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Developing dedicated service employees:  
Psychological climate for service and internal  
service as service-oriented resources

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# Developing Dedicated Service Employees

## Psychological Climate for Service and Internal Service as Resources

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We studied the joint associations of two service-oriented resources—psychological climate for service and perceived internal service—with work dedication among customer-service employees. In a cross-sectional survey study of 1,377 retail bank employees, we found support for all three hypotheses. First, psychological climate and internal service were each positively associated with dedication. Internal service also moderated the climate–dedication relationship. The strongest positive relationship emerged when perceived internal service was high. That is, the most dedicated employees experienced high levels of psychological climate and high internal service, and the highest overall levels of dedication occurred among employees perceiving high levels of both climate for service and internal service. Among individuals with scores at one standard deviation below the mean of climate, internal service had essentially no relationship with dedication. In contrast, among individuals with scores at one standard deviation above the mean of climate, internal service yielded a difference of .39 standard units of dedication, which is a medium-low effect size. In other words, differences in internal service mattered primarily among workers perceiving high levels of climate for service. Therefore, as service-oriented resources, both service climate and internal service may be important not only to customer outcomes, but also to employees. These resources may be specific focus points for managers who aim to foster customer-service employee dedication.

### Introduction

As boundary-role workers, frontline employees interact with both satisfied and dissatisfied customers, typically working under requirements to deliver fast, error-free “service with a smile,” which results in customer satisfaction, loyalty, referrals, and revenue (Anderson, 2006; Garcia, Cifre, & Grau, 2010; Lin, Tsai, & Chiu, 2009; Tsai,

2001). Employees who are highly dedicated to their work are most likely to deliver this type of service consistently and proactively because they authentically care about performing to the best of their ability. In customer-service jobs, this translates to an enthusiastic effort to create a positive customer-centric environment. In other words, these employees are generally committed to manifesting positive behaviors toward

customers and coworkers (Brown & Lam, 2008; Halbesleben & Wheeler, 2008; Leiter, Day, Harvey, & Shaughnessy, 2007; Moliner, Martinez-Tur, Ramos, Peiró, & Cropanzano, 2008).

Dedication describes the level of involvement, enthusiasm, and challenge experienced in one's work (Schaufeli, Bakker, & Salanova, 2006). It is one of three dimensions composing engagement, which is "a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, Salanova, Gonzalez-Roma, & Bakker, 2002, p. 74). The dedication dimension represents motivation and emotional attachment to one's work that goes beyond simply having positive job attitudes (Bakker, Schaufeli, Leiter, & Taris, 2008). From a manager's perspective, dedicated employees typically exhibit higher performance and lower turnover (Halbesleben & Wheeler, 2008; Harter, Schmidt, & Hayes, 2002; Schaufeli & Bakker, 2003). Low levels of dedication correspond to cynicism, a dimension of job burnout in which employees are frustrated and demotivated (Anderson, 2006; Maslach, Schaufeli, & Leiter, 2001). Scholars often study engagement as an indicator of well-being and how stress affects it in the work environment (e.g., Hakanen, Schaufeli, & Ahola, 2008).

We focused on dedication instead of the other dimensions of engagement because it is the most relevant for meeting two requirements of the service environment: high-quality interpersonal interaction and on-the-spot problem solving. Although vigor may provide energy to engage in successful interpersonal interactions and absorption may predict successful problem solving due to intense focus on one's work, the authors argue that dedication addresses both requirements. A dedicated employee is intrinsically motivated to do the work required and will remain committed to solving problems as they arise while engaging

in positive interactions, even when facing difficult customers. Further, we focused on dedication instead of similar employee attitudes because it captures the motivational state of the employee in addition to the affective, cognitive, and behavioral aspects forming job attitudes (e.g., organizational commitment describes loyalty to one's organization, but not necessarily motivation for one's work).

Our aim was to inform theory about the joint association of service environment characteristics with employee dedication from a resource-based perspective. Resources affect dedication because they help employees efficiently and effectively perform their duties, which allows for continued enthusiasm and involvement in one's work. Empirical research has demonstrated that resources from both situational (e.g., software and training) and personal (e.g., time and energy) sources affect employee engagement in general (Hakanen et al., 2008; Hobfoll, 2001). Resources act by motivating an individual and by giving individuals the capability to address stressors, thereby conserving energy and avoiding undue frustration (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001; Hobfoll, 2001).

