

## Service Climate, Job Involvement and Employee Service Behaviour-An Empirical Study in Banking Sector

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### Abstract

Studies have reported that employees' perception of service climate is decisive in the success of organizations. This study tries to examine the linkage among service climate, job involvement and service behaviour of employees in the retail banking sector. Cross sectional data was collected from frontline employees in retail banks. Regression analysis is used to test the model on the links between the constructs analyzed. Service behaviour of employees was found to be positively related to their perception of service climate and level of job involvement. Further analysis produced a statistically significant model explaining 40 % of employee service behaviour. Service behaviour of employee can be enhanced by improving the climate for services in the organization. The results should lead managers to consider the importance of emphasizing service climate and build a positive service climate in their organizations. The value added of this research is highlighting the salience of service climate and its links with service behaviour, on the basis of employee perceptions through an empirical study.

**Keywords:** service climate, job involvement, service behaviour, banks

### Introduction

Services are intangible and how it is delivered is important in evaluation of a service encounter (Morrison, 1996; Schneider & Bowen, 1993) <sup>[35]</sup>. One way for a company to differentiate itself from others in a competitive service environment is to advocate and provide excellent customer service (Zeithaml, Parasuraman & Berry, 1990) <sup>[52]</sup>. Excellent customer service leads to customer satisfaction which, in turn, increases the customer's desire to use the supplier's services in the future (Cronin & Taylor, 1992) <sup>[13]</sup>, thus increasing company revenue (Burke & Borucki, 1995) <sup>[7]</sup>. Thus, concepts of employee service behaviour and customer service are crucial in marketing management theory and practice in organizations and there has been many studies directed towards adoption of a customer oriented perspective to provide quality service and attain competitive advantage (Rodriguez *et al.*, 2004, Rozellet *al.*, 2004, Chait *al.*, 2000) <sup>[39, 42, 10]</sup>.

As Bowen and Schneider (1985) <sup>[47]</sup> explain, a service is produced and consumed at the same time, and there is no opportunity to rework the "product." They also point out that, for the customer, the quality of the company is often judged by the quality of the service. Therefore management of employee behaviour should be a prime concern in any effort to promote service quality. As cited by Dimitriades (2007) <sup>[16]</sup>, their service behaviour is assessed by customers and their performance in service encounters becomes organization's performance (Price *et al.*, 1995).

It is widely known that not all employees are equally service oriented; there are variations in the extent and frequency with which they identify and fulfill customer needs in the best

possible manner. These differences in the service behaviour of employees can be attributed to their personal characteristics and with the job or the organizational context in which the job is carried out. Thus work climate has been shown to affect the service behaviour of employees (Rogelberget *al.*, 2012) <sup>[40]</sup>. As demonstrated in their study, individuals may not be encouraged to behave in a service oriented manner unless an organizational climate exists that is supportive of superior customer service. Taken together, it can be understood that an organization interested in customer satisfaction needs to establish an organizational climate for service.

As stressed by Schneider, White, and Paul (1998) <sup>[45]</sup>, service climate focuses on employee effort and competency in delivering quality service. Their empirical study demonstrated that the employee engagement and service climate are positively related. Engagement has been studied in terms of vigor, dedication and absorption as conceptualized by Schaufeli, Salanova, Gonzales-Roma and Bakker (2002) <sup>[44]</sup>. Vigor refers to high levels of energy and willingness to invest effort in one's work, and persistence even in the face of difficulties. Dedication is characterized by a sense of significance, enthusiasm, inspiration, pride, and challenge at work.

Absorption consists of being fully concentrated, happy, and deeply engrossed in one's work. The dimensions of engagement as vigor, dedication and absorption are indicative of the work effort and involvement in job of an employee. Other researchers have also reported on the links between work climate, employees' work motivation and employee

performance in terms of customer service (Salanova *et al.*, 2005; Dimitriadis, 2007) <sup>[43, 16]</sup>.

