

An empirical study of antecedents of super-measure management affecting employee's performance and satisfaction

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ABSTRACT

Purpose: The purpose of this research is to test antecedents of Super-Measure Management (SMM) to predict employee performance and satisfaction in the organizations. **Introduction:** An organization's long-term success in meeting its strategic goals and objectives relies on its ability to manage employee performance and ensure that its performance measures are aligned to its culture and consistent with organization's needs. **Literature review:** The literature review reveals that the performance measures are required to be carefully evaluated and selected, and must be consistent with the expected results. Tools, like the "Super Measure" (SM) are of great relevance in modern management as it is a single measure that has great relevance with difficulties across an organization. **Methods:** Data were collected by using well-defined closed ended questionnaire. The sample consisted of 100 employees from a large manufacturing firm. **Conclusions:** The result indicated that employee performance and satisfaction are positive and significantly related with firm's service guarantee, customer relationship, strategic alignment, leadership, and compensation. **Recommendations:** The findings suggest that using these dimensions may provide organizations with the potential to improve performance and satisfaction of employees.

JEL. Classification: M11; M51; M54

Keywords: Service guarantee, leadership, compensation, performance, satisfaction

1. INTRODUCTION

An organization's long-term success in meeting its strategic goals and objectives relies on its ability to manage employee performance and ensure that its performance measures are aligned to its culture and consistent with organization's needs (Mello 2006). An effective organization's performance appraisal includes meaningful information, performance expectations, successful review of results, ability to assess

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both organization and individual needs and is proactive with a future vision. It is crucial to bridge the gap between the management's intended strategy and its execution to better reap the benefits in terms of improved satisfaction and performance. The performance measures are required to be carefully evaluated and selected, and must be consistent with the expected results. Tools, like the "Super Measure" (SM) are of great relevance in modern management as it is a single measure that has great relevance up, down and across an organization (Morgan and Rao 2002). It can be applied to align the behaviors and actions of the organization and its value proposition and customer needs. Companies like EMC, Nordstrom and Fairfield Inn have reaped over the years the benefits of usage of SM that provides a powerful thrust to a firm's direction. Most managers shun performance reviews due to its complicated nature, failure to see evidence of its affect on performance and fear of legal challenges if employees tie negative review to missed promotion or denied pay raise (Grensing-Pophal 2001).

Recent years have shown a growing body of evidence that support the association between high performance and satisfaction with strategic human resource management practices (SHRM) and various measures of organizational performance. Theoretical and analytical frameworks help to evaluate the linkage between SHRM and performance and satisfaction along with identifying the gaps in knowledge and further research priorities (Guest 1997). The evolution of performance management is distinct in the performance management timeline (Mello 2006). Effectiveness of a performance management process can be conceptualized via three time periods along with other critical strategic issues like how the system will be used, who, what and how it will be evaluated in addition to the means of evaluation.

It is most important to understand the different antecedents like service guarantee, customer relationship, leadership, compensation package and strategic alignment that has an impact on performance and satisfaction. With the global trend in shifting to more scientific and strategic view of the human resource management, Bangladesh is also gradually adopting this global phenomenon. However, there is still need for more research and evidence to evaluate and to identify the connection between effective performance appraisal measures and its effect on performance and satisfaction. Those who fail to effectively align the policies and strategies with implementation are less likely to gear up the level of performance and satisfaction. Sometimes managers fail to understand that an organizations' reward system and structures embodying the intended strategy are more powerful and are keys in building commitment by aligning it with the interests of the stakeholders (Mello 2006).

The research focuses on aspect of aligning service strategy through 'super-measure management' concept and its impact on a local company in Bangladesh. This will provide a comparative study of the theoretical view of performance management and various tools used with organization. In addition, it emphasizes the reliability of the measurements and its validity thereby leading to the implications on the current and future status of the local company and potential. The strategic management process evaluation and the impact it has on performance and satisfaction will help to analyze local company's scenario and how it is similar and different from that of global operations. Aspects like the service guarantee, customer relationship, compensation, leadership and strategic alignment are linked with the success of a company and interdependent on each other for initiating and sustaining a company's success.

