

## CUSTOMER ORIENTATION, JOB DEMANDS-RESOURCES AND JOB SATISFACTION: A CROSS-LEVEL PERSPECTIVE

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### ABSTRACT

This study developed and tested a cross-level model of individual job satisfaction, integrating research on customer orientation and the job demands-resources model. Using hierarchical linear modeling on data collected from 431 employees from 35 restaurants in Mongolia, the study found cross-level interactions between employee customer orientation, job demands-resources and organizational-level customer orientation. The study found that employee customer orientation and job resources were positively related to job satisfaction, while job demands had no significant direct effect on job satisfaction. Further, organizational customer orientation was found to moderate the impact employees' job demands and job resources have on job satisfaction. The study discusses both the theoretical and practical implications of these findings.

**Keywords:** customer orientation, job demands, job resources, satisfaction, cross-level analysis, service industry.

### INTRODUCTION

Two important and recurring questions in organizational science are why employees perform well in their jobs and why they are satisfied with their jobs [1]. Research on the job demands-resources (JD-R) model suggests that employees' job outcomes (i.e., job performance, turnover) depend on job characteristics such as job demands (e.g., work pressure, role overload, work-home interference) and job resources (e.g., job control, peer support, financial reward) [2-3]. Empirical evidence also confirms that various individual-based variables (e.g., personality, motivation, behavior) and organization-based variables (e.g., climate, leadership) may play an important buffering role in this respect, that is, in enhancing or mediating the positive effect of job characteristics on job outcome [4].

A variable which is found on both the individual and organizational level is that of customer orientation. Despite its economic significance, there exists considerable variance in the extent to which customer orientation is practiced [5]. At the individual-level, employee customer orientation (ECO) refers to an individual's tendency or predisposition to meet customer needs in an on-the-job context [6]. Organizational-level customer orientation (OCO) on the other hand refers to the degree to which the climate or culture of the organization is conducive to meeting customer needs [7]. Both levels of customer orientation put the customer's interest first, while not excluding those of all other stakeholders, in order to develop a long-term profitable enterprise. Employees play a truly crucial role in any organization as their attitudes towards customers determine customer satisfaction, which in

turn impact employee outcomes as well as organizational outcomes [8]. By becoming more responsive to the customer and his/her needs, customer retention can be increased. Discussing the imbalance of macro (organizational-level) customer orientation versus micro (individual-level) customer orientation, employees' perceived customer orientation of the organization affects how customer-oriented they themselves become, as employees respond to the policies of their organization [8]. This may also influence employee satisfaction, as employees in a service environment should be more satisfied when they feel supported by their organization's policy towards customers.

While personality factors and stress factors have recently received an increased attention in terms of their roles as moderators or mediators to the relationships between job characteristics and its outcomes [3, 9-10], there has been little research to date exploring how OCO moderates the impact of individual-level differences on job satisfaction. Hence, this study explores multilevel model using hierarchical linear modeling (HLM) to study such cross-level influences of individual differences (ECO and JD-R) and the OCO context on individual job satisfaction.

Building upon and extending previous research, our study seeks to answer two research questions. Our first research question is to determine in what way individual differences (ECO and JD-R) influence job satisfaction. The absence of research on this issue is surprising given that ECO has received much attention in terms of frontline employees [11] and that the JD-R model has been shown to mediate the influence of employee burnout on workplace behaviors [12]. Given the significance of individual customer orientation [6], the importance of the JD-R model in terms of its impact on work outcome [1], and the crucial role that employee-customer relationships play in a competitive marketplace [10, 13], these issues warrant attention. We therefore investigate the influence of ECO and JD-R on job satisfaction.

Our second research question examines the moderating role of a company's OCO on the relationship between individual differences and job satisfaction. As Whelan et al. [7] acknowledges, little research exists on the role of OCO in service settings. Although market orientation (of which OCO is one) has been shown to affect employee outcomes (i.e. job satisfaction), research aimed at understanding its moderating influence on individual-difference variables is lacking. Babakus et al. [8] and Whelan et al. [7] contribute to this area by revealing that OCO should be considered when managing employee behavior and job characteristics. However, no work has been done related to cross-level influences of the OCO context and individual differences on individual outcomes. This is a notable shortcoming given that individual differences and organizational variables jointly determine outcome. On the following pages, we begin by briefly reviewing the two levels of customer orientation and individual differences to

develop hypotheses that relate to their impact on an individual's job satisfaction. Next, we describe the research methods, followed by our empirical results. Finally, we conclude with a discussion of the findings, managerial implications and future research avenues.