By exploring two avenues through which managers may deliver service-oriented resources, psychological climate for service and perceived internal service from other parts of the organization (Salanova, Agut, & Peiró, 2005), we sought to contribute to the literature in at least three ways. First, by exploring psychological climate, we focused on individual perceptions of workplace conditions and the association between those perceptions and individual outcomes. Organizational climate is consistently associated with organizational outcomes, such as sales performance and customer satisfaction. It may also be conceptually useful to understand the relationship between

climate and individual employee outcomes. Therefore, we explored how individual perceptions of the service environment are associated with individual-level dedication.

This article may also contribute to the service literature by building on recent work emphasizing the importance of internal service (Ehrhart, Witt, Schneider, & Perry, 2011). Internal service has not yet received a great deal of attention in the management or organizational psychology literature, but this topic is an important priority for scholars as world economies become increasingly service oriented. Further, it is not only relevant for service-oriented businesses but for anyone who depends on other people in the organization to complete his or her work (e.g., professors depending on classroom technology support personnel). It is distinct from organizational and psychological service climates, which have received a great deal of attention, and may affect the impact of climate on employees and organizations. As such, internal service requires research attention in its own right.

Finally, we may contribute to the stress literature because dedication is one indicator of well-being that stress may affect directly in the work environment. Most researchers have focused on the latent construct of engagement, but we hope to increase understanding of this one particular dimension, which may have particular importance in a customer-service environment. Stressful encounters pervade a customer-service environment, over and above other job attitudes that have received more attention thus far.

## **Dedication and Service-Oriented Resources**

In the following sections, we propose interactive effects for psychological climate for service and

perceived internal service, as they are associated with dedication. The distinction between these two constructs lies in the originating source of each—inside or outside the local unit, respectively—and the mechanism by which each may be associated with employee dedication—motivation or ability. When managers of customer-service employees foster a psychological climate for service within their local unit, they motivate and enable employees with resources that eventually cultivate employee dedication. Further, by ensuring delivery of high-quality internal service to their employees (originating from outside their local unit), managers at all levels provide additional critical resources that enable employees to be successful, thereby increasing dedication to their work.

According to conservation of resources (COR) theory, resources are those “objects, personal characteristics, conditions, or energies that are valued by the individual or that serve as a means for attainment” of other resources (Hobfoll, 1989, p. 516). Individuals are inherently motivated to obtain and protect valued resources to achieve their goals and preserve their overall well-being (Halbesleben & Buckley, 2004; Maslach & Leiter, 2008). When organizations provide customer-service employees with service-oriented resources, employees are likely motivated and empowered to behave in ways that are consistent with organizational goals. Relevant resources may include decision-making authority, technology, training, and customer-friendly policies, all of which may work to increase dedication because they remove obstacles and help employees effectively and efficiently provide service (Anderson, 2006; Johnson & Spector, 2007; Liu & Yang, 2006; Salanova et al., 2005). Indeed, resources are consistently associated with increased engagement in general (i.e., positive

resources build positive well-being; Bakker et al., 2008; Hakanen et al., 2008).

## Psychological Climate for Service

Psychological climate for service describes individual perceptions of the customer-service-oriented practices, procedures, and behaviors encouraged by an organization (Schneider, White, & Paul, 1998). A number of studies empirically support a positive linkage between organizational climate for service and customer-oriented outcomes (Dean, 2004; Garcia et al., 2010; Liao & Chuang, 2004; Schneider & White, 2004). Moreover, a recent meta-analysis supported the notion that individual-level employee attitudes transfer to customer outcomes (Brown & Lam, 2008). Thus far, however, few studies outside the area of emotion research have explored the impact of psychological climate for service on individual employee outcomes (cf., Martin, 2008). Emotion research suggests that a favorable climate for service provides opportunities for emotional recharge among otherwise emotionally taxed customer-service employees, which can result in dedication, even in a high-stress environment (Johnson & Spector, 2007; Liu & Yang, 2006; Tsai, 2001).

