture the understanding of how organizational culture and its characteristics influence relevant variables in the service industry. For instance, it seems certain that aligning organizational values and beliefs with the market and with the personal values of the employees provokes not only a better comprehension of customer needs and preferences, but also an increase in employee satisfaction. This alignment will also reflect an increase in customer satisfaction, which is possible when a service has embedded, not only the values that an organization promulgates, but also those that the provider brings.

The model proposed in this paper points to several managerial implications. By understanding the factors that influence customer satisfaction, managers – particularly those of service firms – will be able to modify, implement, and promote important organizational values that may lead to a desired organizational culture type. Expected results from this research may lead to the identification of the type of organizational culture that creates a greater degree of positive satisfaction among both employees and customers. By following the logic of both previous research and the proposed model, we expect to find this desirable type to be the market organizational culture. Therefore, if managers follow this organizational culture and promote val-

ues such as goal orientation, production and achievement among their teams, they can positively influence both employee and customer satisfaction.

Another relevant finding that could result from this proposed study relates to human resource management. From recruitment and selection to performance evaluation practices, human resources must be aligned with the organizational culture, which promotes customer orientation. Front-line employees require a specific profile, not only to provide better service, but also to anticipate customer needs. This particular position would change from an operational or technical level to a more participative level in the proposal and development of strategic initiatives. Employees in front-line activities are in constant interaction with customers, understand their needs and even anticipate them; these collaborators could be the gatekeepers of their organizations – a key role in dynamic environments. Business strategy must be reformulated and constantly evaluated in order to incorporate both organizational culture customer-oriented and customer needs assessment. The latter is crucial to improving product and service chain values.

Finally, several future research ideas can be derived from this paper. First and foremost, the proposed model calls for empirical evidence that supports these ideas in several contexts. We believe that there is an opportunity to test this model in several cultural scenarios, which can shed light on new perspectives on the topic. Of course the model proposed is a first approximation to the phenomenon addressed in this paper, therefore it should be tested in different types of service companies (e.g.. health, hospitality, restaurants, airlines) and in different companies of the same industry, incorporating to this model the role of additional variables such as customers' expectations of different brands of the same service category on customer satisfaction. Additionally, it will be interesting to analyze how this model can be applied, not only to service firms, but also to manufacturing firms. Furthermore, the proposed model could be studied in light of the incorporation of the millennial generation into the workplace in order to assess whether the propositions in this paper apply to companies with different proportions of millennial, xennials, and baby boomers in the workforce. Additionally, future research can also attempt to consider other dimensions of employee and customer satisfaction, such as the perceived value which could also have an impact con how customers evaluate a company. Also, the model can incorporate and analyze how other outcome variables, such as firm competitiveness, can be impacted based on different levels of service quality. Other research could also address which employee profiles would be attracted to work in in each of the organizational culture types and which customer profiles would

best match (i.e. be more satisfied) each of the four organizational culture types, providing a greater insight into marketing efforts for customer retention. Moreover, other factors such as ethnicity and cultural backgrounds could also influence customer orientation and satisfaction. Therefore, the proposed model could be tested across different countries/cultures in order to explore the impact of these factors.

References

Ahmetoglu, G., Akhtar, R., Tsivrikos, D., & Chamorro-Premuzic, T. (2018). The entrepreneurial organization: The effects of organizational culture on innovation output. *Consulting Psychology Journal: Practice and Research, 70*(4), 318-338.

Aydin, B., & Ceylan, A. (2011). What is the joint effect of employee satisfaction and customer orientation on the organizational culture in metalworking manufacturing? *The International Journal of Human Resource Management, 22*(5), 1203-1215.

Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly*, 112-121.

Barney, J. B. (1986). Organizational culture: Can it be a source of sustained competitive advantage? *Academy of Management Review, 11*(3), 656-665.

Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 17,* 99–120.

Bellou, V. (2007). Achieving long-term customer satisfaction through organizational culture: Evidence from the health care sector. *Managing Service Quality: An International Journal, 17*(5), 510-522.

Berson, Y., Oreg, S., & Dvir, T. (2008). CEO values, organizational culture and firm outcomes. *Journal of Organizational Behavior, 29*(5), 615-633.