## CONCEPTUAL DEVELOPMENT AND HYPOTHESES

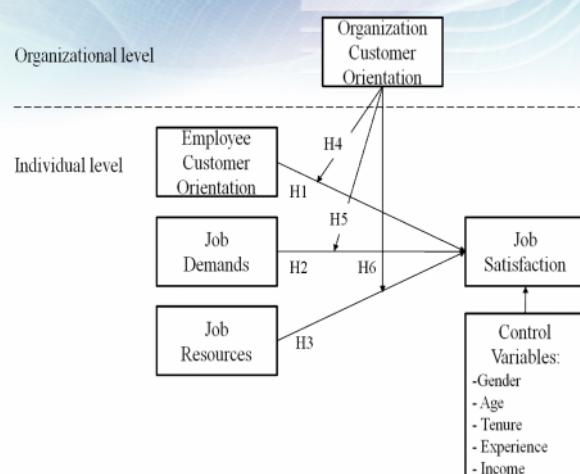
### Customer orientation

It is well established among marketing theorists that firms which focus their activities on the needs of their customers, i.e. behave in a customer-oriented way, perform better than those companies that do not [5]. Customer orientation has been conducted at two levels of analysis – the organizational level [14] and the individual level [6]. Both levels of customer orientation are considered an important leverage for organizations' economic success and lead to the development of long-term relationships with customers.

Research at the organizational level has focused on the concept of market orientation, which essentially creates tenets of organizational behavior with respect to a firm's customers and competitors. Based on market orientation research, an organizational-level customer orientation (OCO) is defined the degree to which the climate or culture of the organization is conducive to meeting customer needs [7]. In contrast, research at the individual-level relates to the interpersonal contact between employees and customers. An employee customer orientation (ECO) is an employee's tendency or predisposition to meet customer needs in an on-the-job context [6]. Donavan et al. [5] consider that any particular employee's customer-oriented behavior will result from the combination of person (e.g., personality, goals, functional motives) and environment (e.g., nature of the job, short-term situational effects). This shows that the OCO climate perception will impact an employee's customer orientation. It is thus necessary to consider both the pervasive set of values and beliefs that serve to consistently reinforce the organization's customer focus as well as information about the actual needs of customers [14]. Management may therefore benefit from gaining an understanding of employees' perceptions of the OCO climate, as it can help determine climate improvement goals in order to most effectively impact important personal outcomes such as the behaviors, attitudes, beliefs, values, and motivations of people within the work environment.

Our research framework is presented in Figure 1, which shows how both individual level and organizational/unit level based perceptions impact job satisfaction. In terms of individual level-based perceptions we suggest that individual differences such as employee customer orientation, job demands, and job resources will affect the employee's job satisfaction. We further suggest that perceptions of the OCO moderate the individual differences. Our framework is consistent with the notion that the effects of employee's behavior (i.e., ECO) and job characteristics (i.e., JD-R) on employee outcome (i.e., job satisfaction) intuitively depend on conditions (i.e., OCO) under which the ECO and JD-R model are perceived to relate realistically to outcome [7]. OCO provides a means of understanding how the environment might give rise to such conditions. In the next section we

derive specific hypotheses with respect to the linkages among individual and organizational level variables and job satisfaction.



**Figure 1.** The conceptual model

Figure 1 shows the proposed multilevel model comprises both individual (i.e., employee customer orientation, job resources-demands and job satisfaction) and organizational level (i.e., organizational-level customer orientation) constructs.

### Employee customer orientation and job satisfaction

This study investigates influences on job satisfaction, which is an important job outcome often related to employee's behavior and attitude, and which helps address the long-term viability of organizational development. It is a topic that has been widely researched in previous studies. Job satisfaction is viewed as having many facets, including satisfaction with pay, tasks performed, individual personality, organization policies and interaction with coworkers [15]. Job satisfaction has further been demonstrated to have an important relationship with a number of job outcome variables, such as intention to leave, stress, turnover, and performance [14].

