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Employee learning in high-contact service industries

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Abstract

Purpose – Employee learning is imperative in the dynamic service environment; yet, much is still unknown about its strategic importance. The purpose of this paper is to extend the understanding of learning by focusing on the strategic importance of learning goal orientation (LGO) in customer-contact employees in service industries characterized with high customer contact.

Design/methodology/approach – This paper adopts the multi-method approach by conducting two studies in the high-contact service sector. Study 1 is a large-scale, multiple-respondent survey that investigates the associations between LGO and its antecedents and performance outcomes. To supplement study 1, study 2 embraces case studies that identify the managerial supportive practices and outcomes of customer-contact employees' learning behaviors.

Findings – The results of study 1 demonstrate that employees' affective organizational commitment does not yield higher-quality services unless the service employees are learning oriented. The findings of study 1 also indicate that management commitment to service quality has positive effects on both LGO and affective organizational commitment. In study 2, the results reveal the practical methods that managers can employ to effectively promote such activities.

Originality/value – This research offers novel insights into research on learning by showing the strategic importance of LGO to enhancing high-contact service firms' performance and the practical means of fostering LGO in customer-contact employees.

Keywords Service quality, Operations management, Learning goal orientation,
Affective organizational commitment

Paper type Research paper

1. Introduction

While frontline service employees (i.e. customer-contact employees) are widely considered crucial to the performance of many service firms (e.g. Chase, 1978; Kao and Chen, 2016), the management of such employees is likely more challenging than that of their counterparts in manufacturing firms. For instance, such employees have to regularly learn uncertain customer needs and then customize their service delivery process (see, e.g. Yee *et al.*, 2013). They are expected to offer inputs to the new service development (NSD) process because of their hands-on knowledge about customers (e.g. needs, communication styles) (Lages and Piercy, 2012). When service failures occur, they need to implement various service recovery actions such as solution implementation (Michel *et al.*, 2009). While these challenging duties are unlikely performed by operational employees in manufacturing companies, they are common for service employees and critical to the performance of their firms. To discharge such duties effectively, customer-contact employees need to be good at learning (e.g. learning customer needs, learning new service processes) and to possess a positive attitude toward challenges (e.g. problem solving in NSD and service recoveries). Nonetheless, the literature pertinent to the management of service employee offers very limited insights on specific ways

to motivate service employees to learn effectively and be positive toward challenges in their dynamic frontline service environments. In this research, we identify learning goal orientation (LGO) as a relevant concept to plug this gap in the literature.

The literature on management generally refers to goal orientation as an individual's disposition toward developing or demonstrating competence in achievement situations (VandeWalle, 1997). LGO is a specific form of goal orientation regarding an individual's disposition toward developing competence by obtaining new skills and mastering new situations (DeShon and Gillespie, 2005), and is closely associated with the individual's performance in discharging challenging duties (VandeWalle, 1997; VandeWalle *et al.*, 2001). Therefore, service employees with high levels of LGO are good at learning new skills and processes (e.g. new service delivery processes), as well as capable of performing challenging duties (e.g. service recoveries), thereby achieving superior performance in their jobs and meeting business goals for their firms. Within the literature, Tucker *et al.* studied several forms of learning, including learning from failures (e.g. Tucker and Edmondson, 2003), organizational learning (e.g. Tucker *et al.*, 2007), and deliberate learning (e.g. Nembhard and Tucker, 2011). On the other hand, Yee *et al.* (2013) provided evidence on the significant impact of LGO on service quality. This implies that although employee learning is considered critical for service firms, studies examining LGO among frontline service employees are still scant. Therefore, this research adds new insights to the relevant body of literature by ascertaining the antecedents to and performance outcomes of cultivating LGO in frontline service employees.

Indeed, not all service firms are equally dynamic and challenging in their frontline environments. The customer contact perspective of Chase (1978) is a widely adopted theoretical perspective to identify service firms operating in a more dynamic and challenging context (see, e.g. Chase and Tansik, 1983; Fitzsimmons and Fitzsimmons, 2007). Specifically, high-contact service firms (e.g. agency services, beauty care, and catering) involve closer and more direct customer interactions, where customers' expectations on service time, content, and quality introduce extra uncertainty and challenges into the service process (Chase, 1981). Hence, service employees' competence to learn changes effectively and their positive attitude toward challenges would be particularly important for high-contact service firms; thus, we choose high-contact service firms as the context of this study.