Brown, S., & Lam, S. (2008). A meta-analysis of relationships linking employee satisfaction to customer responses. *Journal of Retailing, 84* (3), 243-255.

Büschgens, T., Bausch, A., & Balkin, D. B. (2013). Organizational culture and innovation: A meta-analytic review. *Journal of Product Innovation Management, 30*(4), 763-781.

Cameron, K.S. & Freeman, S.J. (1991). *Cultural congruence, strength and type: Relationships to effectiveness*. In Woodman, R.W. and Passmore, W.A. (eds) Research in Organizational Change and Development, Vol. 5. Greenwich, CT: JAI Press.

Cameron, K. S., & Quinn, R. E. (2006). *Diagnosing and changing organizational culture: Based on the competing values framework*. San Francisco, CA: John Wiley and Sons.

Chan, L. L., Shaffer, M. A., & Snape, E. (2004). In search of sustained competitive advantage: the impact of organizational culture, competitive strategy and human resource management practices on firm performance. *The International Journal of Human Resource Management, 15*(1), 17-35.

Chen, T. (2008). The examination of factors that affect the relationship between employee-customer satisfaction in recreational sport/fitness clubs in Taiwan. ProQuest Dissertations and Theses.

Choi, Y. S., Seo, M., Scott, D., & Martin, J. (2010). Validation of the organizational culture assessment instrument: An application of the Korean version. *Journal of sport management, 24*(2), 169-189.

Cooke, R., & J. Lafferty. 1987. *Organizational Culture Inventory (OCI)*. Plymouth, MI: Human Synergistics.

Denison, D. R., & Mishra, A. K. (1995). Toward a theory of organizational culture and effectiveness. *Organization Science, 6*(2), 204-223.

Deshpande, R. & Webster, F. (1989). Organizational culture and marketing: Defining the research agenda. *Journal of Marketing, 53*(1), 3-15.

Deshpandé, R., Farley, J., & Webster, F. (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms: A quadrad analysis. *The Journal of Marketing, 57*(1), 23-37.

Figueroa, J., Jiménez, S., & Silva, B. (2016). Organizational culture as support to implement corporate social responsibility. *Revista Global de Negocios, 4*(8), 11-21.

Galup, S. D., Klein, G., & Jiang, J. J. (2008). The impacts of job characteristics on IS employee satisfaction: A comparison between permanent and temporary employees. *Journal of Computer Information Systems, 48*(4), 58-68.

Gillespie, M. A., Denison, D. R., Haaland, S., Smerek, R., & Neale, W. S. (2008). Linking organizational culture and customer satisfaction: Results from two companies in different industries. *European Journal of Work and Organizational Psychology, 17*(1), 112-132.

Gordon, G. G., & DiTomaso, N. (1992). Predicting corporate performance from organizational culture. *Journal of Management Studies, 29*(6), 783-798.

Green, K., Chakrabarty, S., & Whitten, D. (2007). Organizational culture of customer care: Market orientation and service quality. *International Journal of Services and Standards, 3*(2), 137-153.

Gregory, B. T., Harris, S. G., Armenakis, A. A., & Shook, C. L. (2009). Organizational culture and effectiveness: A study of values, attitudes, and organizational outcomes. *Journal of Business Research, 62*(7), 673-679.

Han, H., & Ryu, K. (2009). The roles of the physical environment, price perception, and customer satisfaction in determining customer loyalty in the restaurant industry. *Journal of hospitality & tourism research, 33*(4), 487-510.

Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2011). Organizational culture and organizational effectiveness: A meta-analytic investigation of the competing values framework's theoretical suppositions. *Journal of Applied Psychology, 96*(4), 677.

Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E., & Schlesinger, L. A. (1994). Putting the service-profit chain to work. *Harvard Business Review, 72*(2), 164-174.

Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations*. Thousand Oaks, Calif.: Sage Publications.

Hur, W. M., Moon, T. W., & Jung, Y. S. (2015). Customer response to employee emotional labor: The structural relationship between emotional labor, job satisfaction, and customer satisfaction. *Journal of Services Marketing, 29(1)*, 71-80.

Hurley, R. & Hooman, E. (2007). An exploratory study of employee turnover indicators as predictors of customer satisfaction. *Journal of Services Marketing, 21*(3), 186-199.