Employees' customer-oriented behavior influences their performance [6]. In order to be customer oriented, the employee has to be motivated to expend greater effort, relative to the sales orientation, in customer-related interactions [11]. Because employees who exhibit a high degree of customer orientation engage in behaviors that increase the satisfaction of their customers; employees' high levels of customer orientation enhance consumer views of the organization's reputation through positive interactions with the employees [5]. Moreover highly customer-oriented employees experience higher levels of job satisfaction, where those employees with a low customer orientation are not only less likely to be satisfied with their jobs but also have to force themselves to comply with the job rules. Such efforts consume emotional and cognitive resources and ultimately lead to burnout [8].

Based on the above, the following hypothesis is proposed:

**Hypothesis 1:** Employees' customer-oriented behavior positively affects the employees' level of job satisfaction

### Job demands-resources and job satisfaction

The Job Demands and Resources (JD-R) model suggests that employee well-being is related to a wide range of workplace variables that can be conceptualized as either job demands or job resources, irrespective of the occupational context under study [3]. Job demands are defined as those aspects of the work context that tax employees' personal capacities and are, therefore, associated with certain psychological and/or physiological costs [2]. Depending on the job context under study, the category of job demands can contain job characteristics as diverse as task interruptions, workload, work-home interference, organizational changes, and emotional dissonance [3]. The category of job resources is defined as those physical, psychological, social, or organizational aspects of the work context that (1) can reduce the health-impairing impact of job demands, (2) are functional in achieving work goals, and (3) stimulate personal growth, development, and learning [12]. Like job demands, the category of job resources contains various job characteristics such as opportunities for skill utilization, supervisor support, financial rewards, and career opportunities.

This is in line with the JD-R model, which states that job demands are the main initiators of the health impairment process that leads to negative organizational outcomes, while job resources are the most crucial predictors of engagement and consequently, of positive outcomes [16]. For example, Schaufeli et al. [12] found strong evidence that work pressure and emotional demands predict the exhaustion component of burnout. According to activation theory, there will be inverted U-shaped relationships between job demands and both job performance and job satisfaction [1]. That is, an increase in job demands is assumed to be beneficial for job performance and job satisfaction to, but not beyond, a certain level; after attainment of that optimum level of job demands, job performance and job satisfaction should start to decline.

In contrast to the energy-depleting role of demands, resources trigger a process that enables individuals to achieve their goals, leading directly to positive affective outcomes such as organizational commitment [12]. For example, employees with positive self-evaluations (a personal resource) are more likely to strive to fulfill goals and, in the process, to experience greater job satisfaction [17]. Further tests of the JD-R model in a sample of volunteers working across a range of formal volunteer organizations show that high demands are a significant predictor of stress, and high resources are significant predictors of job satisfaction [16]. A study that focuses on two specific job demands (e.g., work overload and work-home interference) and two specific job resources (e.g., job control and peer support) found these to be important determinants of the well-being of employees.

Based on the above discussion, the following hypotheses are thus offered:

**Hypothesis 2:** Employee job demands negatively affect employee job satisfaction

**Hypothesis 3:** Employee job resources positively affect employee job satisfaction

### Moderating role of organizational-level customer orientation

Organizational-level customer orientation (OCO) is defined as the degree to which the climate or culture of the organization is conducive to meeting customer needs [7]. Based on the Pervin's Goals Model [18], Whelan et al. (2010) posit that individuals are driven to accomplish various goals, and the environment is viewed as offering reinforcement opportunities to meet these goals and/or barriers to the accomplishment of these goals. Thus, an employee's customer-oriented behavior will result from the combination of person and environment [5] based the joint influences of personality, elemental, compound and situational traits as well as the specific environment [8]. This means that for employees, the perceived customer orientation of the organization influences how customer-oriented they themselves become, as employees respond to the policies of their organization. This may also influence employee satisfaction, as employees in an organizational-level customer-oriented environment should be more satisfied when they have high levels of ECO. In this way OCO may moderate the relationship between ECO and job satisfaction, and we therefore propose the following hypothesis:

**Hypothesis 4:** OCO positively moderates the positive relationship between ECO and job satisfaction such that the beneficial effects of ECO will be stronger at higher levels of OCO.

According to the transactional theory of stress and emotion [19], individuals engage in primary appraisals to assess the significance of an environmental condition (e.g., threat, challenge, or loss) to their well-being. Babakus et al. [8] specifically suggest that OCO is a potentially important coping resource and should be an integral part of employee burnout and performance models. Their study found that the performance of employees with low OCO decline faster as job demands (stressors) increase. They further state that the buffering effect of OCO on the relationship between job demands and job performance may be due to the nature of OCO as a critical resource which helps the conservation of cognitive and emotional resources (self-control strength) needed to perform effectively [8].