Integrating the relevant literature on LGO and service management, we identify and propose that management's commitment to quality (Dweck and Leggett, 1988) and employees' affective organizational commitment (Mowday *et al.*, 1982) are two major antecedents to LGO. We also employ two representative service performance dimensions, namely, service quality and customer satisfaction (e.g. González *et al.*, 2007; Yee *et al.*, 2013), as the performance outcomes of LGO (see Figure 1). To further enrich our understanding of employee learning in our research context, we believe an exploratory research approach without specified antecedents and performance outcomes would be useful. Consequently, the objectives of this research are: to examine whether or not management's commitment to quality and employees' affective organizational commitment are antecedents to LGO; to examine whether or not LGO yields improved service quality and customer satisfaction; and to offer qualitative insights on employee learning behaviors, and the related managerial supportive practices and outcomes, in the context of high-context service firms.

This research adopts the multi-method approach by conducting two-related studies. Study 1 is based on a large-scale survey with triadic data from 2,025 respondents, involving 225 managers, 675 employees, and 1,125 customers from 225 Hong Kong high-contact service firms. This study tests the associations between LGO and its antecedents and performance outcomes. Study 2 involves conducting case studies to gather insights about employees' everyday learning behaviors. Overall, this research contributes to the management literature by offering novel insights into developing LGO in one specific context, i.e., high-contact
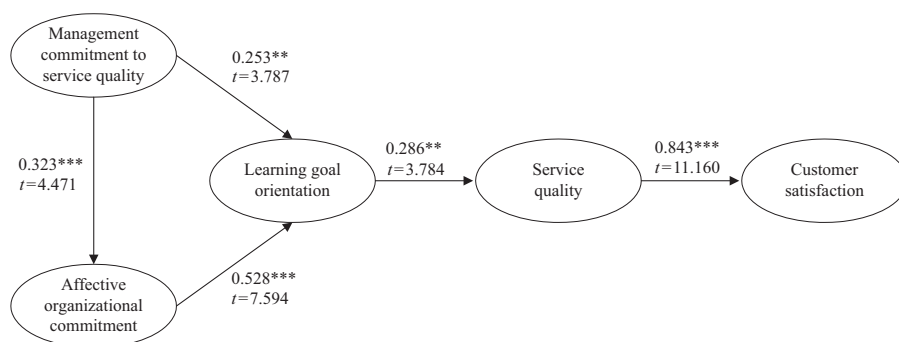
Notes: *p<0.05; **p<0.01; ***p<0.001

service firms. This research also offers service managers with some precise guidelines regarding the favorable conditions of cultivating LGO in frontline employees (i.e. findings of Study 1) and the learning-supportive practices they should adopt (i.e. findings of study 2) in their high-contact service environments.

2. Theoretical background

Cultivating LGO in customer-contact employees is imperative in the delivery of high-contact services in view of two peculiar features of such services, namely, customer variability (Fitzsimmons and Fitzsimmons, 2007) and customer instant feedback (Carlzon, 1987). Given the high level of customer involvement in high-contact service delivery, the service contents and outcomes vary widely with customers' service needs and expectations. In addition, at the operational level, a customer may change his/her service requirements during the service encounter. Certainly, this adds extra variations to the service process, making service delivery especially challenging. It is therefore crucial for customer-contact employees, the key party, to be well disposed toward developing competence by learning in response to customers' variability during service delivery.

During a service encounter, the customer who experiences the service may respond by making evaluative judgment and providing instant feedback on the service to the employee directly (e.g. Roth and Menor, 2003; Victorino et al., 2013). So it is desirable that frontline service employees are well disposed toward developing competence in addressing customers' feedback on their service performance. Such competent employees can make immediate changes in their work behaviors in order to improve the services being rendered.

Employees with a high level of LGO believe that effort is a determinant of success and are keen to make efforts to enhance their current ability for task accomplishment and acquire the skills required for task mastery (VandeWalle, 1997). As such, they tend to persist when facing obstacles, viewing feedback as useful information for future performance enhancement, and desire to work on challenging tasks (e.g. VandeWalle, 1997). Given the two peculiar features of high-contact services (i.e. customer variability and customer instant feedback), it is in the interest of customer-contact employees to possess an LGO as it enables them to discern diverse customer requirements, master changing tasks, overcome challenges, and accomplish tasks in offering high-contact services.