Yet, despite the theoretical significance and potentially considerable impact of SMM, to date few studies, if any, have focused on understanding the role of the top management in enhancing the aforementioned processes and outcomes. The goal of the present study was to address this important yet relatively unstudied issue. The model proposed here focused on antecedents of key factors exercising an intervening impact on employee performance and satisfaction of customers.

2. LITERATURE REVIEW

Empirical evidence of the service profit chain (Heskett, Jones, Loveman, Sasser and Schlesinger 1994) research has shown that reliable, responsive, courteous, friendly, and helpful service performance promotes customer satisfaction and loyalty (Salanova, Agut and Peir'ó 2005), which in turn improves a unit's market performance in terms of market share, sales growth, and profitability. Anderson and Huang (2006) reported a positive association between employee job satisfaction and job performance. If top management is truly committed to creating an organizational climate that emphasizes customer satisfaction, thus attempt to empower their employees. This is because empowered employees generally feel greater job satisfaction and have better job performance, especially when they are involved in setting goals and making decisions in relation to their work. However, this relationship may be moderated over time and by organizational pressures to perform as mentioned by Anderson and Huang (2006). Research findings strongly suggest that management should play a strong, active, and visible role in encouraging empowerment throughout the hierarchical structure and in establishing reward systems that recognize employee contributions to customer relationship management objectives.

The ultimate goal of any organization is to maximize the value created and captured by human resources. To do so, the organization must engage into means by which superior performance and self-satisfaction can be obtained. Super-Measure (SM) is one such means by which this can be attained. Morgan and Rao (2002) describe SM as a single measure that is relevant up, down and across an organization and to its customer base. They further stated that SM propels the firm in a unified fashion in its chosen direction. Determining the right aspect in order to gauge SM is a very crucial step because it leads to satisfaction and performance of the company.

Job satisfaction is one criterion for establishing the health of an organization; rendering effective services largely depends on the human source (Fitzgerald, Sagaria and Nelson 1994) and job satisfaction experienced by employees will affect the quality of service they render. The impact of other variables on efficiency, such as infrastructures and internal relationships, should also be recognized. Job satisfaction has been defined as a positive emotional state resulting from the pleasure a worker derives from the job (Locke 1976; Spector 1997) and as the affective and cognitive attitudes held by an employee about various aspects of their work (Kalleberg 1977; Mercer 1997; Wong, Hui and Law 1998); the later implying that satisfaction is related to the component facets rather than the whole job, which is consistent with Spector's (1997) view. Situational theories assume that the interaction of variables such as task characteristics, organisational characteristics and individual characteristics influences job satisfaction (Hoy and Miskel 1996). The individual evaluates the situational characteristics before commencement of employment (Quarstein, McAfee and Glassman 1992), whereas situational occurrences are evaluated afterwards.

2.1 Service Guarantee

The focus on quality and quality management has spread from the manufacturing sector to the service sector. However, because services differ from manufacturing in many important characteristics, assuring quality in services is, in many ways, a more difficult proposition than assuring quality in manufacturing (Dube, Johnson and Renaghan 1999; Stewart and Chase 1999). Many experts believe that one means for a firm to achieve superior service quality is to offer a service guarantee (Wirtz 1996). A 'service guarantee' can communicate to employees the level of management commitment to customer satisfaction (Wirtz 1998) and can provide a difficult goal for employees to strive toward. A 'service guarantee' can empower employees to satisfy customers and, therefore, eliminate some of the constraints on achieving that goal. Thus, 'service guarantee' could positively influence the motivation and vision of employees. Salanova, Agut, and Peir'ó

(2005) found from a sample of hotel and restaurant units that offering employees' resources of training and autonomy made employees feel more engaged in serving customers, which in turn led to more positive employee shared perceptions of service climate in the unit. Better service guarantee leads to positive and higher performance and satisfaction for the company. Cahill and Warshawky (1995) reported that 'service guarantee' could provide vision and value-congruence by communicating to employees the level of service that the firm intend to offer to its customers. A service guarantee provides tangible evidence to all employees of the importance of service quality to the firm by 'pushing' the firm for service quality lapses. The recovery side of the service guarantees can empower employees to satisfy customers. From the above, first hypothesis can be stated as below:

Hypothesis 1: Service guarantee leads to higher performance and satisfaction.