Consequently, this study aims to further understanding the links between service climate perception of employee and job involvement and how it affects his service behaviour. First, the banking scenario in which it is being studied is explained followed by the literature review on the constructs of service climate, job involvement and service behaviour and tried to test a model to explain the employee service behaviour.

### The Ever Evolving Banking Scenario

Banking and financial services are an important part of the service industry (Mishkin, 2001) <sup>[34]</sup>. There has been significant changes in the regulatory, structural, and technological factors in the banking environment throughout the world. These global changes affected the Indian banking sector and borders are no longer barriers to expansion. The field of banking was dominated by large public sector banks till the 1990s. The liberalization policy of the Government of India permitted entry to foreign and private banks to the banking sector, leading to increased competition. The banking sector has evolved into a global bank market, with wide range of activities to suit the varying needs of the commercial and individual customers (Choudhury, 2013) <sup>[11]</sup>.

Banking is a high involvement industry. Banks now know that delivery of quality service to customers is essential for success and survival in today's global and competitive banking environment (Wang *et al.*, 2003) <sup>[50]</sup>. Valued customers require truly personalized services. Szymigin and Carrigan (2001) points out that knowing what customers want and do not want and then ensuring that they get what they want is crucial for the success of organizations (as cited by Ehigie, 2006) <sup>[17]</sup>. Customers can and do change their bank if their expectations are not met by their existing service provider. Beatty *et al.*, (1996) and Crosby *et al.*, (1990) observed that the relationship between the client and bank is influenced by the quality of the service the client receives (as cited by Abratt and Russell, 1999). They further add that this finding is particularly important because, in the banking field, products are easily copied. Banks need to continually strive for increased service quality in order to achieve and maintain a competitive edge (Stafford, 1994). Considering the present day banking scenario, the nature of the customer relationship is changing. Particularly as electronic banking becomes more prevalent, a bank's service quality may well be measured in terms of personal support rather than technical support. That is to say, as banks become more and more "high-tech," with their standardized technical services, the importance of such technology factors as differentiating factor gets drastically reduced and the customers will evaluate banks based more on their "high-touch" factors (Angure *et al.*, 1999) <sup>[2]</sup>. Hence, employee service behaviour is a potential area where banks can make a difference.

### Literature Review

#### Service climate

Service climate may be defined as employees' perceptions of organizational policies, practices and procedures, which promote a climate that expects and rewards customer service. A climate for service depends on the fundamental support provided by organization through resources, training, managerial practices, and assistance required to perform

effectively (Schneider *et al.*, 1998) <sup>[45]</sup>. In this light, service climate may be considered as an individual, rather than an organizational attribute, measured in terms of perceptions that are psychologically meaningful to the individual, rather than in terms of concrete organizational features. Therefore, service climate rests on perceptions of individual employees, which influence individuals' behaviour (Bagozzi, 1992).

Service climate is built on foundations of caring for both customers and employees (Burke *et al.*, 1992; Schneider *et al.*, 1992) <sup>[8]</sup>. The significance of the construct of service climate has been demonstrated in various studies. Rogget *et al.* (2001) <sup>[41]</sup> found that service climate facilitates the delivery of customer satisfaction, while Schneider *et al.* (1998) <sup>[45]</sup> demonstrated a positive link between the way employees perceive service climate and customers' perceptions of service quality. Schneider *et al.* (2002) <sup>[44]</sup> showed that the strength of service climate has a moderating effect on the link between employees and customers. Climate for service influence the service-related behaviours of the individuals in the organization (Kelley, 1992).

Service climate is proposed to have two major components in this study, including customer orientation and work facilitation as in the conceptualization by Shainesh and Sharma (2003) <sup>[48]</sup> and Schneider (1998) <sup>[45]</sup>. According to the definition of Day (1994) <sup>[14]</sup>, customer orientation means placing a high priority on customer interests, generating and using information about customers, and creating systems to act on such information. Work facilitation items in the scale refers to actions taken by an employee's immediate manager in a manner that is supportive and work conditions as in Schneider (1998) <sup>[45]</sup>. Further, work facilitation means all working conditions that support delivery of quality service, such as general HR practices, guidance, and cooperation among workmates.