Psychological climate for service may be particularly important in predicting individual-level outcomes, including dedication, because it is the individual's perception of these processes that has the most direct influence on an individual (Burke, Borucki, & Hurley, 1992; Jones & James, 1979). Namely, the extent to which individuals perceive their organization values service behaviors and provides service-oriented resources consistent with those values may enhance motivation to provide high-quality customer service. Scholars in a variety of areas have demonstrated that a positive organizational climate motivates employees

to behave in ways prescribed by that climate (e.g., Camilleri, 2007; Ehrhart et al., 2011; Salanova et al., 2005; Schneider et al., 1998; Zohar & Luria, 2005); the authors expected a similar relationship for psychological climate. When an individual perceives that management is emphasizing and supporting service-related behaviors through the provision of relevant resources, performance reviews, and rewards, that individual may become increasingly dedicated to such behaviors.

Service-oriented resources associated with psychological climate for service enable employees to achieve goals, thereby increasing dedication to work they are doing well. For example, managers encouraging high-quality service behaviors likely provide training, information, and support to employees as they engage in those behaviors. These give the employees the ability to succeed, thereby becoming dedicated to their work. Therefore, the authors suggest when employees perceive a favorable climate for service (i.e., high psychological climate), the associated resources motivate and enable them to perform their jobs and preserve their well-being, resulting in increased dedication to their work in customer service.

*Hypothesis 1.* Psychological climate for service is positively associated with dedication.

## Internal Service

Internal service describes the perceived level of service delivered to employees by units within the organization but outside the immediate workgroup (e.g., from accounting or information technology). Management research on internal service is scant, but, as with climate for service, it is typically studied in relation to customer-oriented outcomes, including organizational effectiveness and

external customer satisfaction (Mills & Ungson, 2001). Scholars suggest that internal service affects these outcomes by providing valuable resources to organizational units (Johnston, 2008; Miles & Snow, 1995). Through this resource provision function, internal service is also likely to affect the individual employee. Internal service provides resources that enable employees in their work, such as timely access to information and problem-solving assistance from others. Employees who succeed and feel they can continue to succeed in their work without facing tremendous obstacles are likely to be increasingly dedicated (Bandura, 1986). In contrast, employees who receive poor internal service may feel unsupported and unable to complete work, resulting in frustration, anxiety, and even feelings of incompetence. For these reasons, we expected the resources provided by high-quality internal service to aid in the development and maintenance of employee dedication.

*Hypothesis 2.* Perceived internal service is positively associated with dedication.

### **Psychological Climate × Internal Service**

The relationship between psychological climate and dedication may depend on the availability of resources from the broader organization to perform prescribed behaviors (i.e., internal service). As a necessary condition for service climate (Schneider, Macey, & Young, 2006; Schneider et al., 1998), Ehrhart et al. (2011) argued that internal service enables service workers to serve customers in the way the service climate motivates them to deliver it. They found that the unit average of employee-reported internal service (i.e., the level of internal service provided to the branch) moderated the relationship between

branch-level service climate and branch-level customer satisfaction. Ehrhart et al. (2011) represent one of the few management or organizational psychology studies to explore internal service. We build on this work by focusing at the individual level, positioning perceived internal service as a moderator of the psychological climate–dedication relationship. We expected that even a favorable psychological climate for service may have limited impact on employee dedication if other organizational units impede a frontline employee’s work by providing poor internal service.

COR theory suggests multiple resources can have compounding effects on the individual; as a result, people with many resources can realize significant benefits as they invest existing resources to build a resource surplus (Hobfoll, 1989, 2001). We suggest that service-oriented resources provided via psychological climate for service and perceived internal service act in a similar way, represented through a statistical interactive effect on dedication. As psychological climate for service increases, an employee is increasingly motivated and enabled to do his or her work (i.e., deliver high-quality service). When perceived internal service is high, the associated resources may strengthen the investment that employees make in doing that work. For instance, if a computer malfunctions, a well-trained, motivated bank teller (i.e., high psychological climate for service) may call the IT help desk to resolve the issue. If the help desk employee answers the phone promptly and makes every effort to resolve the issue (i.e., high internal service), the teller is able to service customers without experiencing significant frustration or delay. Therefore, employees perceiving a favorable climate for service may be both motivated and empowered within themselves and their local unit but may only feel fully capable of meeting customer needs with the additional

resources provided via internal service. In such a case, an employee may be encouraged and rewarded for customer service behaviors, and the organization provides the necessary resources for these behaviors. Success in performing one's work likely leads to increased dedication (Bandura, 1986). Therefore, the authors expected that high internal service results in the strongest climate–dedication relationship.