Employees' affective organizational commitment has been widely recognized as a main concept for explaining the relation between employees and their work performance, such as decreased absenteeism and increased job performance (e.g. Cooper-Hakim and Viswesvaran, 2005; Jaramillo et al., 2005). The rationale is that affectively committed employees are devoted to their work and willing to make extra efforts to implement work tasks for their employing

organizations. Accordingly, affective organizational commitment is especially imperative for frontline employees to with the challenges when executing high-contact service operations.

While customer-contact employees play the crucial role of being the agents for service delivery, the provision of superior service quality demands much more than good performance of the agents. In the marketing and service literature, management commitment to service quality is widely advocated as an indispensable driver of the implementation of quality practices in the service setting (e.g. Hartline and Ferrell, 1996; Babakus *et al.*, 2003; Cheung and To, 2010). Accordingly, it is considered as an underlying factor conducive to cultivating LGO in frontline employees and developing their affective organizational commitment, both of which facilitate employees to accomplish the tasks required for excellent quality services.

With the above theoretical background, we conduct this empirical study to answer the following two questions:

RQ1. What are the relationships between LGO and its antecedents (i.e. management commitment to service quality and affective organizational commitment), and its performance consequences (i.e. service quality and customer satisfaction)?

RQ2. What are the effective learning behaviors among frontline employees, and the related managerial supportive practices and outcomes in high-contact service firms?

3. Study 1
Study 1 addresses *RQ1* by examining the antecedents and performance consequences of LGO. We develop the corresponding hypotheses as below.

3.1 Hypothesis development
3.1.1 Management commitment to service quality and LGO. Management commitment to service quality concerns the commitment of a leader (i.e. managers in the setting of this study) to pursuing superior service quality in his/her company (Hartline and Ferrell, 1996). Managers who have a personal, strong commitment to quality improvement are likely to actively participate in quality-improvement activities (Ahmed and Parasuraman, 1994; Babakus *et al.*, 2003; Cheung and To, 2010). Accordingly, they are eager to help their employees to evaluate their service performance and enable them to engage in behaviors conducive to improving service quality (Hartline and Ferrell, 1996). Under such circumstances, employees' motivation and effort to learn, and develop their skills, ability, and competence will be enhanced. Thus, we posit the following hypothesis:

H1. Management commitment to service quality impacts LGO positively.

3.1.2 LGO and service quality. Prior research has revealed that LGO is positively correlated with employee work performance, such as salesperson performance (Silver *et al.*, 2006), organizational citizenship behaviors (Bettencourt, 2004), and creativity (Hirst *et al.*, 2009). Past research has demonstrated that LGO predicts significantly higher performance (Meng *et al.*, 2013). Further, LGO is particularly associated with employees' preference for challenging tasks and for making efforts to handle them (VandeWalle *et al.*, 2001). High-contact services are characterized by unpredictable customer needs, rendering the service process more challenging. Learning-oriented employees are more willing and capable of coping with varied and unpredictable customer needs in the delivery of high-contact services, resulting in increased service quality level. Hence, we hypothesize the following hypothesis:

H2. LGO impacts service quality positively.

3.1.3 Management commitment to service quality and affective organizational commitment.
To the best of our knowledge, there is no research on the association between management
commitment to service quality and affective organizational commitment. We argue that this
relation may exist in the studied context. Managers who exhibit a personal commitment to
service quality are keener to promulgate a quality-oriented vision throughout the entire
company (e.g. Hartline and Ferrell, 1996; Babakus *et al.*, 2003). Such a vision facilitates
employees' recognition and acceptance of service quality enhancement as part of their
duties. Consequently, employees are more likely to identify and internalize the
organizational value of delivering superior services in them. Therefore, we predict
the following hypothesis:

H3. Management commitment to service quality impacts affective organizational
commitment positively.

3.1.4 Affective organizational commitment and LGO. Affective organizational commitment
involves feelings of desire and self-determination (e.g. Meyer *et al.*, 2004; Zhang and Bloemer,
2011). Driven by the desire and self-determination of affective organizational commitment,
employees are prone to be well disposed toward the constructive behaviors endorsed by their
employing organizations to achieve the organizational goals. Following this logic, in the
studied environment, affectively committed employees have a tendency to make more effort to
achieve the goal of providing superior services established and valued by their organization.
Therefore, they tend to put effort to enhance competence, obtain new skills, and act to attain
superior service quality when performing retail operations. These arguments suggest the
following hypothesis:

H4. Affective organizational commitment impacts LGO positively.