#### Job Involvement

Job Involvement has been defined as psychological identification with one's job (Kanungo, 1982; Lodahl & Kejner, 1965) <sup>[27, 32]</sup>. Job involvement develops in the individual through a long and meaningful process (Lodahl and Kejner, 1965) <sup>[32]</sup>. Job involvement is a highly desirable attribute of employees (Mudrack, 2004) <sup>[36]</sup>, since job involved workers develop strong relationships with their jobs and invest "personal resources" in their current job (Kanungo, 1982) <sup>[27]</sup>. Job involvement is very much related to work experiences and sometimes thought of as reflections of work experiences (Cohen, 1999) <sup>[12]</sup>. Individuals may become involved in their jobs in response to specific attributes of the work situation (Mudrack, 2004) <sup>[36]</sup>.

#### Service behaviour

Service encounters involve interaction between customers and employees. Employees are very crucial in determining and influencing customers' perceptions of service encounters (Bitner, 1990) <sup>[6]</sup>. Service behaviour consists in employee's role-prescribed and extra-role behaviours (Tsaor & Lin, 2004) <sup>[49]</sup>. "Extra-role" service behaviour refers to the discretionary behaviour of contact employees in serving customers that extends beyond formal role requirements. "Role-prescribed" service behaviour refers to expected employees behaviour that may derive from implicit norms in the workplace or from

explicit obligations as specified in organizational documents such as job descriptions (Puffer, 1987). Firms should create positive environment for superior service (Maria, Ruth & Nicolas, 2016). The choice of customer service-oriented employees is a major factor in establishing customer service. Poor customer service is criticized on grounds of faulty selection of the human resources employed in the customer service delivery. Improving customer service often centers on selection of the right employees to do the job. Businesses are challenged to cultivate a climate for service that crafts, nurtures, and rewards services practices and behaviours to meet customer's needs (Lytle *et al.*, 1998)<sup>[33]</sup>, as cited by Carraheret *et al.* (2009)<sup>[9]</sup>.

### Conceptual framework

#### Service climate, Job involvement and Employee Service behaviour

Although there has been increasing interest in the field of customer service, most of the studies are in the context of developed countries and there is lack of studies in the developing countries (Abu-elSamen *et al.*, 2011). This research of employee behaviour indicates that individual employees' service climate perception and job involvement are major contributors that could lead to superior service behaviour. Employees' perceptions and valuations of the environment is found to mediate attitudinal and behavioural responses (James & Jones, 1974)<sup>[25]</sup>. There can be differences in psychological climate which is likely to result from individual differences among employees, from differences in the work environment, as well as from the interaction between the person and situation (James *et al.*, 1990)<sup>[24]</sup>. Individual biases or personal characteristics may generate different perceptions of the same environment for different individuals. The same manager may treat different subordinates differently because of various reasons, like differences in levels of abilities of the employees or their willingness to contribute to organizational goals (Dienesch & Liden, 1986)<sup>[15]</sup>. In a positive service climate, employees understand that superior service is expected, desired, and rewarded and therefore, they are more likely to provide good service (Liao and Chuang, 2004)<sup>[30]</sup>. However, creation of a favorable service climate is still unknown to many managers. Practical suggestions may have not been put forward because most of past research has dealt with service climate at the aggregate level. Thus, it is necessary to separate the various dimensions of service climate, so as to explore its consequences as per He *et al.*, (2010)<sup>[22]</sup>. Literature review indicates that if individuals identify psychologically with their work more, they are likely to put in more time and energy to work activities (Kahn, 1990)<sup>[26]</sup>. Hence in the context of service sector, the argument is that employees involved highly in jobs are expected to be good at service behaviour.

