

Service Leadership and Its Influence on Customer Orientation, Adaptive Selling, In-role Performance, and Service Recovery Performance

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ABSTRACT

Recently, due to the vital role of customers and the growing need for understanding all aspects of customer engagement by providing access to sufficient information about different services and various methods of service delivery, it is crucial to identify challenges associated with interacting with customers and maintaining long-term relationships with them, such as significant factors affecting hotels' profitability and stability. The current study aims to investigate the impact of service leadership on variables such as customer orientation, adaptive selling, service recovery performance, and in-role performance. A questionnaire-based survey was used to collect data from 93 participants chosen through simple random sampling from 145 employees and managers working in the service sectors of two-star and higher-rated hotels in Isfahan City, Iran. The results of statistical analysis, obtained via LISREL software through structural equation modeling, indicated that service leadership had a strong and positive influence on customer orientation, adaptive selling, service recovery (organizational citizenship behavior), and in-role performance (job performance). However, the minimum influence was observed in adaptive selling. It was also indicated that customer orientation had the most significant impact among all variables. Recommendations for further research are also presented.

Keywords: *service leadership, customer orientation, organizational citizenship behavior, adaptive selling, in-role performance, service recovery performance*

INTRODUCTION

For many years, leadership has been a crucial issue in organizational behavior and management literature (Lee & Huang, 2019). Leadership plays a fundamental role in achieving organizational aims and improving organizational growth (Ghavifekr & Adewale, 2019). Researchers have confirmed that leadership positively impacts most performance outcomes, including sales enactment, job performance, customer satisfaction, customer orientation, financial performance, and organizational commitment (Anvari & Janjaria, 2023; Humphreys et al., 2003). Studies demonstrate that the leadership style prevalent in organizations affects the attributes of employees' performance. Moreover, leadership encourages positive behavior among employees, as well as employee engagement, which affects profitability through its influence on businesses, customer satisfaction, productivity, customer loyalty, enhanced safety, and retention (Popli & Rizvi, 2017).

Because of the critical role of leadership in performance (Saleem et al., 2019), it has been shown that superior leadership enhances job satisfaction and improves employees' performance, ultimately increasing the sustainability of business among organizations (Jermittiparsert, 2020). Researchers have emphasized that poor leadership negatively affects the performance of salespersons and can result in low performance among workers in an organization (Tehreem et al., 2013). Leadership is also essential for the success of a team. Researchers and practitioners have repeatedly shown that team leaders are responsible for their team's performance. Leadership is also used as a critical tool for achieving sustainable change and organizational goals (Hao & Yazdanifard, 2015).

Today, organizations rely heavily on their service teams because these teams can resolve mistakes quickly, identify the changing needs of their customers with more precision, collaborate and coordinate with team members to meet those needs effectively and give these organizations a competitive edge over those that do not have service teams. Therefore, these teams are an effective tool that enables managers to fulfil the needs of their customers. However, this will not be possible if the team leaders cannot elicit a strong commitment among team members to retain customers and provide high-quality services. This commitment is aimed at encouraging team members to perform adaptive selling, which involves understanding what is necessary and valuable for their work because this type of selling results in a comprehensive understanding of customers' needs and how to meet those needs effectively. Moreover, collective capability has emerged as a concept for constructing task-specific tasks that can indicate the varying levels (units from teams) of the business within organizations. Providing successful services to customers can enhance the attitude and performance

of group members, enabling them to deliver service quality at an excellent level (De Jong et al., 2008; Gully et al., 2002).

Nowadays, the market focuses on meeting customers' desires and needs (Itani et al., 2019). Customer relationship management, as a business strategy, is a key factor in establishing the satisfaction of customers as the ultimate goal of a company (De Souza Freitas et al., 2020).

The present study was carried out to examine the impact of adaptive selling on the relationship between service leadership and service recovery performance, customer orientation, and job performance. Minimal research has been conducted in the field of adaptive selling. The findings of this study can be applied to help hotel managers communicate effectively with their employees and customers and obtain more information about their actual customer needs so that this information can be used in making decisions to improve staff performance and upgrade services. Therefore, according to the above facts and previous studies, the main question is whether strengthening the role of customer orientation, service recovery performance, in-role performance, and service leadership can be improved according to the mediating role of adaptive selling. In a review of the literature, it can be said that numerous studies have been carried out on the research variables, and some of these studies are referred to below:

Organizations can motivate their employees to enhance their job performance to increase their success. Considerable success is significant for achieving various business goals. For this reason, organizations should engage in different human resource management activities to encourage their employees to develop their job performance (Pujiono et al., 2020).

Research Hypotheses:

The current study presents the following hypotheses:

H1: Service leadership impacts adaptive selling in two-star and higher-rated hotels in Isfahan.

H2: Adaptive selling impacts customer orientation in two-star and higher-rated hotels in Isfahan.

H3: Adaptive selling impacts in-role performance in two-star and higher-rated hotels in Isfahan.