OCO not only plays a critical role in the primary appraisal of job demands, but also serves as an organizational condition to alleviate the effects of job demands on job satisfaction. Employees operating within high OCO environments appraise job demands (stressors) to be less threatening than those operating within lower OCO environments due to their natural disposition to view the work environment and people around them with a customer service focus [8]. Furthermore, employees within high OCOs can better read the needs of customers and enjoy solving their problems, which gives them the ability to cope effectively with stressors to neutralize or reduce the detrimental effects of job demands on job satisfaction. In other words, their strong disposition to enjoy serving customers should serve as an internal resource for sensing what needs to be done in order to cope effectively with potential conflicts with customers, supervisors or coworkers, as well as ambiguities and role

overload. Based on the above discussion, when employees within high OCOs encounter stressors in their work environment, such stressors are less likely to negatively impact job satisfaction as the high OCO reduces the negative outcomes of the stressors (job demands). Based on this, we advance the following hypothesis:

**Hypothesis 5:** OCO positively moderates the negative relationship between job demands and job satisfaction such that the detrimental effects of job demands will be weaker at higher levels of OCO.

Bakker and Demerouti [3] state that job resources play both intrinsic and extrinsic motivational roles, where work environments that offer employees growth, learning, and development impact the employees' willingness to invest their efforts and abilities to the work task on hand, thereby supporting them in achieving work goals. In such environments it is therefore likely that the task will be completed successfully and that the work goal will be attained. For instance, a high OCO climate motivates employees to engage more with customers, and when the performance feedback is positive, it increases the likelihood of an employee being successful in achieving his or her work goals. Thus, whether high levels of OCO help satisfy employees' basic needs or achieve their work goals, the outcome is positive [2].

As mentioned, job resources reduce the impact of job demands on strain, which help engaged workers successfully control and have an impact upon their work environment [20]. Further, according to Conservation of Resource (COR) theory [21], individuals have a tendency to conserve and accumulate valuable resources, such as work conditions, job rewards, colleague support and personal energy. COR theory predicts that personal and job resources such as belief in own capability may increase or lead to outcomes like better coping. This increased coping capacity may increase the impact of resources under various organization-based conditions (e.g., organizational climate and OCO). Although little empirical evidence has thus far been gathered, theoretically, on the basis of the JD-R model and above discussion, we can expect OCO to moderate the relationship between job resources and its outcomes. We therefore advance the following hypothesis:

**Hypothesis 6:** OCO positively moderates the positive relationship between job resources and job satisfaction such that the beneficial effects of job resources will be stronger at higher levels of OCO.

## METHOD

### Sample and data collection

The Mongolian restaurant sector is expanding, mirroring the growth in travel and disposable income. Owners and managers of restaurants must balance the need for profit and customer satisfaction against the need for greater employee retention in a sector where staff turnover is common. Most restaurant tasks are divided broadly into front and back-of-house activities which are characterized by a wide range of different management styles and human resource strategies; back-of-house staffs are responsible for producing food, while front of house staffs serve it, and each activity

demands different sets of skills and personality types. This study's respondents belong to both the front and back-of-house. A total of 600 surveys were distributed to individual employees at 35 different large restaurants located in metropolitan areas across Mongolia. These restaurants were selected based on established personal relationships between one of the authors and the senior managers of the restaurants, and thus was well known to some employees. In Mongolia, having a personal relationship with key personnel of a company enhances collaboration with all levels of the organization. This is a similar to the Chinese guanxi culture. The manager of each restaurant wrote a memo to the employees and requested their cooperation. Employees were given assurance of confidentiality and allowed to respond to the survey anonymously during work hours. By the cutoff date for data collection, 431 usable surveys were received for a response rate of 71.8 %.

Regarding the characteristics of the respondents, over two-quarters of the respondents (74.3%) were female and more than half of them were married (57.7%). About 64.6% had more than college/university level education, and the rest had at most a high school education. Respondents were spread across all age groups with 36.5% between the ages of 18 and 25, 48.2% between the ages of 26 and 35, and rest were 36 years and older. On average 63.4% of the respondents have worked at the restaurant for 3 years or more, and thus it is reasonable to assume that they are rich in experience within this sector. The respondents positions were split almost equally between front (58.5%) and back-of house (41.5%). In terms of the size of the restaurants, 75.2% of the respondents were from restaurants that had more than 11 employees; the average age of the restaurants was 6 years. A comparison of the sample profile to the company records indicated that the sample was representative of the population of front and back-of house employees.