In order to deal with the previous research gaps, *this study brings about a conceptual framework based on the relationships among service climate, employees' job involvement and employee service behaviour for further analysis and testing.* Firstly, a dimension-wise empirical segregation of the construct of service climate and its relation with service behaviour and secondly the relationship between job involvement and employee service behaviour is being analyzed. The customers perceive the service of frontline employees as the service of the organization. Thus the way

the frontline employees deal with customers is very crucial to service quality (Lawler, 1992, Pfeffer, 1994)<sup>[29, 34]</sup>.

A model is tested by multiple regression to see how much of the variation in service behaviour of frontline bank employees can be accounted by the variables of service climate and job involvement. Dimensions of service climate (customer orientation and work facilitation) and job involvement are taken as independent variables and employee service behaviour as dependent variable.

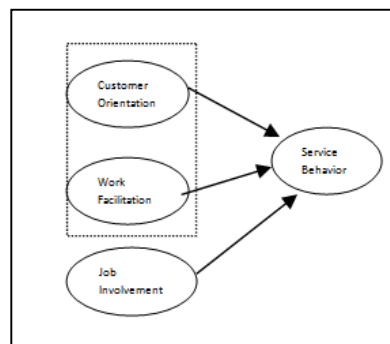


Fig 1: Conceptual framework

Thus the objectives of the study are:

1. To study the service climate of the frontline bank employees in terms of their customer orientation and work facilitation.
2. To study the effect of service climate and job involvement on employee's service behaviour.

To carry out the study based on the objectives stated above, the following hypotheses were formulated:

**H1:** There is a relationship between customer orientation and service behaviour of frontline bank employees.

**H2:** There is a relationship between work facilitation as felt by the employees and their service behaviour.

**H3:** There is a relationship between level of job involvement of the employees and their service behaviour.

### Research Methodology

This study was conducted among employees of retail banks in Kerala, South India. The Banks included Public and Private Sector banks. The population of the study comprises of bank employees in public and private sector banks located in the state of Kerala. An inclusion criteria of a minimum service of two years in the present bank branch was incorporated so as to give reliable responses on the construct of service climate in the present bank they are working. The data was collected from the districts of Kochi and Calicut. As a precautionary measure to get sufficient data, 200 questionnaires were distributed in each district, totaling to 400 in the present study.

### Data collection Procedure

The research setting for the study was Retail bank groups in Kerala, South India. For data collection, 5 bank groups including the State bank group belonging to the public sector, and 4 bank groups from the private sector were decided to be include for the study. State Bank of Travancore and State Bank of India from the State Bank Group, Canara Bank, Union Bank of India, Syndicate Bank, Indian Overseas Bank and Punjab National Bank form the other nationalized banks

were selected. Federal bank, South Indian Bank, HDFC and ICICI from the private sector banks were included for the final data collection. These were the banks with highest number of offices in the state as per the available data. The frontline employees meeting the inclusion criteria of minimum 2 years’ service in the present bank branch were targeted for collection of data. List of branches of the selected bank groups pertaining to the districts were obtained from the internet. Based on the possible customer base and intensity of banking business, on account of the location of the branch, branches were selected and questionnaires were distributed to

a maximum of 4 employees per branch. Data collection was designed to include maximum number of branches, so as to improve data variance in the construct of service climate. Prior permission was taken from the branch manager for collecting data. The purpose of the study was explained and the questionnaires were personally distributed to the employee participants for their responses. Questionnaires were distributed to 200 frontline bank employees of the selected bank groups from each district, making a total of 400. 338 usable questionnaires were obtained for data analysis. The table presents the demographic characteristics of the sample.