3.1.5 Service quality and customer satisfaction. Service research has consistently demonstrated
that service quality yields customer satisfaction (see, e.g. Yee *et al.*, 2008; Namin, 2017). The
underlying rationale is that customers who positively perceive the services received will have a
positive judgement of the services and generate a favorable affective response, such as
satisfaction. Accordingly, we develop the last hypothesis the following hypothesis:

H5. Service quality impacts customer satisfaction positively.

3.2 Method

3.2.1 Sample. For the purpose of testing the hypothesized model (see Figure 1), we conducted a
large-scale survey of Hong Kong service shops with high customer contact (see Yee *et al.*, 2013
for the details of the database). We first identified the major shopping areas in Hong Kong.
In each of these identified areas, we randomly chose three to five shopping centers or malls to
collect data. Firm size is controlled by selecting five to eight service employees who have direct
encounter with customers. The sampling procedure is shown below. To strengthen the
generalizability of this study, we identified different kinds of service companies, for example,
restaurants and beauty care shops. Based on the types of products or services offered in shops,
the sampled shops are classified. Table I shows the distribution of the sampled shop[1].

Procedures of sampling are as follows:

- to identify the major shopping areas;

- to choose randomly three to five shopping centers or malls in each shopping area
identified; and

- to select service shops that have five to eight service employees who have direct
encounter with customers.

MD

Service sector	Number of shops
Agency service (e.g. estate agencies and travel agencies)	17
Beauty care services (e.g. salons and beauty shops)	35
Catering (e.g. steakhouses and fine-dining restaurants)	73
Fashion retailing (e.g. dress shops and shoes shops)	37
Optical services (e.g. optometry shops and optical shops)	10
Retailing of instruments (e.g. musical instruments shops)	9
Retailing of health care products (e.g. cosmetic shops)	12
Retailing of valuable products (e.g. Jewelry shops)	13
Others	19
Total	225

Table I.
Distribution of
sampled shops

3.2.2 Data collection procedures. We conducted a pilot study in seven service firms. The objective of the pilot studies is to investigate the relevance of the construct to its indicators in various service shops. Multiple informant approach is adopted to collect data. Accordingly, for each firm, we developed the survey packets that include a "shop-in-charge" questionnaire, three "employee" questionnaires, and five "customer" questionnaires. In each questionnaire, we collected data from the most knowledgeable informant. Concerning the "shop-in-charge" questionnaire, the persons in charge of a shop are the most knowledgeable informants on management commitment to service quality. Service employees are the most appropriate respondents for LGO and affective organizational commitment. Customers are the most knowledgeable respondents for service quality and customer satisfaction in the "customer" questionnaire.

We deployed a taskforce with 16 members, including one of the authors, to solicit service firms to participate in the survey. First, our taskforce visited each shop to explain clearly our survey criteria to potential respondents in person. Afterwards, we delivered the questionnaires to the four potential respondents, i.e., the manager and the three frontline service employees, of the shop. Toward each potential respondent, we allowed him/her to fill up the questionnaires at different timepoints (e.g. during work or after work) and different venues (e.g. work or home). We also assured of confidentiality that no person from the shop would have access to his/her filled questionnaire. These ensure the independence of the responses among respondents. Our taskforce collected the filled questionnaires directly from each respondent. Upon completion of acquiring the manager and employee data from the shops, our taskforce distributed the questionnaires to five randomly chosen customers in each shop. We obtained data from them at various timepoints on at least two separate days. This ensures that customers were randomly approached. Lastly, we matched the data acquired from manager, employee, and customer using the identification numbers assigned to the questionnaires.

In total, we visited 350 service companies within a two-year period. At the beginning, 263 of these firms agreed to involve in our survey. Due to information mismatch among the questionnaires, incomplete data, and shops' unwillingness to participate in any follow-up, we eventually acquired full sets of usable questionnaires from 2,025 respondents, covering 225 managers, 675 service employees, and 1,125 customers from 225 high-contact service companies.