Several methods were applied to evaluate response bias: Comparisons of early and late responses (first 150 versus last 150) across the study variables resulted in no significant differences ( $p > .05$ ). After a comparison of employee responses for cases included in the final data set, excluding those that had missing representative restaurant data, the study variables revealed no significant differences ( $p > .05$ ). Representative restaurant-provided performance data for employees who were included in the final data set compared with those for employees who were excluded because they failed to respond indicated that neither sales nor commission rates differed significantly across these two groups ( $p > .05$ ). According to these analyses, response bias is not a major concern.

### Measurement

After reviewing the relevant literature and conducting informal discussions with industry practitioners, we adapted most measures from previous literatures, while the rest were developed specifically for this study. English questionnaires were professionally translated into Mongolian and then back-translated to ensure conceptual equivalence. The questionnaire items were pretested to a sample of 200 employees who worked within the restaurant industry. On the basis of their responses, we revised a few questionnaire items

to enhance clarity. Most of items were measured by a five-point Likert scale with endpoints of “strongly disagree” and “strongly agree”.

### Individual-level variables

**Employee customer orientation (ECO).** We adapted the measure of employee’s customer-oriented behavior from Stock and Hoyer’s [13] study, and consisted of seven items that reflect the ability of the employee to help their customers by engaging in behaviors that increase customer satisfaction. Examples include behaviors such as trying to help to achieve the customer’s goals, discussing the customer’s needs, and trying to influence the customer with information rather than by pressure. Scale reliability based on Cronbach’s alpha was high (i.e. = 0.80) and larger than the cut-off criterion of 0.7 recommended [22], indicating there was a high degree of internal consistency among the construct items.

**Job demands.** We measured job demands by two sub-scales, namely work overload and work-home interference with fourteen items adopted from Lewig et al. [16]. The 10 items to quantitatively measure work overload measures the degree to which an employee has to work fast and hard, has a great deal to do, and has too little time. A sample item is “My work requires me to work very hard.” Work-home inference is defined as a form of interrole conflict in which the role pressures from the work and family (home) domains are mutually incompatible in some respects, and was measured using four items. This scale was selected because it is sensitive to a broad range of personal and social concerns of both married and unmarried employees. Respondents were asked to indicate the level of applicability to them on a five-point Likert-scale, ranging from (1) “never” to (5) “always”. A sample item is “How often does the time you spend at work detract from your family or social life?” The internal consistency of the job demands scale was satisfactory, with a Cronbach’s alpha coefficient of 0.71.

**Job resources.** We derived two job resources dimensions – job control and social and supervisory support – using nine and six items respectively for a total of fifteen items. These items were borrowed from a scale that was developed and validated by Bakker et al. [2]. Job control refers to employees’ control regarding job content and the timing of work tasks. An example item is “The job allows the worker to make a lot of decisions on his own.” Social and supervisory support is defined as overall levels of helpful social interaction available on the job from coworkers and supervisors. A sample item reads “My boss is willing to listen to work related problems.” The Cronbach’s alpha coefficient for job resources was 0.79.

**Job satisfaction.** We used a five-item scale to measure employee job satisfaction, which was derived from Rich et al.’s [15] study. The scale assesses the work itself, pay and fringe benefits, the work-site’s physical surroundings, immediate supervisors and promotional opportunities. A sample item is “Overall, I am satisfied with my present job.” The alpha coefficient for this scale was 0.73.

### Organizational-level variable

#### Organizational-level customer orientation

According to Chan [23], specifying the appropriate composition model is essential for multi-level research. Composition models define the relationships among the variables at different levels of analysis that concern fundamentally the same content but are qualitatively different. As a result, this study employed the referent-shift consensus composition model as we were interested in individual employees’ aggregate perception of the restaurant’s OCO. The OCO measure was specifically designed for the purpose of this referent shift, with the collective entity being the focal point. A five-item scale measuring OCO was adopted from Evans et al. [14]. It asked the employees to indicate their perceptions of their restaurants’ customer orientation strategy. Sample items read “My company’s business objectives are driven primarily by customer satisfaction” and “My company constantly monitors and assesses employee commitment to serving customers’ needs.” The Cronbach’s alpha was 0.79.