Jacobs, M. A., Yu, W., & Chavez, R. (2016). The effect of internal communication and employee satisfaction on supply chain integration. *International Journal of Production Economics, 171,* 60-70.

Jackson, G. (2017). Growth accelerates in UK's dominant service sector. Retrieved from https://www.ft.com/content/91e908ec-19dd-11e7-bcac-6d03d067f81f

Jaskyte, K., & Dressler, W. W. (2005). Organizational culture and innovation in nonprofit human service organizations. *Administration in Social Work, 29*(2), 23-41.

Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: Antecedents and consequences. *The Journal of marketing, 57*, 53-70.

Jeon, H., & Choi, B. (2012). The relationship between employee satisfaction and customer satisfaction. *Journal of Services Marketing, 26*(5), 332-341.

Kangas, M., Kaptein, M., Huhtala, M., Lämsä, A. M., Pihlajasaari, P., & Feldt, T. (2018). Why do managers leave their organization? Investigating the role of ethical organizational culture in managerial turnover. *Journal of Business Ethics, 153*(3), 707-723.

Kao, C. Y., Tsaur, S. H., & Wu, T. C. E. (2016). Organizational culture on customer delight in the hospitality industry. *International Journal of Hospitality Management, 56,* 98-108.

Kim, H. (2014). Transformational leadership, organizational clan culture, organizational affective commitment, and organizational citizenship behavior: A case of South Korea's public sector. *Public Organization Review, 14*(3), 397-417.

Kotler, P. & Armstrong, G. (2016). Principles of Marketing, Global Edition. Pearson Education. ISBN: 978-0133850758

Klein, A., Masi, R., & Weidner II, C. (1995). Organization culture, distribution and amount of control, and perceptions of quality. *Group Organization Management, 20*(2), 122-148.

Locke, E. (1976). *The nature and causes of job satisfaction*. Handbook of industrial and organizational psychology. Dunnate Marvin ed. Chicago: Rand McNally, pp.1297-1350.

Lok, P., & Crawford, J. (1999). The relationship between commitment and organizational culture, subculture, leadership style and job satisfaction in organizational change and development. *Leadership & Organization Development Journal, 20*(7), 365-374.

Lok, P., & Crawford, J. (2004). The effect of organizational culture and leadership style on job satisfaction and organizational commitment: A cross-national comparison. *Journal of Management Development, 23*(4), 321-338.

Louis, M. R. (1985). An Investigator's Guide to Workplace Culture. In P. J. Frost, L. F. Moore, M. R. Louis, C. C. Lundberg & J. Martin. (Eds.), *Organizational Culture* (pp. 73-93). Beverly Hills, CA: Sage.

MacIntosh, E. W., & Doherty, A. (2010). The influence of organizational culture on job satisfaction and intention to leave. *Sport Management Review, 13*(2), 106-117.

Marcoulides, G. A., & Heck, R. H. (1993). Organizational culture and performance: Proposing and testing a model. *Organization Science, 4*(2), 209-225.

Martinez, E. A., Beaulieu, N., Gibbons, R., Pronovost, P., & Wang, T. (2015). Organizational culture and performance. *American Economic Review, 105*(5), 331-35.

Matinaro, V. & Liu, Y. (2017). Towards increased innovativeness and sustainability through organizational culture: A case study of a Finnish construction business. *Journal of Cleaner Production, 142*, 3184-3193.

Morey, N. C., & Luthans, F. (1984). An emic perspective and ethnoscience methods for organizational research. *Academy of Management Review*, *9*(1), 27-36.

Morris, M. W., Leung, K., Ames, D., & Lickel, B. (1999). Views from inside and outside: Integrating emic and etic insights about culture and justice judgment. *Academy of management review*, *24*(4), 781-796.

Mullins, L.J. (1993). Management and organizational behavior. London, ENG: Pitman Publishing.

Naranjo-Valencia, J. C., Jiménez-Jiménez, D., & Sanz-Valle, R. (2011). Innovation or imitation? The role of organizational culture. *Management Decision, 49*(1), 55-72.

Oliver, R. (1981). Measurement and evaluation of satisfaction processes in retail setting. *Journal of Retailing, 57*(3), 25-46.