2.2 Customer Relationship

The climate of concern for customers refers to employees' shared perception of the policies, practices, and procedures regarding service quality provided to the customers in the focal unit (Schneider, White and Paul 1998). The HR practices implemented in a business unit may signal to its employees the extent to which the unit values, expects, and rewards providing good service, thus influencing employees' climate perceptions about the unit's concern for customers' interests. Improved customer relationship has positive impact on performance and satisfaction of the company. In Morgan and Rao's paper (2002), Nordstrom stands as a practical example of this relationship. The sales-per-hour performances increased because of their undivided focus on customer relations. Also, since their sales volume increased, their self-satisfaction increased, as a result. If customers do not invest themselves and their time in their relationship with the organization, it will have to start all over again and go through the arduous effort of attaining a new customer. Word of mouth cannot be use of either. Thus, organizations try to keep their main focus on long-lasting customer relationship solely in order to assure future sustenance. Therefore, it can be hypothesized that:

Hypothesis 2: Improved customer relationship has a positive impact on performance and satisfaction.

2.3 Strategic Alignment

Bowen and Ostroff (2004) view HR practices as communication from the management to the employees that directly shapes how the employees interpret the strategic focus of the organization. Strategic alignment has a positive impact on performance and satisfaction for the company. Luo and Park (2001) suggested that the environment-strategy co-alignment leads to superior competitive advantage and financial performance. Financial performance is a determinant of success and hence, satisfaction. Schowerer, May, Hollensbe and Mencl (2005) mentioned in a study of theirs including training implications on performance. The training included realistic practice in giving product demonstrations. Participants were encouraged to set and achieve performance goals to give a specific number of these product demonstrations weekly in their region. This stands as a support to our findings. The Training and Development programs should be such that all employees work towards a common organizational objective. Not only Training and Development are essentials in this case; other important factors include rewards systems, work systems, government relations, labor relations, employee relations, and many others (Mello 2006). These have strong identification with work, i.e., performance and ultimately satisfaction of each employee as well as the organization as a whole. Above information leads following hypothesis:

Hypothesis 3: Strategic alignment has positive impact on performance and satisfaction.

2.4 Leadership

Strong and effective leadership leads to high performance and satisfaction levels in the company. Huang, Liu and Gong (2009) stated that the cause of citizenship behaviors is the motivational model, which is implemented by effective leadership. Huang et al. also argued that it is plausible that participative leadership behaviors may induce feelings of meaningfulness, as well as sense of ownership and responsibility for work outcomes; as a result, employees will be willing to do whatever it takes to make the organization successful. Success of an organization does not come without commendable performance and sense of satisfaction. For a manager to be a good leader, he or she has to have the capability to determine the possible uses that he can make out of the human resource available to him/her, and amalgamate all the positivity in order to realize synergy. Gordon Bethune, CEO of Continental Airlines, took the company to new heights only by his amazing and overpowering leadership skill of being able to emphasize on-time arrivals. Job responsibilities were not defined strictly and employees worked together, hand in hand, for the stunning achievement (Mello 2006). Based on above discussion following hypothesis can be deduced.

Hypothesis 4: Strong leadership is positively related to high performance and satisfaction.

2.5 Compensation Package

Distribution of the compensation package has a strong impact on performance and satisfaction levels in the company. Igalens and Roussel (1999) noted that the point of congruence between exempt and nonexempt employees is that benefits have little influence on job satisfaction. Contrary to common belief, in a study regarding flexible pay in exempt and non-exempt employees, the effect was very interesting. Flexible pay, a component of the compensation package, is popularly thought to be effective in case of blue-collar workers, but it has a slight influence on job satisfaction for the exempt employees and an insignificant, though positive, relation for non-exempt employees. Thus, we must not be surprised if such factors of the compensation package do not produce positive performance and satisfaction outcomes. There is a positive and significant, but weak relation between benefit satisfaction (comprised in compensation package), and job satisfaction, and we therefore cannot conclude that our hypothesis is supported with regard to benefits for either group of employees in their study. So, it can be hypothesized that:

Hypothesis 5: Fair and equitable compensation package motivates employees thus it leads to higher performance and satisfaction.