#### Control variables

Accounting for the heterogeneity of the sample, we controlled for gender, age, education, job tenure and job position. These variables have been found to distinguish employee performance [11]. We created dummy variables for gender, and measured age, education, job tenure, and job position on three to five-point scales.

### Measurement model

We conducted a confirmatory factor analysis (CFA) to test the discriminant validity of the measures. Although the CFA chi-square statistic (214.253, d.f. = 109) was significant, an examination of the comparative fit index (CFI), root mean square error of approximation (RMSEA), and standard root mean square residual (SRMR) estimates (0.93, .07, and .04, respectively) suggested that the measurement model fit the data well: Values for the CFI that are above 0.90 and close to 0.95 are considered desirable, while RMSEA and SRMR estimates that are less than or equal to 0.08 are considered indicative of a good fit [22]. All factor loadings of the indicators to their respective latent constructs were significant. Moreover, all individual reliabilities were larger than 0.69, the highest composite reliability was 0.83, and the lowest average variance extracted was 0.53, providing evidence that all constructs possess adequate reliability and convergent validity [24-25]. In addition, all squared correlations between the latent constructs were smaller than the average variance extracted from the respective constructs, and further supported the measures’ discriminant validity [24].

### Analytic approach

Because the theoretical model is multilevel and some of the data could vary across the 35 restaurants and among employee within restaurants, thus violating the assumption of independence, it was important to test for the suitability of the multilevel analysis. To determine whether a two-level approach was warranted, we applied hierarchical linear modeling (HLM) to examine intraclass correlation coefficients (ICCs) and corresponding design effects to ascertain the extent of systematic group level variance [26]. We assessed between-group variance in the

organization/unit-level OCO construct using a one-way analysis of variance (ANOVA). The ANOVA indicated significant between-group variance in OCO ( $F = 5.17$ ,  $p < .01$ ). The ICC1 calculated from the ANOVA was 0.35. This value is at the high end of what can be expected in applied research settings [27]. Together, these statistics show acceptable levels of within-group agreement and between-group variability in OCO as an organization/unit-level variable suggesting that a multilevel structure should not be ignored. Conceptually, HLM is a simultaneous two-step approach to modeling multilevel relationships, which we estimated with full maximum likelihood; it compares the model fits across nested models [28]. HLM partitioned the variance of individual-level outcomes into level 1 (i.e., individual-level) and level 2 (i.e., organizational-level) components and then regressed the level 1 variance component on individual-level predictors and the level 2 variance component on organizational-level predictors. We then tested cross-level interactions by regressing level 1 slopes (i.e., relationships between level 1 predictors and outcomes) onto level 2 predictors. Level 1 variables included controls, ECO, job resources, job demands, and job satisfaction, and the level 2 variable consisted of the OCO variable.

First, we specified a null model (Model 1), in which there were no individual and organizational level predictors included. This enabled us to test whether there was significant variation in job satisfaction, a necessary precondition for supporting our hypotheses. We then specified a model (Model 2), in which we added individual level variables and predictors. This enabled us to evaluate our first set of hypotheses concerning the effects of individual-level determinants on job satisfaction. Finally, we specified a full model (Model 3) in which we added organizational level predictor of the individual-level slopes. This enabled us to assess whether cross-level interactions provided a significantly incremental prediction of job satisfaction [28].

## RESULTS

### Main effects

Table 1 summarizes the results of the HLM analyses for the hypotheses (1 through 6). The control variables (employees' gender, age, education, tenure and income) and the individual and organizational-level main effects of OCO were included in all analyses. We first tested whether ECO is positively related to job satisfaction (Hypothesis 1), and found that it has a positive influence ( $\beta = 0.16$ ,  $p < .05$ ). Thus Hypothesis 1 is supported. We further found that employee job resources are positively related to job satisfaction, with a significant and positive effect ( $\beta = 0.56$ ,  $p < .01$ ), supporting Hypothesis 2. However, we found no evidence in support of Hypothesis 3, which predicts that employee job demands have a significant and negative effect on job satisfaction. Lastly, Model 3 shows that among the individual level control variables, only employee age ( $\beta = 0.06$ ,  $p < .01$ ) and education ( $\beta = 0.12$ ,  $p < .01$ ) were significant predictors of job satisfaction.