3.2.3 Instrument development. We adopt all the measures of our study using instruments that are well established in such fields as marketing, operations management, and organizational behavior. The following measures contain items on which the respondents are asked to respond each on a seven-point Likert-type scale (1 = "totally disagree" to 7 = "totally agree").

Management commitment to service quality. We measure this construct by five items from Hartline and Ferrell's (1996) scale. (Cronbach's $\alpha = 0.902$).

LGO. We assess LGO using five items from the scale that was originally developed by Ames and Archera (1988) and was modified by Sujan *et al.* (1994). The selected items are highly relevant to the present service context (see Yee *et al.*, 2013) (Cronbach's $\alpha = 0.861$).

Affective organizational commitment. We adopt five items from Mowday *et al.*'s (1979) nine-item scale to measure this construct. Similar to the prior study (Yee *et al.*, 2013), four items were dropped because in the pilot studies, the service employees commented that they seem less relevant in the studied service context (Cronbach's $\alpha = 0.946$).

Service quality. We adopt Parasuraman *et al.*'s (1988) SERVQUAL instrument to measure customers' perception toward service quality. Following previous similar research on evaluating the overall perception of service quality (see, e.g. De Jong *et al.*, 2005; Yee *et al.*, 2015), one item is selected from every dimension in the SERVQUAL instrument. The five selected items highly reflect the frontline employee-related aspects of service quality (Cronbach's $\alpha = 0.882$).

Customer satisfaction. We use Oliver's (1980) three-item scale to assess customers' overall satisfaction with service (Cronbach's $\alpha = 0.964$).

3.2.4 Data aggregation. We aggregate the employee data on LGO and affective organizational commitment, as well as the customer data on service quality and customer satisfaction, to the shop level. To justify aggregating individual-level data of these constructs to the shop level, we calculate the following three measures: within-shop agreement statistics r_{wg}, and intra-class correlation statistics $ICC(1)$ and $ICC(2)$. First, for the constructs of LGO, affective organizational commitment, service quality, and customer satisfaction, their within-shop agreement statistics r_{wg} lie between 0.914 and 0.975. Clearly, all these values compare favorably to the conventionally accepted threshold level of 0.7 (James *et al.*, 1993), suggesting strong agreement for aggregation to the shop level.

Next, the $ICC(1)$ values range from 0.277 for customer satisfaction to 0.394 for affective organizational commitment. All the values of $ICC(1)$ are far larger than 0.12 that is the lowest acceptable value (James, 1982), providing strong support for data aggregation. The values of $ICC(2)$ range from 0.623 to 0.715 for LGO and service quality, respectively. These $ICC(2)$ values are larger than the accepted threshold of 0.6 (Glick, 1985), rendering that data aggregation is appropriate. Summing up, all the values of r_{wg}, $ICC(1)$, and $ICC(2)$ statistics support our aggregation of employee responses on LGO and affective organizational commitment, as well as customer responses on service quality and customer satisfaction to the shop level.

3.3 Data analysis and results

We employ structural equation modeling to test the hypothesized model (Figure 1) by LISREL. Following the suggestions of Anderson and Gerbing (1988), we examine a measurement model before estimating the structural model. We report the analysis results of the measurement model, structural model, and hypothesis testing.

3.3.1 Results of the measurement model. We conduct analyses on KMO (Kaiser-Mayer-Olkin) index and Bartlett's test of sphericity. All constructs' KMO values, ranging from 0.774 to 0.929, are above the threshold 0.7 and their results on Bartlett's test of sphericity are highly significant at $p < 0.001$, indicating that the data are adequate for the more rigorous measurement model analysis. We also compute the variance inflation factor (VIF) values. The results (all VIF values < 1.093) reveal no significant multicollinearity problem in the data collected. Next, we conduct tests of construct reliability (Bagozzi and Yi, 1988) and average variance extracted (AVE) (Fornell and Larcker, 1981) for convergent validity assessment. The construct reliability for all the measures of the instrument is

greater than 0.8 (Nunnally, 1978) (ranging from 0.864 for LGO to 0.965 for customer satisfaction); thus, they are highly reliable. The AVE values of our measures are all greater than the suggested cut-off criterion of 0.5 (Fornell and Larcker, 1981), ranging between 0.576 for management commitment to service quality and 0.901 for customer satisfaction. In sum, the results of tests for construct reliability and AVE indicate high convergent validity for all the constructs under study.