In contrast, COR theory predicts that unsuccessful investment of resources from one source (e.g., psychological climate) due to lacking resources from another source (e.g., low internal service) results in a resource loss spiral and an attenuated effect on well-being (Hobfoll, 1989). Returning to the example of a well-trained and motivated bank teller (i.e., high psychological climate for service), imagine the IT help desk employee does not answer the phone or is not helpful (i.e., low internal service). In this case, the teller may be unable to assist customers, even if he or she desires and feels otherwise capable of doing so. The employee may feel frustrated and incompetent, resulting in reduced dedication. Therefore, when one resource is lacking, it may seriously hamper the potential of other resources to improve employee dedication. For this reason, the authors expected that the climate–dedication relationship is weak when internal service is low.

*Hypothesis 3.* Internal service moderates the relationship between psychological

climate for service and dedication, such that the positive climate–dedication relationship is stronger among workers reporting high (rather than low) levels of internal service.

## Method

### Participants

Participants were 1,377 of 1,912 (72%) nonexempt retail financial services frontline personnel (i.e., bank tellers). Management invited all tellers across branches in 26 regions of one financial services organization to complete a paper-and-pencil survey during work hours. See Table 1 for a summary of sample demographics. Due to management privacy concerns, we could not collect branch identifiers, only region identifiers. Twenty-six regions were represented with an average of 52 employees per region (range: 11 to 169 employees per region).

### Measures

In consultation with line managers and HR professionals, we adapted measures from published, validated measures. The goal of this process was to ensure the measures were context-relevant and feasible to complete during work hours. All items are presented in the appendix. Participants responded using a 5-point response scale (1 = “strongly disagree” to 5 = “strongly agree”). For all

Table 1  
Sample Demographics

Variable	Percentage of Sample in Each Category				
Tenure	<1 year: 2.1%	1–3 years: 9.8%	3–7 years: 17.6%	7–15 years: 26.5%	15+ years: 44%
Age	18–21 years: <1%	21–25 years: 16.9%	25–30 years: 45%	30–45 years: 26.4%	45+ years: 11.7%

constructs, the authors measured and analyzed the individual-level data.

### Dedication

We used three items to assess dedication ( $\alpha = .79$ ). These were similar items to the Utrecht Work Engagement Scale (Schaufeli & Bakker, 2003), which is the most frequently used, valid, and reliable measure of engagement (Bakker et al., 2008).

### Psychological Climate for Service

We adapted seven items from Schneider et al.'s (1998) climate for service measure ( $\alpha = .79$ ). Following precedent set by other recent studies (e.g., Anseel & Lievens, 2007; Martin, 2008; Yang, 2008) and in line with our interest in an individual-level outcome, we were interested in individual-level perceptions of climate, rather than a branch-level aggregate of those perceptions.

### Internal Service

Five items assessed internal service that employees received from various parts of the organization ( $\alpha = .76$ ). These items were based on the work in the internal marketing literature (e.g., Foreman & Money, 1995) and the literature on service quality with regard to external customers (e.g., Zeithaml, Parasuraman, & Berry, 1990) to reflect the quality and timeliness of service received from other departments and business units in the organization.

### Controls

Consistent with research on the demographic correlates of employee engagement and burnout (Halbesleben & Wheeler, 2008; Maslach & Leiter, 2008), we included three control variables that

may relate to dedication. Those were tenure in the organization and age, both measured in years, and gender, coded 1 for male and 2 for female.

### Measurement Models

We used confirmatory factor analysis (CFA) to determine whether the items fit the authors' hypothesized measurement model. Specifically, we used comparative fit index (CFI), Tucker-Lewis index (TLI; Tucker & Lewis, 1973), root-mean-square error of approximation (RMSEA), and standardized root-mean-square residual (SRMR) to analyze the fit of a three-factor model (dedication, service climate, and internal service) compared to a one-factor model and a two-factor model (combining service climate and internal service into one factor). The suggested lower bound of good fit for CFI and TLI is .90 (Bentler & Bonett, 1980), and the statistics were within this range for the three-factor model but not the one- or two-factor models (3-factor: CFI = .93, TLI = .92; 1-factor: CFI = .62, TLI = .56; 2-factor: CFI = .80, TLI = .76). The suggested upper bound of good fit is .05 for RMSEA and .08 for SRMR (Browne & Cudeck, 1993); again, the statistics were within this range for the three-factor model but not the one- or two-factor models (3-factor: RMSEA = .06, SRMR = .04; 1-factor: RMSEA = .13, SRMR = .10; 2-factor: RMSEA = .10, SRMR = .07). These results suggest that the three-factor model fit the data better than the other models did. The range of standardized factor loadings for the three-factor model was .65 to .75 for dedication, .30 to .83 for internal service, and .52 to .68 for psychological climate for service.

