

The role of empathy, customer orientation and work engagement in the relationship between servant leadership and customer - oriented organizational citizenship behaviors

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Abstract

This work explores the relationship between servant leadership in the service context and the extent to which employees engage in customer-oriented organizational citizenship behavior (OCB). Data were collected at two time points from 158 full-time employees, working in 16 branches of a large bank in Israel. The results show that there is a positive relationship between servant leadership and customer - oriented OCB and that this relationship is mediated by employees' levels of customer orientation and work engagement. Likewise, the relationship between servant leadership and customer orientation is stronger among employees with low levels rather than high levels of empathy.

Introduction

Servant leadership is characterized by concern for employees' well-being and employees' involvement in decision-making processes (Walumbwa, Hartnell & Adegok, 2010). In the service context such leadership provides situational cues from which followers interpret and understand their environment (Takeuchi, Chen & Lepak, 2009), thus influencing employee attitudes and behaviors, and providing an environment for employees to deliver prosocial behavior fostering work engagement and customer orientation. Further, research indicates that when employees perceive that they are being treated fairly, they are more likely to engage in extra-role behaviors directed towards the organization and its customers (Walumbwa, Hartnell & Adegok, 2010). Combining the latter two observations, the current work proposes that servant leadership contributes to employees' customer-oriented organizational citizenship behavior (i.e., behaviors intended to deliver quality service, Bettencourt, Gwinner & Meuter, 2001) through its relationship with customer orientation (i.e., employees' focus on understanding and satisfying customers, Saxe & Weitz, 1982) and work engagement, (i.e., a positive work-related state of mind characterized by vigor, dedication, and absorption, Schaufeli & Bakker, 2001). The relationship between servant leadership and customer orientation is expected to be especially significant among employees characterized by a low (rather than high) level of empathy (i.e., recognizing and participating in others' emotional experience, Keen, 2006), because employees with a high level of empathy are more likely to be naturally focused on customers' needs and feelings (Stock & Hoyer, 2005).

Study objective

This study was designed to deepen the understanding of the relationship between servant leadership and employees' customer-oriented organizational citizenship behavior (OCB) in the service context, by exploring the extent to which this relationship is mediated by employees' levels of customer orientation and work engagement, and by investigating the moderation effect of employee empathy.

Study hypotheses

- H1:** Servant leadership is positively related to employees' likelihood of engaging in customer-oriented OCB.
H2: Employees' levels of customer orientation and work engagement mediate the relationship between servant leadership and customer-oriented OCB.
H3: Empathy moderates the relationship between servant leadership and customer orientation: The relationship is stronger among employees with low (rather than high) levels of empathy.

Methods

Respondents

The sample comprised 158 full-time employees of 16 bank branches (31.8% response rate). The average employee's age was 33 years (ranging from 18 to 60, SD = 9.55), with average tenure of 6 years (SD = 8.7); and experience of 2.5 years under the current manager (SD = 2.9).

Procedure and Measures

Data were collected at two time points: A questionnaire measuring servant leadership was administered first, and other questionnaires measuring customer orientation, work engagement, empathy and customer - oriented OCB were administered two weeks later to reduce common method bias (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Completion of each questionnaire took 15-20 minutes.

Results

The results support H1, showing that there is indeed a positive relationship between servant leadership and employees' customer-oriented OCB (see Table 1). The mediation hypothesis (H2) was tested according to the four-step procedure for mediation described by Baron and Kenny (1986) and the Process model proposed by Hayes (2012). In Step 1, servant leadership (independent variable) was related to customer orientation (mediator 1), [$\beta = 0.39$, $t(149) = 6.2$, $p < 0.01$]. In Step 2 we found that customer orientation (mediator 1) is related to work engagement (mediator 2) in the presence of servant leadership (independent variable) [$\beta = 0.42$, $t(148) = 4.07$, $p < 0.01$] (see Table 2). In Step 3, work engagement (mediator 2) was related to customer-oriented OCB (dependent variable) in the presence of servant leadership and customer orientation [$\beta = 0.22$, $t(147) = 3.9$, $p < 0.01$]. In Step 4 we examined the mediation effects by building confidence intervals, using the bootstrap method with a 95% confidence level, with 1,000 samples. The results [0.0093-0.0881] indicated that the mediation effects were significant (see Table 2). These results support H2, indicating that customer orientation and work engagement mediate the relationship between servant leadership and customer - oriented OCB. Finally, full support was obtained for H3: The relationship between servant leadership and customer orientation was stronger among employees with low levels of empathy [$r = 0.26$, $p < 0.01$] than among employees with high levels of empathy [$\beta = -0.38$, $p < 0.01$]. Simple slopes analyses present the findings (see Figure 1).