To check discriminant validity, before re-estimating the modified model, we fix the correlation among every pair of related constructs at 1.0 (Segars and Grover, 1993). Accordingly, there is an increase of at least 50.963 in the χ^2 values. Those χ^2 results are highly significant at $p < 0.01$ ($\Delta\chi^2 \geqslant 6.635$) with an increase in one degree of freedom. Such results indicate high discriminant validity.

The resultant measurement model provides an adequate fit to the data ($\chi^2 = 271.852$; χ^2/df $= 1.236$; GFI $= 0.909$; RMSEA $= 0.028$; NFI $= 0.965$; TLI $= 0.992$; CFI $= 0.993$; AGFI $= 0.886$). To summarize, the results above show that the model does possess adequate convergent validity and discriminant validity.

3.3.2 Results of structural modeling and hypothesis testing. After a well-fitting measurement model is confirmed, we test the hypothesized model. It offers adequate fit to the data ($\chi^2 = 273.934$; χ^2/df $= 1.217$; GFI $= 0.908$; RMSEA $= 0.027$; NFI $= 0.964$; TLI $= 0.993$; CFI $= 0.993$; and AGFI $= 0.887$). All the associations hypothesized are supported. Management commitment to service quality directly impacts LGO, supporting *H1* ($p = 0.253$, $t = 3.787$, $p < 0.01$). LGO is positively associated with service quality ($p = 0.286$, $t = 3.784$, $p < 0.01$); hence, *H2* is supported. *H3* is also supported because management commitment to service quality significantly influences affective organizational commitment at $p = 0.001$ ($p = 0.323$, $t = 4.471$, $p < 0.001$). The relation among affective organizational commitment and LGO is highly significant ($p = 0.528$, $t = 7.594$, $p < 0.001$). *H4* is therefore supported. Finally, *H5* is supported because service quality has a highly significant effect on customer satisfaction at $p = 0.001$ ($p = 0.843$, $t = 11.160$, $p < 0.001$). Figure 1 shows the hypothesized model and its path estimates.

In order to cross-validate the result of the hypothesized model, the sample is randomly divided into two groups. We test the hypothesized model using the two sub-samples. The model fits very well in the first sub-sample ($\chi^2 = 339.602$; χ^2/df $= 1.509$; $p = 0.000$; CFI $= 0.950$; RMSEA $= 0.067$; ECVI $= 3.943$) and the second sub-sample ($\chi^2 = 281.939$; χ^2/df $= 1.253$; $p = 0.006$; CFI $= 0.969$; RMSEA $= 0.048$; ECVI $= 3.459$). Further, the path estimates of the hypothesized relationships in both sub-samples are very close to the ones acquired from the entire sample, implying that the hypothesized model performs well in terms of the accuracy of its prediction.

3.4 Discussion

The results indicate that cultivating LGO in service employees leads to improved service quality, which, in turn, yields enhanced customer satisfaction in the sample firms (i.e. results of *H2* and *H5*). The critical importance of service employees has long been recognized by the service management literature as various employee-related factors such as ambidextrous behaviors (Kao and Chen, 2016), idea generation (Lages and Piercy, 2012), turnover intention (Li and Zhou, 2013), and stress and customer orientation (Lindblom *et al.*, 2015) have been explored in previous service studies. We add new insights to this body of literature by empirically demonstrating that cultivating LGO in service employees is crucial to superior customer satisfaction in the domain of high-contact service firms.

The findings also demonstrate that management commitment to service quality enhances service employees' LGO and affective organizational commitment (i.e. results of *H1* and *H3*). First, the results highlight the pivotal role of management commitment to quality in service

firms while the extant studies on management commitment to quality are mainly conducted in the manufacturing setting (see, e.g. Yeung *et al.*, 2005; Kull and Wacker, 2010). Second, when considering together with the result regarding the impact of LGO on service quality (i.e. the result of *H2*), our results provide evidence to support the key ideas of major quality management frameworks. Specifically, quality management frameworks such as the Malcolm Baldrige National Quality Award (see, e.g. Black and Porter, 1996) and the European Quality Award (see, e.g. Binney, 1992) suggest that management commitment to quality does not influence quality performance directly but via employee-related factors such as employee involvement. Our findings support these frameworks by empirically confirming that management commitment to service quality affects service quality indirectly through employee LGO in our sample firms.