3. CONCEPTUAL MODEL

Most research studies have an explicit or implicit theory, which describes, explains, predicts or controls the phenomenon under study. Theories are linked to conceptual models and frameworks; whereas a conceptual model is more abstract than a theory and a theory may be derived from a model, the framework is derived deductively from the theory (Burns and Groves 2001). A model is tested that derived from a review of the literature by integrating theory and research relating to antecedents of super measure management (SMM) such as service guarantee, customer relationship, strategic alignment, leadership and compensation package and their effect on performance and satisfaction (Figure 1).

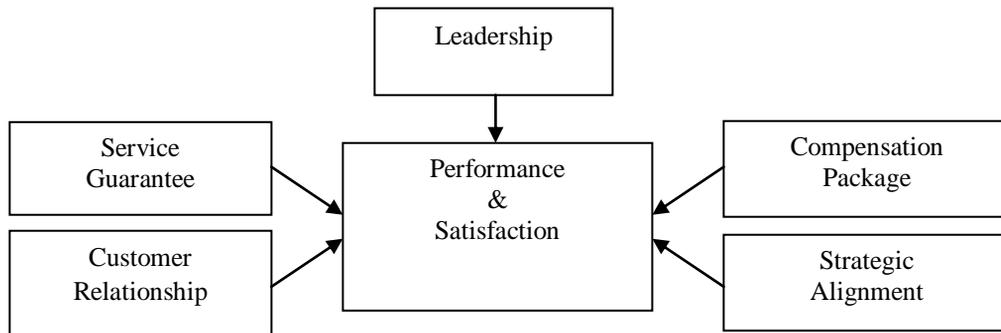


Figure 1: Conceptual Framework

4. METHODS

The study harnessed convenience sampling approach. The sample consisted of 100 respondents who represented both senior and junior management staffs. Of which 89% were men and 11% were women. The participants were core management staffs of Kallol Group, a leading conglomerate in Dhaka, Bangladesh. Participants position ranges from senior manager to junior manager ($M=1.4$, $SD=.49$). The education level was master's degree to secondary school ($M=2.2$, $SD=.89$) and work experience ranged from 6 months to 18 years ($M=1.4$, $SD=.49$). The age ranged from 18 years to 40 years ($M=2.47$, $SD=1.09$). The four background variables were measured in the study. (1) Employees position levels: senior manager=1, junior manager=2, (2) Employees education level: master's degree=1, graduate=2, high school=3, and secondary=4, (3) Participants work experience was 7-18 years=1, and 6 months to 6 years=2. (4) Age of the participants: 18-20 years=1, 21-26 years=2, 27-33 years=3, and 34-40 years=4.

The questionnaire was divided into seven (7) sections and designed to be scale rated. The questions in each section were in the form of statements that were direct, simple and concise mostly. The participants had to tick in the boxes provided beside each question according to the extent of their agreement (scale provided at the beginning of the questionnaire). Scale rating provided was: 1 = 'Strongly Disagree', 2 = 'Disagree', 3 = 'Neutral', 4 = 'Agree', 5 = 'Strongly Agree.' The questionnaire was designed in a way so that it had revealed the relationship between the dependent variables such as performance and satisfaction and the independent variables e.g., service guarantee, customer relationship, strategic alignment, leadership and compensation package. All respondents were chosen from the managerial positions as the research was completely based on their behavior and responses to the situations.