**Table 1.** Sample Demographic Profile

Variable	Value	frequency	%
Gender	Male	100	29.6
	Female	238	70.4
Age group	20-30	134	39.6
	31-40	106	31.4
	41-50	70	20.7
	51-60	28	8.3
Qualification	Pre degree/Diploma	8	7.5
	Graduate	73	21.6
	Post graduate	257	76
Income	Below Rs.25,000	75	22.2
	Rs.25,000-Rs.35,000	90	26.6
	Rs.35,001-Rs.45,000	71	21.0
	Rs.45,001-Rs.55,000	35	10.4
	Rs.55,001-Rs.65,000	45	13.3
	Rs.65,001-Rs.75,000	13	3.8
	Rs.75,001-Rs.85,000	6	1.8
	Above Rs.85,000	3	0.9

**Measures**

The survey used a five -point Likert-type scale (1= strongly Disagree, 5=Strongly Agree) for all the measures of the variables under study. The variables under study are given in Table 2. Service climate was measured using the dimensions of customer orientation and work facilitation. The scale of customer orientation, included six items, was adapted from Day (1994)<sup>[14]</sup> and Shainesh and Sharma (2003)<sup>[48]</sup>. The alpha coefficient for this scale was 0.88. The scale of work facilitation included eight items, was adapted from Shainesh and Sharma (2003)<sup>[48]</sup> and Foley and Hang (2005)<sup>[21]</sup>. The alpha coefficient for this scale was 0.93. It included aspects of employee relation with workmates and also his direct manager. This conceptualization of service climate has been previously used in the literature by He *et al.* (2010)<sup>[22]</sup>.A

seven-item version of the Lodahl and Kejner (1965)<sup>[32]</sup> scale was used for measuring job involvement. The alpha coefficient for this scale in this study was 0.82.

The dependent variable for the study was Service behaviour and its measure used in this study was developed by Bettencourt *et al.* (1997)<sup>[5]</sup>. Two aspects were assessed: Extra-Role service behaviour (3 items) and Role-Prescribed Service behaviour (3 items). In addition, in order to measure employees’ service capability, a three-item scale developed by Jaworskiet *al.* (1993) was used. The overall reliability of the scale using Cronbach alpha was 0.82. In our study, all values of Cronbach’s alpha ranged from 0.82 to 0.93. Usually, Cronbach of 0.7 or above was considered to be the criteria for internal consistency of the established scales (Bagozzi and Yi, 1988)<sup>[4]</sup>.

**Table 2:** Reliability statistics

Item	Cronbach’s alpha	Number Of items
Customer Orientation	0.88	6
Work Facilitation	0.93	8
Job involvement	0.82	7
Service behaviour	0.82	9

**Analysis and Results**

To assess the level of service climate perceptions, job involvement and service behaviour, the mean scores of these variables and standard deviations are computed and given in Table 3. The table shows that mean score of service behaviour was 4.020, which is above average. Among the three factors

used to measure service behaviour, ‘extra role’ has the lowest mean. The mean scores of service climate dimensions are very close with 4.26 for customer orientation and 4.29 for work facilitation. The mean score of job involvement is the lowest among all the variables measured with a score of 3.6, which shows that there is a scope for improvement.

**Table 3:** Descriptive Statistics

	Mean	SD
<b>Service Behaviour</b>	4.020	0.40
Extra role	3.97	0.51
Role Prescribed	4.00	0.54
Service capability	4.10	0.53
<b>Service climate</b>	4.28	0.56
Customer orientation	4.26	0.57
Work Facilitation	4.29	0.60
<b>Job involvement</b>	3.6	0.59

Source: Primary data

The table 4 shows the intercorrelations of all major variables under study. The results indicate that there is significant positive relationship between service behaviour and dimensions of service climate as customer orientation ( $r=0.561, p<0.001$ ) and work facilitation ( $r=0.538, p<0.001$ ). The analysis also shows that there is significant correlation between an employees' job involvement and their service behaviour ( $r=0.362, p<0.001$ ). Thus high levels of service climate perceptions and job involvement are associated with high service behaviour. The correlation matrix given in Table 4 shows that there are no substantial correlations ( $r > 0.9$ ) between the predictor variables.