### Moderating effects

In Hypotheses 4 through 6, we predicted various interaction

effects between individual differences and OCO. The findings indicate that while OCO does not moderate the relationship between ECO and job satisfaction, it does moderate the relationship between job demands and job satisfaction and job resources and job satisfaction; the interaction of job demands and OCO was significant and negative ( $\beta = -0.63$ ,  $p < .01$ ), and the interaction of job resources and OCO was significant and positive ( $\beta = 0.80$ ,  $p < .01$ ). Thus while Hypothesis 4 is not supported, Hypotheses 5 and 6 are.

**Table 1. Hierarchical linear modeling results for job satisfaction**

Predictor	Model 1	Model 2	Model 3
Intercept	4.16 (0.05)**	3.84 (0.84)**	4.19 (0.06)**
<b>Main effects</b>			
ECO		0.16 (0.08)*	0.16 (0.07)*
JR		0.56 (0.09)**	0.55 (0.07)**
JD		-0.08 (0.07)	-0.09 (0.06)
<b>Moderating effects</b>			
ECO x OCO			0.49 (0.40)
JR x OCO			0.80 (0.41)*
JD x OCO			-0.63 (0.33)*
<b>Control variables</b>			
Gender		0.06 (0.07)	0.05 (0.07)
Age		0.07 (0.04)*	0.06 (0.05)*
Education		0.14 (0.06)**	0.12 (0.07)*
Tenure		0.02 (0.02)	0.02 (0.05)
Income		0.00 (0.04)	0.00 (0.04)
2-log likelihood	-3.383452	-3.062952	-3.015327
Incremental chi-square	35.26831	42.94142	46.07659
Degree of freedom	21	21	20
P-value	.026	.002	.001

\*\*. Correlation is significant at the .01 level; \*. Correlation is significant at the .05 level (two-tailed).

## DISCUSSION AND CONCLUSION

Our study used a cross-level approach to examine how OCO influences the impact individual differences have on job satisfaction, as hypothesized in customer orientation and JD-R model research. In order to do this, we first provided additional insights regarding the nature of the effects of ECO and the JD-R model on job satisfaction. We further attributed the weak role organizational context variables play in explaining job satisfaction to the nature of the basic individual personality traits and stress variables used in prior studies. Thus, in this study, we conceptually incorporated OCO in our framework and empirically demonstrated its moderating role in the individual's job satisfaction process.

Our first research question asked how individual differences (ECO and JD-R) influence job satisfaction. First, ECO was found to have a significant and positive influence.

This supports previous studies which have found that the motivation an employee has to engage in a customer orientated manner will be enhanced when they receive both intrinsic and extrinsic rewards in exchange for effort investment [11]. Furthermore, in contexts in which the primary task is the serving of customer needs, customer-oriented employees fit the service setting better than employees who have a lower customer orientation because they are predisposed to enjoy the work of serving customers [5]. Therefore, employees with higher levels of ECO will be more satisfied with their jobs than will employees who have less customer orientation.

In support of the JD-R model the findings indicated that the presence of job resources (as enriching and motivational job characteristics) exerts a significant and positive effect on job satisfaction. Employees who are surrounded by resourceful job characteristics are more likely to experience a general feeling of psychological freedom (i.e., autonomy), interpersonal connectedness (i.e., belongingness), and effectiveness (i.e., competence), which in turn explains why they feel more satisfied in their jobs [12]. However, the existence of job demands (as energy-depleting job characteristics) was found to have no significant negative effect on job satisfaction. This is in line with findings of some studies, as the effects of job demands have been found to vary in service contexts. An explanation is that perhaps job demands contain an important physical component, which might directly contribute to the emergence of emotional exhaustion without interfering with job satisfaction [30]. This is in accordance with Broeck et al. [31] who find that satisfaction is a process capturing individuals' *psychological* energy and is unlikely to account for the *physical* energetic component of job demands. A possible second explanation is that job demands might have a curvilinear relationship with employees' motivation and energy level. That is, whereas high levels of job demands might be energy depleting, low to moderate levels might stimulate employee satisfaction [31]. Further research is needed to examine whether this correlational pattern is due to specific characteristics of this study and to disentangle the moderate relationship between job demands and job satisfaction in general.