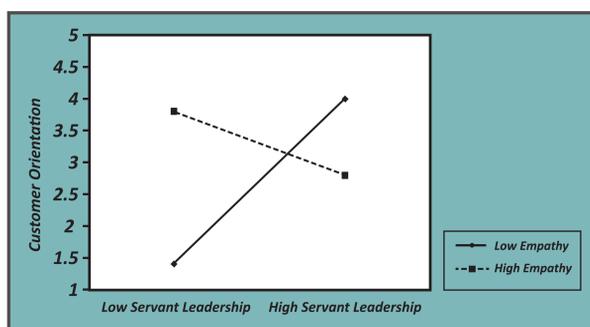
Table 1

Means, standard deviations, and correlations

	Mean	SD	1	2	3	4	5
Servant leadership	5.15	0.98					
customer orientation	5.97	0.84	0.46**				
Work engagement	5.45	1.11	0.43**	0.45**			
customer-oriented OCB	5.51	0.96	0.61**	0.63**	0.56**		
Empathy	5.31	0.9	0.26**	0.5**	0.3**	0.4**	

* $p < 0.05$ ** $p < 0.01$

Figure 1: The moderating effect of empathy on the relationship of servant leadership with customer orientation



Conclusions

The results suggest that employees' customer orientation and work engagement are mechanisms through which servant leaders influence employees' customer-oriented OCB. Specifically, servant leaders' primary concern for followers' wellbeing might be reflected in followers' concern for customers' wellbeing, and the latter concern might translate into a greater propensity for employees to engage not only in role-prescribed behaviors toward customers, but also in behaviors that go above and beyond the call of duty to promote the highest levels of customer satisfaction (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Moreover, in identifying the moderating role of empathy in the relationship between servant leadership and customer orientation, this work suggests that servant leadership compensates for low levels of employee empathy. In particular, servant leadership places the good of those led over the self-interest of the leader, emphasizes leaders' moral behavior, and recognizes leaders' moral responsibility for the success of the organization as well as for the success of their subordinates, the organization's customers, and other stakeholders. In doing so, such leadership might instill positive emotions in employees and encourage those with low empathy to overcome their natural tendencies, i.e., to be more attentive to customers' needs and to engage in customer-oriented behavior. The results of this study suggest that, practically speaking, servant leadership can contribute toward developing the kind of customer orientation that makes employee customer-oriented OCB more likely. Service quality is likely to be improved when Managers behave in ways that make it clear to followers that service quality is important by modeling service for employees and setting goals for customer satisfaction (Schneider et al., 2005).

Limitations and directions for future research

This study has several limitations. First, due to the cross-sectional design, we cannot make any definitive inferences about causality. Second, the model has been tested in only one type of organization, i.e., a bank, which limits the generalizability of the results. Our findings stress the importance of focusing research attention on the role of leadership in fostering employees' customer orientation and work engagement. Further research is necessary in order to deepen the understanding of the variables that moderate the effect of servant leadership on employees' customer orientation and work engagement.

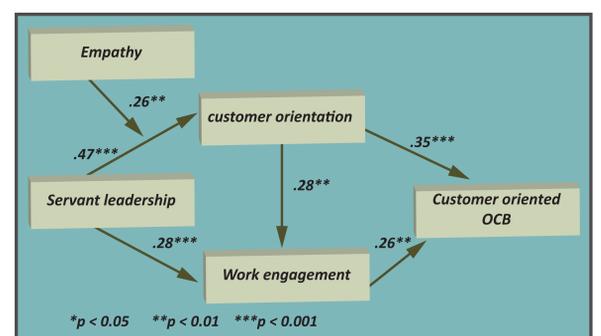
Table 2

Results of multiple hierarchical regressions of customer-oriented OCB on servant leadership, customer orientation and work engagement

Variables	Step	β	R ²	F(150)
Servant leadership	Step 1	0.39**	0.21	39.43**
Customer orientation (mediation 1)	Step 2	0.42**	0.27	26.79**
Work Engagement (mediation 2)	Step 3	0.22**	0.57	64.34**

* $p < 0.05$ ** $p < 0.01$

Figure 2: Test of the hypothesized model (the numbers represent the β coefficients)



* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$

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