Finally, the results on employees' affective organizational commitment indicate that this factor links positively to employees' LGO (i.e. the result of *H4*). While the relationship between employees' affective organizational commitment and their learning behaviors have been explored in different prior studies (see, e.g. Riketta, 2002; Cooper-Hakim and Viswesvaran, 2005; Tucker *et al.*, 2007; Nembhard and Tucker, 2011), there is virtually no relevant empirical evidence in this respect concerning frontline service employees. Indeed, the results suggest that with a strong commitment toward the firm, service employees would be more willing to engage in learning in their work context. This implies that when a service firm finds its service employees ill-disposed toward management's efforts in cultivating LGO, the development of affective organizational commitment in the employees could help resolve the issue.

Overall, these findings add new insights to extend the literature of LGO, service management, and quality management. The particular findings on management commitment to service quality, affective organizational commitment, and LGO provide managers of high-contact service firms with managerial guidelines by indicating that they have to pay adequate attention to such concepts in order to enhance their performance with respect to service quality and customer satisfaction.

4. Study 2
Study 2 addresses *RQ2* by qualitatively examining employees' learning behaviors, the managers' supportive practices, and those behaviors' outcomes in high-contact service firms.

4.1 The sample, procedure, and analysis
We randomly selected and invited by phone service firms to participate in this study. The sampled firms are: two beauty care companies and one optometry firm. We employed semi-structured interviews (Bryman and Bell, 2007). We employed semi-structured interviews because they can facilitate interviewees' engagement in discussion and for the generation of richer answers (Bryman and Bell, 2007). For each sampled firm, we conducted in-depth, individual interviews with one manager and two customer-contact employees. In each interview, we asked questions to understand learning behaviors among the frontline employees, the relevant managerial practices that foster learning, and the perceived learning outcomes. The nine interviews resulted in a document of 16 pages that report the complete answers from the interviewees. Next, we employed the template analysis developed by King (1988) to code, compare, and identify patterns in the interview data. Table II reports the final findings.

4.2 Discussion
In Table II, the first-order codes show the learning behaviors among the employees, the related supportive practices by the managers, and the perceived learning outcomes, and the second-order and third-order codes offer explanations for their corresponding higher order

First-order code	Second-order code	Third-order code
Employee learning behaviors	Peer learning	Tutoring by experienced colleagues
		Observing colleagues
Management Supportive Practices	Training	Time commitment
		Diverse contents (product, service skills, daily operations, language, emotion management, complaint handling)
		Diverse methods (on-the-job, seminars, courses, product trial)
	Learning atmosphere	Un-stressful atmosphere for learning
		Strong learning atmosphere
	Proper remuneration systems	Linking knowledge, sales performance, and personal benefits
Learning outcomes	Enhanced knowledge	Improvements in various areas (product knowledge, service attitude, customer loyalty development)
	Increased confidence	Improved responsiveness in problematic situations
	Clear knowledge on customers' needs	Enhanced communication skills for identifying customer needs
	Contributing to new product development	Offering and discussing insights on new products

Table II.
Interview results: final coding template

concepts influences and outcomes. Under the first-order code of employee learning behaviors, only one second-order code, peer learning, is identified (see Table II). Its third-order sub-themes are tutoring by experienced colleagues and observing colleagues. Such findings imply that sharing experience or related tacit knowledge is critical for service employees to perform well in their environments.

There are three second-order codes under management supportive practices. The first is training, which has three third-order subthemes, namely, time commitment, diverse contents, and diverse methods. The identification of time commitment reflects that service employees are often busy, and it is likely because our sample firms tend to be small- or medium-sized businesses in which frontline manpower is merely sufficient to meet the service demand. Thus, management must be committed to increasing the manpower capacity in the frontline operations. Diverse contents and diverse methods reflect high levels of diversity in customer requirements in the high-contact service environment. When planning training activities for high-contact service employees, such diverse training needs must be taken into consideration.

The next second-order code of management supportive practices is learning atmosphere. The interviewees suggested that the learning atmosphere should be un-stressful and a strong one in the service firm. This is likely related to the situations that certain learning behaviors (e.g. peer learning) in this context are performed on a voluntary basis. If the learning atmosphere is stressful or weak in the firm, voluntary learning behaviors will not occur. The final second-order code here is proper remuneration systems. Consistent with the literature on motivation theories, managers should create links between job-related learning behaviors and personal benefits for the service employees.