To address any concerns about overlap between the internal service and service climate constructs, we also conducted discriminant validity analyses (Fornell & Larcker, 1981). The results supported our prediction that they are indeed

separate constructs, as the variance extracted from each factor (internal service = .42 and service climate = .35) was larger than the squared correlation between the two constructs (.30). Therefore, we concluded that our measurement model fit the data as expected.

Finally, we also used CFA to assess whether common method variance may have had significant influence over the results, given that all constructs were measured using self-report (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003; Williams, Cote, & Buckley, 1989). To do this, we conducted a CFA for all survey items, allowing every item to load on its respective construct and on an uncorrelated latent variable (a method factor). The average variance explained by the method factor was 23%, which is slightly less than the 25% average reported in Williams et al. (1989). Moreover, the addition of the method factor from the baseline model (only our constructs) did not significantly improve model fit. Therefore, we believe the threat of common method bias for the study was no worse than previously published studies utilizing self-report data.

### Statistical Analyses

Because participants were grouped into regions, the authors first conducted an analysis of variance (ANOVA) to determine the effect of group membership on dedication. The intraclass correlation was very small ( $ICC [1] = .006$ ), and the ANOVA was not significant ( $F = 1.35, p = .12$ ). Hence, the authors concluded that variance between regions would not significantly affect the results. We grand-mean-centered the predictors and conducted hierarchical moderated regression in three steps to test the hypotheses. First, we entered the statistical main effects of three control variables. Then, we entered the statistical main effects of psychological climate for service and internal

service. Last, we entered the cross-product term. We used this ordering to calculate the unique variance explained by each set of predictors.

## Results

Table 2 presents descriptive statistics and inter-correlation matrix. Psychological climate for service and perceived internal service were related to dedication in the expected directions ( $r = .35$  and  $.24$ , respectively;  $p < .01$ ). Psychological climate and internal service were also significantly related to each other ( $r = .50, p < .01$ ), but this appears to support the authors' contention that they are conceptually distinct constructs. Of the three control variables, only age was significantly related to dedication ( $r = .10, p < .01$ ).

Table 3 presents the results of the hierarchical moderated regression analyses. In Step 1, we entered the control variables. Only age was significant ( $b = .06, p < .01$ ); the model accounted for only 1% of the variance in dedication. In Step 2, we added the statistical main effects of psychological climate and internal service; both were significant ( $b = 0.39$  and  $0.07$ , respectively;  $p < .01$ ), and the model accounted for 13% of the variance in dedication ( $\Delta R^2 = .12$ ). Therefore, Hypotheses 1 and 2 (psychological climate and internal service predicting dedication, respectively) were supported. In Step 3, we added the cross-product term. It also added significant unique variance ( $b = 0.16, p < .01; R^2 = .14; \Delta R^2 = .01$ ), providing preliminary support for Hypothesis 3.

The  $\Delta R^2$  was a sufficient effect size to warrant further investigation, so we proceeded with plotting the form of the interaction (Dawson & Richter, 2006; Stone & Hollenbeck, 1989). We plotted three lines and calculated simple slope estimates for the climate–dedication relationship

**Table 2**  
**Descriptive Statistics and Intercorrelations of Study Variables**

	1	2	3	4	5	6
1. Dedication	(0.79)					
2. Psychological Climate for Service	−0.35*	(0.79)				
3. Internal Service	−0.24*	0.50*	(0.76)			
4. Tenure	0.04	0.04	0.01	–		
5. Age	0.10*	0.001	0.02	0.26*	–	
6. Gender	0.02	0.11*	−0.03	0.04	−0.03	–
Mean	4.06	3.97	3.36	4.00	3.25	1.72
Standard Deviation	0.65	0.51	0.72	1.10	1.02	0.45