5. RESULTS

5.1 Factor Analysis

It is important to test reliability (Table 1) which is a measure of consistency of the data collected. This helped analyzing the degree to which the items in each section were congruent with each other. By considering an alpha (α) value of 0.7 and above, inconsistent items in the questionnaire were eliminated and the reliability test was repeated via factor analysis. Alpha value greater than 0.7 is acceptable for further analysis in research (George and Mallery 2003). It is observed that alpha value for all variables (independent and dependent) except customer relationship was higher than 0.8. Therefore, it was required to run factor analysis for customer relationship alone. The reason for such high alpha value for the other variables may have been

due to the consistency in the results for each item, which ranged from Neutral (3) to Agree (4) in most cases. The results of the factor analysis showed that item 1 of customer relationship had the highest variance of 54.1%. Therefore, it was eliminated and the new alpha value derived as 0.83, which was within the acceptable range for further analysis.

5.2 Descriptive Statistics and Correlations

The result showed that service guarantee is significantly correlated with performance ($r=.65^{**}$, $p<.01$) and satisfaction ($r=.75^{**}$, $p<.01$) of the employees. Hence, hypothesis 1 is accepted. The result indicated that customer relationship is significantly correlated with performance ($r=.67^{**}$, $p<.01$) and satisfaction ($r=.69^{**}$, $p<.01$) of the employees. Hypothesis 2 is accepted. The result found that strategic alignment is significantly correlated with performance ($r=.73^{**}$, $p<.01$) and satisfaction ($r=.78^{**}$, $p<.01$) of the employees. Hypothesis 3 is accepted. The study revealed that leadership is significantly correlated with performance ($r=.85^{**}$, $p<.01$) and satisfaction ($r=.87^{**}$, $p<.01$) of the employees. Thus hypothesis 4 is accepted. The study also indicated that compensation package is significantly correlated with performance ($r=.81^{**}$, $p<.01$) and satisfaction ($r=.84^{**}$, $p<.01$) of the employees. As such hypothesis 5 is accepted.

Table 1: Means, standard deviations, reliabilities and correlations of variables

Variables	Mean	SD	1	2	3	4	5	6	7
1. Service Guarantee	3.84	.45	.86						
2. Customer Relationship	3.97	.38	.7**	.83					
3. Strategic Alignment	3.87	.46	.68**	.55**	.89				
4. Leadership	3.89	.42	.73**	.71**	.79**	.84			
5. Compensation Package	3.84	.42	.72**	.71**	.82**	.85**	.92		
6. Performance	3.83	.43	.65**	.67**	.73**	.85**	.81**	.89	
7. Satisfaction	3.83	.40	.75**	.69**	.78**	.87**	.84**	.82**	.86

$N=100$, ** $p<.01$

5.3 Regression Analysis

Hypothesis 1 predicted that service guarantee leads to higher performance and satisfaction. The study found adjusted R^2 as 42%. This variation in performance can be explained by the variation in service guarantee whereas almost 60% of the variation in satisfaction is explained by the variation in service guarantee. This shows that service guarantee has more impact on satisfaction level rather than performance. F-value ($p<.05$) is greater than 0.5 and t-value is also greater than 1.645, hence hypothesis is accepted that better service guarantee leads to positive and higher performance and satisfaction for the company. The Beta value shows that satisfaction is affected more by the change in service guarantee than performance (β of satisfaction=.65, and β of performance=.61).

Hypothesis 2 predicted that customer relationship have positive impact on performance and satisfaction of the employees. The study found adjusted R^2 as 45%. This variation in performance can be explained by the variation in customer relationship whereas almost 47% of the variation in satisfaction is explained by the variation in customer relationship. This shows that customer relationship has more impact on satisfaction level rather than on performance. F-value ($p<.05$) is greater than 0.5 and t-value is also greater than 1.645, hence hypothesis is accepted that improved customer relationship has a positive impact on performance and

satisfaction for the company. The Beta value shows that performance is affected more by the change in customer relationship than satisfaction (β of performance=.75, and β of satisfaction=.71).