**Table 4:** Intercorrelations of study variables

Variables	1	2	3
1.Service behaviour			
2.Job involvement	0.362*		
3.Customer Orientation	0.561*	0.185*	
4.Work facilitation	0.538*	0.246*	0.729*

Source: Primary data

Note: correlations are significant at 0.001\*

To study the extent to which the variables job involvement and service climate explained the variance in employee service behaviour and to test the proposed hypothesized paths, regression analysis was conducted. Table 5 summarizes the results of regression analysis. As can be seen each of the dimensions of service climate as customer orientation and work facilitation is positively and significantly correlated to

**Table 5.** Results of Multiple Regression

Dependent variable	Independent Variable	Adjusted R <sup>2</sup>	F value	B value (unstandardized coefficients)	Durbin statistic	VIF
Service Behaviour	Job involvement	0.406	76.033	0.165*	1.831	1.064
	Customer orientation			0.251*		2.137
	Work facilitation			0.146**		2.197

Note: B values significant at \* $p<0.001$ , \*\* $p=0.001$

**Discussion**

There has been many research work to examine relevant organizational variables that stimulate favourable behavioural responses related to service performance among employees (Yoon *et al.*, 2001, Lytle and Timmerman, 2006). However little attention has been given to the importance of climate variables that directly impact frontline employees' service behaviour. This study is worthwhile in gaining a greater understanding of the factors that constitute service climate, level of job involvement of employees in banking sector and in better explaining the employee service behaviour in terms of these variables. The results of the study indicate support

service behaviour. The variable job involvement also indicates significant positive correlation with employee service behaviour. Thus all hypotheses (H1, H2, H3) are accepted. Details are explained below

The multiple regression model with all the predictors- customer orientation, work facilitation and job involvement produced  $R^2=0.406$ , F value 76.033,  $p<0.001$ . The values are all significant and positive and it is highest for customer orientation (0.251), job involvement (0.165) and work facilitation (0.146). It means that one unit increase in customer orientation leads to 0.251 units increase in service behaviour, whereas a unit increase in work facilitation leads to 0.146 units increase in the dependent variable. Similarly a unit increase in job involvement will result in 0.165 units increase in service behaviour. Thus the overall regression model suggests that-service climate (customer orientation and work facilitation) and job involvement is able to explain 40 % of variation in service behaviour and the model is significant at.001 level of significance.

In addition the table 5 gives us the values of Durbin Watson test. The Durbin-Watson Statistic is used to test for the presence of serial correlation among the residuals. Its values can range between 0 and 4. Small values of the Durbin-Watson statistic indicate the presence of autocorrelation. A value close to 2 indicates no autocorrelation (Field, 2012). In the model it was calculated as 1.831, which means that data is free from autocorrelation.

The table further gives us multicollinearity statistics. Multicollinearity exists when there is a strong correlation between 2 or more predictors in a regression model. For checking multicollinearity, a major statistics used is the VIF (Variance Inflation Factor). The VIF indicates whether a predictor has strong linear correlation with other predictors. A value of  $VIF < 10$  indicates no multicollinearity problem with the variables under study (Gujarati, 2008). The values of VIF range from 1.064 to 2.197 in our variables, which is well within the limits specified. Thus the model is free from autocorrelation and multicollinearity. In sum, the diagnostics indicate model to be valid and reliable.

for all hypothesized relationships. In applying service climate, two dimensions were considered - customer orientation (i.e., clarity regarding customer expectation, emphasis on superior customer service, customized products and services etc.) and work facilitation (i.e., managerial support, manager responsiveness, rewards and recognition for superior service, work mates' support, access to manuals, product and policy information). Both the dimensions of service climate were found to be significantly related to service behaviour. The Beta value was found highest for the dimension of customer orientation (0.251), in the relationship of service climate with service behaviour of employees. This is indicative of the fact

that the orientation of an organization towards its customers is very significant and it affects the feelings and attitudes of employees and their service behaviour.