Note: Coefficient alphas are presented in parentheses in the diagonal.  $N = 1377$ . \* $p < .01$ .

at low, average, and high levels of internal service (+/− 1 SD and the mean). As shown in Table 4 and Figure 1, the strongest positive association between climate and dedication emerged among individuals perceiving high levels of internal service. The highest overall levels of dedication occurred for employees perceiving high levels of both climate for service and internal service. All levels of internal service were associated with a positive climate–dedication relationship. However, among individuals with scores at one standard deviation below the mean of climate, internal service had essentially no relationship with dedication. In contrast, among individuals with scores at one standard deviation above the mean of climate, internal service yielded a difference of .39 standard units of dedication. Considering Cohen’s (1988) categories of effect sizes  $-.20 =$  small,  $.50 =$  medium, and  $.80 =$  large, the association of internal service with dedication was medium-low only at high levels of service climate.

In other words, differences in internal service mattered primarily among workers perceiving high levels of climate for service. This supported Hypothesis 3.

## Discussion

Applying COR theory (Hobfoll, 1989), we investigated the relationships between psychological climate for service, perceived internal service, and frontline customer-service employee dedication. In doing so, we shed light on the interactive effects of resources offered via two differing avenues. Consistent with our predictions, both psychological climate for service and internal service exhibited significant associations with employee dedication (Hypotheses 1 and 2), but a significant statistical interactive effect also emerged (Hypothesis 3). The most robust, positive climate–dedication relationship emerged when internal service was high; this fully supported Hypothesis 3. When

**Table 3**  
**Dedication Regression Statistics**

Model	Predictor	b	Standard error	$\beta$	t
1	<i>Adjusted R<sup>2</sup> = .01</i>				
	Tenure	0.01	0.02	0.01	0.44
	Age	0.06**	0.02	0.10	3.57**
	Gender	0.04	0.04	0.03	1.01
2	<i>Adjusted R<sup>2</sup> = .13; <math>\Delta R^2 = .12^*</math></i>				
	Tenure	0.0002	0.02	0.0003	0.01
	Age	0.06**	0.02	0.10	3.81**
	Gender	-0.01	0.04	-0.01	-0.20
	Psychological Climate for Service	0.39**	0.04	0.31	10.48**
	Internal Service	0.07**	0.03	0.08	2.85**
3	<i>Adjusted R<sup>2</sup> = .14; <math>\Delta R^2 = .01^*</math></i>				
	Tenure	-0.0003	0.02	-0.001	-0.02
	Age	0.06**	0.02	0.10	3.79**
	Gender	0.002	0.04	0.001	0.05
	Psychological Climate for Service	0.39**	0.04	0.31	10.52**
	Internal Service	0.08**	0.03	0.09	2.99**
	Psychological Climate for Service $\times$ Internal Service	0.16**	0.04	0.10	4.14**

Note: \*  $p < .05$ , \*\*  $p < .01$ .

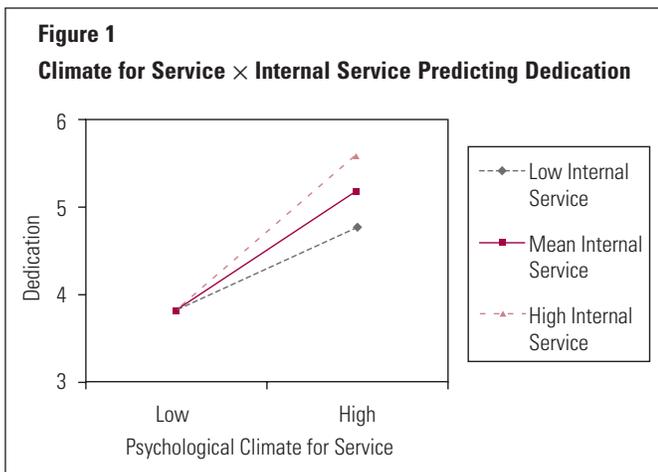
internal service and climate for service were both high, employees experienced the highest levels of dedication compared to other climate-internal service combinations. Further, when psychological climate was high, the largest difference in overall dedication emerged between high versus low levels of perceived internal service, highlighting the importance of this less-studied construct.