Table 2. Regression results of antecedents affecting performance and satisfaction

Variables	Dependent: Performance				Dependent: Satisfaction			
	β	T	F	AR ²	β	T	F	AR ²
SG	.61*	8.48	72	.42	.65*	5.75	126	.6
CR	.75*	9.12	83	.45	.72*	9.59	92	.47
SA	.06*	10.71	115	.53	.05*	12.53	157	.61
L	.05*	16.17	262	.72	.04*	17.69	313	.75
CP	.06*	13.59	185	.65	.05*	15.39	237	.7

N=100; * $p<.05$; SG=service guarantee, CR=customer relationship, SA=strategic alignment
L=leadership and CP=compensation package

Hypothesis 3 predicted that strategic alignment increases the level of performance and satisfaction of the employees. The study found adjusted R² as 53%. This variation in performance can be explained by the variation in strategic alignment whereas almost 61% of the variation in satisfaction is explained by the variation in strategic alignment. This variation in satisfaction is explained more by strategic alignment (61%) than performance (53%). F-value ($p<.05$) is greater than 0.5 and t-value is also higher than 1.645, for both hypothesis hence, it is accepted that strategic alignment has a positive impact on performance and satisfaction for the company. The Beta values show that performance is affected more by the change in strategic alignment than satisfaction (β of performance=.06, β of satisfaction=.05).

Hypothesis 4 predicted that strong leadership is positively related to high performance and satisfaction. The value of adjusted R² shows that 72% of the variation of performance can be explained by the variation in strong and positive leadership whereas almost 75% of the variation in satisfaction is explained by the variation in changes in positive leadership. This shows that both performance and satisfaction are very heavily dependent on positive and effective leadership of the company management. F-value ($p<.05$) is greater than 0.5 and t-value is also greater than 1.645, for both hypothesis hence it is accepted that strong and effective leadership leads to high performance and satisfaction levels in the company. The Beta value shows that performance is affected more by the changes in leadership variable than satisfaction (β of performance=.05, β of satisfaction=.04).

Hypothesis 5 predicted that fair and equitable compensation package motivates employees leading to high performance and satisfaction. The value of adjusted R² shows that 65% of the variation in performance can be explained by the variation in fair and equitable compensation package whereas almost 70% of the variation in satisfaction is explained by the variation of changes compensation package. This means that both performance and satisfaction are dependent on effective, fair and equitable distribution of the compensation within employees. F-value ($p<.05$) is greater than 0.5 and t-value is also greater than 1.645, for both hypothesis hence, it is accepted that distribution of the compensation package has a strong impact on performance and satisfaction levels of the employees in the company. The Beta values show that performance is affected more by the changes in compensation package than satisfaction (β of performance=.06, β of satisfaction=.05).

6. DISCUSSIONS

The result supported hypothesis 1. This can be justified by what Harvey (1998) noted that service guarantee can convey customers the specific benefits they will get from using a service, convey to employees the results they are expected to produce for customers, and explicitly recognize and make amends for service failures. Several researchers like Berry and Parasuraman (1991) and Hart (1990) asserted that a service guarantee can effectively shape the culture of the organization. It makes a powerful statement about the importance of service quality to the firm and empowers employees to ensure customer satisfaction. Empowered employees with a clear vision of the goals of the firm are likely to be motivated employees (Marquardt and Reynolds, 1994) who will provide superior service quality to customers. Julie and Arthur (2001) pointed out that improved marketing efforts, higher levels of employee motivation and vision, and more efficient service learning should result in higher levels of service quality and customer satisfaction.

The result supported hypothesis 2. As Bowen and Schneider (1988) indicated compared to manufactured goods, services are less tangible; are produced, delivered, purchased and consumed simultaneously; and customers often participate in the production of their own services. These features imply that customer experience directly affects customer satisfaction, purchase decision, and loyalty, and that front-line employees have a tremendous burden of responsibility because customer interactions with them form the central part of customer experience. Thus increased level of customer relationship fosters performance and satisfaction of both employees and customers. The result supported hypothesis 3. A system of internally coherent HR practices aligned with an organizational strategy, rather than individual HR practices used in isolation, may enhance organizational performance (Lepak, Liao, Chung and Harden 2006). Bowen and Ostroff (2004) also view HR practices as communication from the management to the employees that directly shapes how the employees interpret the strategic focus of the organization. It is likely that HR practices shape employee shared perceptions about the organizational climate, which in turn influence employee collective behaviors, and employee collective behaviors then contribute to organizational performance.