When there is clarity regarding customer expectation, emphasis is on superior service to customers, there exists managerial support in the organization and resources are provided consistent with those values, it will enhance the motivation of employees to provide high quality customer service. Scholars in a variety of areas have demonstrated that a positive organizational climate motivates employees to behave in ways prescribed by that climate (Camilleri, 2007; Ehrhart *et al.*, 2011) <sup>[18]</sup>. When the frontline employees perceive importance of service in their organization, they are likely to be motivated to work harder for superior service (Yoon *et al.*, 2001). This means that the way organization treats employees and emphasizes customers, affects the feelings and attitudes of employees and the quality of their service behaviour. Hence improving service climate and its dimensions, is likely to benefit the work place by contributing to the service behaviour of the frontline employees in a positive manner.

Job involvement was defined in terms of real interest in job of a person, value for job in life, likelihood that they will remain job even if it is not for money etc. Job involvement- service behaviour relation was also found positive and statistically significant. Previous studies on job involvement supports the above finding. Dimitriadis (2007) <sup>[16]</sup> reports that job involvement is positively related to customer orientation and extra role service behaviour, which he studied in terms of organization citizenship behaviour. Mannheim (1999) indicates that job-centered employees engage in customer-oriented behaviours to a greater extent compared to less job-centered individuals. Hence the finding of this study matches with the relationship established between job involvement and customer orientation among employees by the earlier studies.

As per Table 5, beta values are 0.251 for customer orientation and 0.165 for job involvement compared to 0.146 for work facilitation at the given level of significance. In the regression model under study, customer orientation and job involvement take precedence over the work facilitation dimension of service climate in predicting employee service behaviour in banking sector. The overall model is found satisfactory as it is able to explain 40 % of the variation in service behaviour. The combined model of service climate, job involvement and service behaviour is exactly consistent with the interactionist perspective in services literature which advocates that it is a combination of the work related factors (here service climate) and personal factors that really determines behavioural aspect of employees. Lewin (1935) <sup>[31]</sup> proposed that it is a combination of the personal attributes of people and the environments in which they exist that jointly determines their behaviour. McDaniel and Frei (1998) observe that two general factors influence employees' tendency to provide quality customer service –employees' personal characteristics and the environment of the work. There is good evidence that service oriented persons can be hired for service (Hogan, Hogan and Busch, 1984)<sup>[23]</sup>. But once hired, it is possible that even service oriented people may show variations in their level of service behaviour, as a function of the kind of messages they receive about what is important in that environment. Thus the organizations should make consistent

and continuous effort and explicitly design and establish various organizational policies such as detailed service codes, employee training and service performance rewards that will facilitate service oriented environment in the work place. Measures can also be directed to improve job involvement of the employees.

### Conclusion

Frontline employees in Indian retail Banks have direct and continuous interaction with their customers. Competition among banks has become more intense and more emphasis is being placed to higher service quality and customer evaluations of employee's service performance.

This study adds to current understanding of employee service behaviour, particularly in the Indian context, and provides further evidence of the critical role that frontline employees play in ensuring high levels of customer service. In conclusion, this study has demonstrated an important series of linkages relating service climate and job involvement to service behaviour. The findings indicate that an organizational environment that is perceived as oriented to superior customer service and where the level of facilitation of work is high, there is a better likelihood for quality service behaviour. Perhaps training programs can be developed to specifically improve service orientation of employees. Organizations can develop performance appraisal systems that are specifically designed to reward and promote service behaviour. The significant relation with respect to work facilitation, which also included aspects of support from managers, implies that organizations interested in creating better service climates is likely to accomplish it if they hire managers who are more likely to display a service quality orientation. Thus, service climate dimensions of customer orientation and work facilitation are areas that Managers and organizations can look for improvement activities for competitive advantage. To an extent it can be done by implementation of customer friendly policies and procedures as well.

### Limitations and scope for further research

The empirical results although offer insights into the construct of service behaviour and its prediction by service climate and job involvement, it is not free from limitations. First this study was done in retail banks in India and it was very difficult to get data from the respondents due to their tight work schedule. Regression analysis was used to study the potential relationship among service behaviour as dependent variable and service climate and job involvement as independent variables. A more comprehensive model using advanced statistical tools would be desirable to further extend and clarify the study results.

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