The  $R^2$  values were modest in this study, suggesting that the associations of psychological climate for service and internal service with employee dedication are modest (yet significant). Therefore, if managers focus on these issues, they may experience modest (yet significant) results in terms of employee dedication. These findings are likely to have important ramifications and even

**Table 4**  
**Simple Slopes**

Level of Internal Service (Moderator)	Slope Between Psychological Service Climate and Dedication	Slope Standard Error	<i>t</i> statistic ( <i>df</i> = 1373)
Low (−1 SD)	0.27	0.04	7.02**
Mean	0.39	0.03	12.33**
High (+1 SD)	0.51	0.04	13.03**

Note: \*\* *p* < .01.



modest benefits may grow exponentially over time in terms of benefits for employees and the organization. We suggest that the service environment requires high-quality interpersonal interaction and on-the-spot problem solving, both of which are likely successfully provided by dedicated employees. Organizational resources provided by high-quality internal service may have a compounding effect on the local unit resources available to frontline employees via a favorable psychological climate for service. Together, these service-oriented resources have interactive effects, perhaps by allowing employees to feel efficacious while efficiently delivering high-quality customer service. As a result, employees may become increasingly dedicated to their work. Therefore,

both categories of service-related resources are important not only to customer outcomes (as in past research; Ehrhart et al., 2011), but also to employee-level outcomes.

## Research Implications

Building on emotion research, these findings suggest that in addition to their impact on customer-oriented outcomes and emotion regulation processes, individual perceptions of climate for service and internal service affect at least one indicator of individual well-being: dedication. Moreover, because their joint effects are interactive, high psychological climate for service may not be sufficient in fostering dedication if employees do not also receive sufficient internal service. This provides empirical support for Hobfoll's (1989) assertions in COR theory that resources can be enhanced by availability of other resources, resulting in a compounding effect. Further, the loss of resources can result in a loss spiral, resulting in the cascading loss of other resources. Although scholars have emphasized that customer service employees face high risk in terms of experiencing strain (Singh, Goolsby, & Rhoads, 1994), researchers have not yet tested the ways in which service-related resources may mitigate this risk. Future research might explore the mechanisms suggested

here in more detail to uncover how climate for service and internal service affect employees as antecedents of well-being.

These results may also contribute to the knowledge base on psychological climate. By analyzing individual perceptions of climate, the authors highlighted their link with customer-service employee dedication. This is a contribution because most previous climate research has focused on organizational outcomes, including customer satisfaction. Employee outcomes are just as important, because they influence customer outcomes (e.g., customer service) in addition to important organizational expenditures (e.g., turnover, training, selection, employee morale; Schneider & White, 2004). Future research can build on these findings by explicitly measuring the mechanisms through which perceptions of climate influence individual outcomes.

## Practical Implications

Extant research suggests that highly dedicated and otherwise engaged employees may deliver higher-quality service than less dedicated employees because they are intrinsically committed to delivering error-free “service with a smile” (e.g., Brown & Lam, 2008; Liu & Yang, 2006; Tsai, 2001). Our results reveal straightforward, potentially low-cost actions that managers in service organizations can take to foster employee dedication. First, both climate for service and internal service are important as specific management priorities. To foster favorable psychological climate for service, managers can tailor communication to emphasize support in service-oriented activities; provide training on relevant processes, policies, and technology; and build support networks among employees in their workgroup to motivate and enable everyone to deliver high-quality service. To

improve internal service, managers at all levels may consider what local and organizational resources they offer to their own workgroups and other workgroups. When frontline supervisors find their employees are not receiving adequate support from other units, the results of this study suggest it is particularly important they take action, appealing to upper-level management for assistance and cultivating strategic relationships with support units.

These suggestions are particularly critical if frontline supervisors detect waning employee dedication within their workgroup. If they suspect that employees are becoming cynical or frustrated, they might be inclined to take quick action by addressing psychological climate. This may include providing training, revisiting policies, and empowering employees as they interact in real time with customers. They can also directly assist frustrated employees or facilitate employee mentoring to increase support among coworkers. However, it may also be possible to address internal service issues quickly by appealing to managers in other organizational units or higher management; these results suggest this step may be critical in assuring psychological climate for service is effective in improving employee dedication. These recommendations are particularly relevant for frontline employees in stressful customer service work, but they may also apply to employees in nonservice roles who rely on internal service to complete their work.