O'Reilly, C. A., Chatman, J., & Caldwell, D. F. (1991). People and organizational culture: A profile comparison approach to assessing person-organization fit. *Academy of Management Journal, 34*(3), 487-516.

Ostrom, A., Bitner, M., Brown, S., Burkhard, K., Goul, M., Daniels, V.S., Demirkan, H., & Rabinovich, E. (2010). Moving forward and making a difference: Research priorities for the science of service. *Journal of Service Research*, *13*(1), 4-36.

Parasuraman, A. (1987). Customer-oriented corporate cultures are crucial to services marketing success. *The Journal of Services Marketing, 1*(1), 39-46.

Quinn, R.E., & Rohrbaugh, J. (1981). A competing values approach to organizational effectiveness. *Public Productivity Review, 5*, 122–140.

Rajak, L., & Mishra, K. (2018). An analytical study of human resource management practices and its influence on employees' satisfaction. *International Journal of Advance Research in Computer Science and Management Studies*, *6*(3), 6-11.

Saad Andaleeb, S., & Conway, C. (2006). Customer satisfaction in the restaurant industry: An examination of the transaction-specific model. *Journal of Services Marketing, 20*(1), 3-11.

Sadri, G., & Lees, B. (2001). Developing corporate culture as a competitive advantage. *Journal of Management Development, 20*(10), 853-859.

Schall, M. (1983). A communication-rules approach to organizational culture. *Administrative Science Quarterly, 28*(4), 557-581.

Schein. E. H. (1992). *Organizational culture and leadership*. San Francisco, CA: Jossey-Bass Publishers.

Schlesinger, L. & Zornitsky, J. (1991). Job satisfaction, service capability, and customer satisfaction: An examination of linkages and management implications. *Human Resource Planning, 14*(2), 141-149.

Schreiber, J. B., Nora, A., Stage, F. K., Barlow, E. A., & King, J. (2006). Reporting structural equation modeling and confirmatory factor analysis results: A review. *The Journal of educational research*, *99*(6), 323-338.

Scott, T., Mannion, R., Davies, H., & Marshall, M. (2003). The quantitative measurement of organizational culture in health care: A review of the available instruments. *Health Services Research, 38*(3), 923-945.

Sin, L. & Tse, A. (2000). How does marketing effectiveness mediate the effect of organizational culture on business performance? The case of service firms. *Journal of Services Marketing, 14*(4), 295-309.

Suharto, S., & Nusantoro, J. (2018). The relationship among managerial capability, organizational citizenship behavior, and employee performance: Mediation effects of organizational culture. *Journal of Community Research and Service*, *2*(1), 168-175.

Trice, H. & Beyer, J. (1993). *The cultures of work organizations.* Englewood Cliffs, NJ: Prentice Hall.

Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2009). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing, 85*(1), 31-41

Vranesevic, T., Vignali, C., & Vignali, D. (2002). Culture in defining consumer satisfaction in marketing. *European Business Review, 14*(5), 364-374.

Wang, Q., Zhao, X., & Voss, C. (2016). Customer orientation and innovation: A comparative study of manufacturing and service firms. *International Journal of Production Economics, 171*, 221-230.

Wangenheim, F. V., Evanschitzky, H., & Wunderlich, M. (2007). Does the employee–customer satisfaction link hold for all employee groups?. *Journal of Business Research, 60*(7), 690-697.

Wasmer, D. & Bruner, G. (1991). Using organizational culture to design internal marketing strategies. *The Journal of Services Marketing, 5*(1), 35-46.

Wei, Y. & Miraglia, S. (2017). Organizational culture and knowledge transfer in project-based organizations: Theoretical insights from a Chinese construction firm. *International Journal of Project Management, 35*(4), 571-585.

Wu, C. H. J., & Liang, R. D. (2009). Effect of experiential value on customer satisfaction with service encounters in luxury-hotel restaurants. *International Journal of Hospitality Management*, *28*(4), 586-593.

Yee, R., Yeung, A. & Cheng, T. (2008). The impact of employee satisfaction on quality and profitability in high-contact service industries. *Journal of Operations Management, 26*(5), 651-668.