The result supported hypothesis 4. Leadership seems to be an activity of a member who is a leader of the group to influence a group member to achieve its goals (Lussier and Achua 2007). If the company would like to achieve its goals and objectives, it must have an effective leader. Because of the leader holds responsible for failure or the success of the whole organization and leaders is also hold responsible for the performance of the individual and group within the organization (Yukl 2006). The leadership can affect the subordinate's performance outcomes (Muenjohn and Armstrong 2001). Also, the subordinate's satisfaction, productivity, and effectiveness can be influenced by the leadership personality traits of the manager. Muenjohn and Armstrong (2001) found that leadership influences not only performance but also employee satisfaction to a greater extent. Employees are more satisfied when their managers are good leaders. This includes motivating employees to do a good job, striving for excellence or just taking action.

The result supported hypothesis 5. Mick and Adrian (2008) reported that over the last two decades both private and public sectors have put much greater emphasis on compensation for performance and attempting to offer extra remuneration to improve individual and organizational performance and create a new performance-based-culture for the organizations. To them compensation is positively related with better performance and vice versa. This increased level of performance leads to satisfaction of the employees. This is not just a single country phenomenon rather companies in Asian countries are increasing their emphasis on individual incentives based on marginal performance—even Japan, which has traditionally underscored seniority pay.

7. CONCLUSIONS

Service guarantee refers to any action that the organization takes that assures the consistency in the quality of the offering. Over time, service guarantee can be maintained by continuous improvement in terms of products, services, human resource, processes and what not. It can also be assured by developing better alternatives incrementally, improving on what already exists, or clarifying the ambiguity that is associated with the current service. The surveyed firm should continually keep tracking the changes in customer demands so that it can proactively work out the customers' latent needs and upkeep consistency. Customer relationship is the buzzword nowadays since companies are trying their level best to be personally and emotionally attached to each individual in the customer base. A potential long-lasting customer relationship promises future transactions as well as customer loyalty resulting in positive word of mouth. Organizations assured with a relatively steady customer base, can feel more confident about their sustenance and hence must focus on their performance and the satisfaction related to the performance.

If the organization becomes too focused on customer relations, it may deviate from the objective of making profits. Strategic alignment refers to the state of all functions being in line with each other. For example, if the managerial objective of an organization is defined in terms of differentiation of its offerings and the human resource departments emphasizes cost reduction, and invests on inexpensive labor not prioritizing training and development, the organization will perform poorly and will not be satisfied with its own achievements. Although the studied firm shows positive impact of strategic alignment on both performance and satisfaction, related studies imply that, without continuous improvement in its processes and offerings, it will not be able to sustain in the long-run. So it must invariably keep strategic alliances in check. Leadership is the capability that enables someone to steer others in directions he/she thinks appropriate or productive. Job enrichment, job enlargement, empowerment are all different tactical actions that effective leaders employ in order to manipulate employee outcomes and performance. However, many managers fail to be effective leaders just because of lack of willingness to empower. This is because empowerment is seen as loss of power, and control (Whetten and Cameron 2007). Managers who are unable to exercise such tactics are often failed in their endeavors of realizing synergies and positively affecting the company's performance and satisfaction. As leadership encompasses a number of different tactical actions including empowerment, it is a serious issue to be addressed. Special care must be taken so that power and control do not overlap and hamper work relations and self-concept. Compensation is one aspect that can also be emphasized in order to improve performance and satisfaction. According to the contemporary motivation theory, motivation leads to performance, which is reflected upon outcomes, and the positive outcomes instill a sense of satisfaction in the employee, be it extrinsic or intrinsic. The research deemed only one manufacturing firm and the sample size was very small ($N=100$), therefore, the author cannot make any universal inference based on the results. Similar study with large sample size either in manufacturing or service industries may result different findings. For further research, different model including more organizational factors as mediating variables may be developed.

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