## Limitations

We note a few limitations of the present study. First, the organization required that we use fewer survey items than we preferred. To mitigate issues related to using nonvalidated scales, we adapted select items from valid, published scales, tailoring

them to these specific jobs. Although the CFA was supportive of the three-factor measurement model with our chosen items, replication with established measures is desirable. Second, the organization was also concerned with privacy, which prevented the collection of branch-level data. Therefore, although perceptions of climate likely vary by branch, the data did not provide sufficient assessment of this factor. On a related note, we were also unable to collect actual customer satisfaction or revenue data. These outcomes would empirically clarify the true value of employee dedication and determine whether findings are consistent with research suggesting that dedication affects these important organizational outcomes (Halbesleben & Wheeler, 2008; Harter et al., 2002; Schaufeli & Bakker, 2003). Third, the results may suffer from common method bias, as we measured all variables using self-report methodology at one point in time. According to empirical tests, however, common method bias only accounted for 23% of the variance, and addition of the method factor into the measurement model did not improve model fit. The fact that we found a significant interaction suggests that common method bias is not driving our results, because interactions are difficult to detect, particularly if the variables are too highly correlated. Common method bias may be no more a concern for this study than for previously published studies. As always, replication with multisource data would increase confidence in the validity of our assertions. Finally, this study design was correlational, which prevents the researchers from drawing any causal conclusions. Indeed, the level of dedication may affect perceptions of service climate and internal service. Salanova et al. (2005) positioned engagement as an antecedent to service climate. We cannot rule out this possibility with these data, but the results of other longitudinal studies concur

with the hypothesized direction of effects (e.g., Hakanen et al., 2008; Maslach & Leiter, 2008). Future longitudinal studies may clarify which direction is most accurate, or if the effects are reciprocal.

## **Future Research and Conclusions**

This study is only a first step and raises numerous ideas for future research. First, investigating the cross-level effects of branch-level service climate on individual-level outcomes is an important next step. Second, future research that explores the vigor and absorption dimensions of engagement is necessary to understand the development of overall engagement, as well as the differences in development of the three dimensions of engagement. Scholars might also empirically explore the process behind these results by considering mediators of this relationship, including perceptions of available resources, motivational and empowerment processes, and individual differences in resource usage. For example, conscientiousness and emotional stability may determine whether employees notice and utilize resources that would help them perform their jobs most effectively and efficiently (Perry, Witt, Penney, & Atwater, 2010). Moreover, if resources are available but not properly utilized, the overall levels of engagement experienced may still be low despite high climate for service or high internal service. Burnout is another area in which these relationships have not yet been explored. Future research might explicitly assess relationships between service-related resources and burnout versus engagement. Finally, linking service-related constructs and engagement to organization-level outcomes, such as customer satisfaction and revenue, is an important next step. Although some previous studies have explored these relationships (e.g., Salanova

et al., 2005), none to the authors' knowledge have included engagement as an outcome of service climate or internal service. If a more complex model is supported in which service climate and internal service interact to predict both employee and customer outcomes, researchers could clearly communicate the dollar value of service-related resources on the organizational bottom line. Employee overall health and engagement appear to be important in maintaining high levels of customer satisfaction and loyalty, and service-related resources may enhance these outcomes. This trend positions employee well-being as a broad area worthy of continued attention in the service literature. ♦

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## Appendix: Survey Items

### Dedication Items

1. The work is interesting and challenging.
2. I feel a sense of community and being a part of a larger effort to accomplish something important.

3. I am accomplishing something worthwhile and beneficial.

### Internal Service Items

1. The support departments in this organization understand our goals.
2. Across departments, we receive excellent service in support of our efforts to serve our customers.
3. Across business units or markets, we receive excellent service in support of our efforts to serve our customers.
4. My department receives high-quality service from other departments.
5. Salespeople receive timely support from other units.

### Psychological Climate for Service Items

1. We have written standards that define high-quality customer-service levels.
2. We have effective procedures to resolve customer-service problems.
3. Management here recognizes or rewards employees who provide high-quality service.
4. Procedures make it easy for customers to do business with us.
5. We serve the customer in a timely manner.
6. We have the authority we need to resolve customer issues.
7. We know how customer service is measured in our work.

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