Our second question pertained to the influence of OCO as a moderator on the impact of individual differences on job satisfaction. The results partially supported our hypotheses that the interaction between OCO and ECO on job satisfaction is positive, but they were not statistically significant. The interaction between OCO and job resources (job demands) was significantly positive (negative) in their effect on job satisfaction, and thus these hypotheses were supported. In support of recent evidence that suggests ECO is part of an organizational climate and culture [32]. When employees perceive a psychological climate of customer orientation, they should feel that the organization, by focusing on the customer, is in line with their own personal goals. This congruence should enhance feelings of job satisfaction and likewise motivate them to perform [14]. Thus, high levels of ECO is a critical part of an organizational climate; it would also represent an organization-level customer orientation.

Consistent with the JD-R model, this study proposes that the impact job demands and resources have on job satisfaction may also be affected by employees' perceptions of the

working environment. Thus, properties of the work environment, as well as characteristics of the individual, can buffer the effects of job demands. The buffering variable can reduce the tendency of organizational properties to generate specific job demands, alter the perceptions and cognitions evoked by such stressors, moderate responses that follow the appraisal process, or reduce the health-damaging consequences of such responses [3]. In this study, although the job demands construct is not found to have a significant direct effect on job satisfaction, its interaction with OCO is found to be significant and negative, suggesting that the job satisfaction of employees with high OCO declines faster as job demands increase. OCO therefore plays an important role in delivering higher levels of satisfaction when the perception of job demands is significantly reduced. Next, in line with the motivational process of the JD-R model [16], OCO was found to moderate the relationship between job resources and job satisfaction. This implies that when employees feel supported by their peers and have a sense of autonomy over their work, they are likely to feel satisfied in their jobs. The existence of resources makes employees feel appreciated by the organization and the community, as well as connected to the organization's customer oriented focus. Furthermore, job resources are more likely to produce a high level of job satisfaction under high OCO conditions than under low OCO conditions. Overall we found that the integration of the concept of OCO in the JD-R model adds to its predictive validity, and seems to be highly relevant for the workforce.

### Managerial implications

The findings suggest that managers must recognize several important factors when they evaluate their employees' customer-oriented behavior, job demands, and resources. We further believe that these implications are applicable to the disseminations of a firms' customer orientation as well. As customer orientation is found to be an important indicator of job satisfaction for employees, and employees generate goods and services for the end customer, ECO is crucial to providing customer satisfaction. Thus, ECO may lead to competitive advantages for the organization through exploring and exploiting a trusted and committed relationship between the organization and its customers. This is important, as many businesses are particularly dependent on the development of long term relationships with their customers. It may further be argued that ECO takes on added importance in service organizations, as customers often do not have tangible cues with which to evaluate the service offering. Thus, from a managerial perspective, an organization should strive to develop and enhance individual levels of customer orientation. Without an emphasis on satisfying the requirements of employees, superior value will not be provided at every stage of the value chain, and thus the end customer will not receive an optimal product or service [32].

Second, in relation to the JD-R model, job resources were found to directly influence job satisfaction, while it was found that job demands do not. Thus, management may attempt to change employees' perceptions of job demands and concurrently make improvements in job resources such as providing increased supervisory support, training and reward mechanisms.

However, it is important for restaurants to find a balance between providing job resources to employees and the cost of providing these. Thus, managers should develop and encourage employees' abilities to work under job resource constraints in order to improve both the efficiency and effectiveness of operations as well as employee job satisfaction.

Third, the findings that show the OCO climate plays a critical role in reducing the dysfunctional effects of job demands and enhancing the motivational effects of job resources is important for management: They should focus efforts on improving OCO while at the same time reducing perceived severity of job demands and increasing job resources or the efficiency of their use in order to improve employee job satisfaction. This finding can also be used by management in the employment recruitment and selection process. By first conducting an assessment of the level of OCO, if it is found to be strong, a restaurant can greatly benefit from hiring individuals who are highly customer oriented, as they would be expected to respond more favorably to the job than employees who are less customer oriented. This is because those with higher ECO levels are expected to follow display rules with relative ease, are resistant to burnout, and their self-presentations do not need to rely on surface or deep acting. In restaurants with high OCO, such authentic displays are consistent with organizational as well as customer expectations, and ultimately result in customer satisfaction and improved organizational outcomes.

Finally, this study provides additional support through the findings related to the control variables: age and education were found to be important demographic variables in the job satisfaction model; these are thus important as they provide linkages between individual experience and personal accumulated knowledge. Thus, based on the findings of the relationship between employee demographics and their job satisfaction, managers can identify attitudinal and behavioral differences among employees, and some form of internal fit between the demographics characteristics of employees and policies and practices within organizations may be required.

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