The final first-order code in the template is performance outcomes, which comprises four second-order codes. The first is enhanced knowledge with improvements in various areas as its third-order code. This finding suggests that service employees have to be aware that, in order to deliver superior services to their customers, they need to possess adequate knowledge in various areas, ranging from product knowledge to skills in managing emotions. The second is enhanced confidence. In the high-contact service context, the services expected by customers are often diverse and uncertain. To co-create services with customers effectively or respond to problems promptly, it is important that service employees have to possess adequate levels of self-confidence. The third is better knowledge

on customers' needs. This finding implies that learning behaviors enhance service employees' skills in identifying customers' needs. Indeed, in some high-contact service firms, such as beauty care companies, customers may change what they need along the encounter processes. Thus, service employees' skills in understanding customers' changing feelings and needs would be critical. The final second-order code is contributing to new product development. This implies that since frontline employees often have hands-on knowledge about customers and service processes, such employees should be involved in more different knowledge-related activities such as improvement projects or organizational innovation events.

The findings of this part offer precise managerial insights to high-contact service managers. For instance, when one manager intends to support her frontline employees to learn more effectively, she may focus on the first-order code of management supportive practice and examine its second-order concepts to select the ones which are suitable for her particular frontline environment. If she considers training to be suitable, she may next look into training's third-order concepts (i.e. time commitment, diverse contents and methods) to obtain insights to aid the implementation of training.

5. Conclusions

This research focuses on examining frontline service employees because such employees have to learn changing customer needs and perform a wide range of challenging duties regularly. We adopt the multi-method approach by conducting two-related studies in high-contact service industries. Study 1 is a multiple-respondent survey testing several hypotheses concerning how LGO in service employees are associated with two antecedents (i.e. management commitment to service quality and affective organizational commitment) and two performance outcomes (i.e. service quality and customer satisfaction). The test results suggest that all the postulated hypotheses are supported. Such results offer new insights to extend the current knowledge in the literature on service management and LGO. Study 2 involves case studies to solicit detailed qualitative insights concerning the actual learning behaviors in service employees, and the relevant supportive practices and performance outcomes.

5.1 Managerial implications

The results of this research indicate that cultivating LGO in service employees and affective organizational commitment is imperative to enhance firm performance in our sample. Both factors are concerned with employees' organizational behaviors, implying that the managers of high-contact service firms should adopt appropriate organizational practices to instil such crucial factors into their service employees. To adopt such practices, service managers may refer to the literature concerning practices such as corporate culture development (Ortega-Parra and Sastre-Castillo, 2013), employee volunteer programmes (Geroy *et al.*, 2000), socialization (Foote, 2004), and knowledge-based psychological climates (Meyer and Dunphy, 2016).

Second, we find that management commitment toward service quality leads to affective organizational commitment and LGO in service employees. Thus, service managers should pay strategic attention to more clearly exhibit their commitment toward quality. For instance, organizing service quality activities (e.g. service improvement projects) and participating in such activities directly would be typical actions for service managers to exhibit their commitment toward service quality. Finally, the case studies of this research offer various detailed insights on learning behaviors in service employees and the relevant learning-supportive practices. Service managers may use such detailed insights to improve their efforts in motivating employee learning.

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5.2 Limitations and future research

There are several limitations in this research. First, the hypotheses of this research are examined by using a cross-sectional survey data set. Future work could use a longitudinal approach for data collection in order to more rigorously examine the causality in the hypotheses. Second, this research focuses on investigating two antecedents to LGO in service employees. There are other potential antecedents (e.g. leader-member exchange) that should be explored in future studies. Finally, we find some novel concepts (e.g. peer learning, learning atmosphere) in Study 2. Further investigations into such novel concepts would offer useful insights to the literature.

Note

1. Prior study has adopted this sample to examine the relationship between leadership, goal orientation and service operational performance (Yee *et al.*, 2013). This study extends Yee *et al.*'s (2013) study by focusing on the association between the antecedents (i.e. management commitment to service quality and affective organizational commitment) and consequences (i.e. service quality and customer satisfaction) of learning goal orientation. Note that the sample size is not identical as the previous study did not involve shop managers.

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