H4: Adaptive selling impacts service recovery performance in two-star and higher-rated hotels in Isfahan.

METHODS

This research was conducted as a descriptive survey regarding its nature and methods. The sample consisted of 105 managers and staff from the service sector of two-star and higher-rated hotels in Isfahan City. Out of this number, a total of 93 questionnaires were returned. A standard questionnaire was used for this study. Table 1 lists the indicators and related questions for service leadership, customer orientation, adaptive selling, service recovery performance, and in-role performance. The questionnaire contained five components and 25 indicators for testing the hypotheses. Face validity and content validity were employed to determine the questionnaire's validity.

Table 1. Indicators and related questions

Indicators	Related questions
Service leadership	1-5
Adaptive selling	6-10
Customer orientation	11-15
In-role performance	16-20
Service recovery performance	21-25

RESULTS

In this paper, the reliability of the questionnaire was measured using Cronbach's alpha coefficient, with the total Cronbach's alpha coefficient for the entire questionnaire being 0.84. If the alpha coefficient of all the variables is greater than 0.70, then it can be said that the data collection tool is reliable. The Kolmogorov-Smirnov test was used to assess the normal distribution of the population. In contrast, the Friedman test was used to rank the order of importance of each variable. The regression line reflected the general movement route of the scattered points in a nominal coordinate system to indicate the intensity and correlation between the variables. Figure 1 exhibits the conceptual model of the study. Descriptive statistics of the participants are shown in Table 2, and descriptive statistics of the variables are presented in Table 3. The normality of the variables was measured, and the results are given in Table 4.

Table 2. Descriptive statistics of participants

	Group	Frequency	Percent
Gender	Male	77	82.8
	Female	16	17.2
	Total	93	100
Age status	Less than 30	15	16.1
	40-31 years	24	25.8
	50-41 years	48	51.6
	More than 50 years	6	6.5
Work experience	Total	93	100
	1 to 5 years	12	12.9
	5 to 10 years	30	32.3
	10 to 20 years	47	50.5
	More than 20 years	4	4.3
Education	Total	93	100
	Diploma	16	17.2
	Associate's degree	20	21.5
	Bachelor's degree	45	48.4
	Master's degree	12	12.9
	Total	93	100

Table 3. Descriptive statistics of variables

Variable	Average
Service leadership	3.0394
Adaptive selling	3.2427
Customer orientation	3.4319
In-role performance	3.0394
Service recovery performance	3.2151

Table 4. Results of the normality test of variables

Variable	Significant level	Error value	The confirming assumption	Conclusion
Service leadership	0.070	0.05	H_0	This variable is normal
Adaptive selling	0.12	0.05	H_0	This variable is normal
Customer orientation	0.12	0.05	H_0	This variable is normal
In-role performance	0.32	0.05	H_0	This variable is normal
Service recovery performance	0.13	0.05	H_0	This variable is normal

Figure 1. Conceptual model

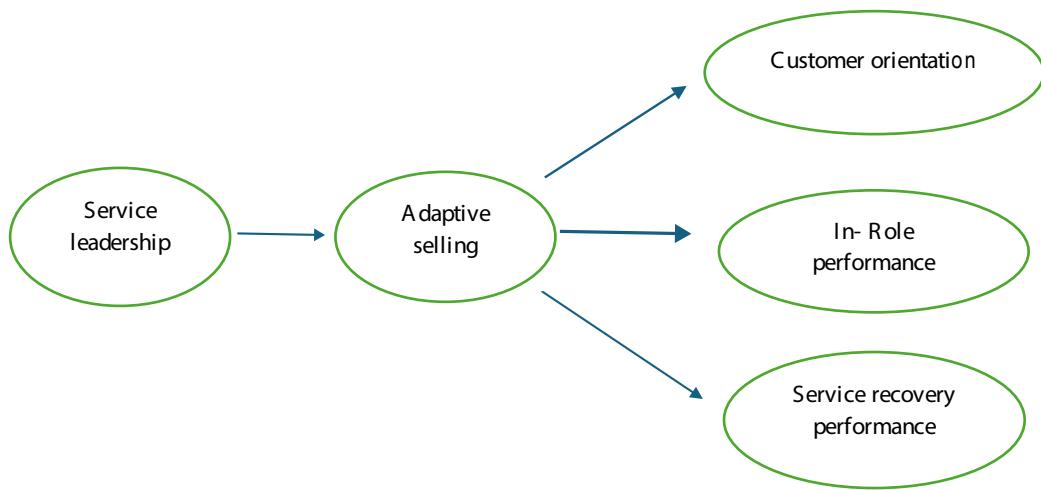


Table 5 shows the goodness of fit indices of models. According to the LISREL output, the calculated value χ^2/df was equal to 2.01. The low value χ^2/df represented the proper fit of the model, indicating that the proposed model was an appropriate model, according to the results obtained from the output of the LISREL software.

As the value χ^2/df was more than the value of the standard significance level ($\alpha = 0.5$), therefore, the proposed model was a good model. Several fitness indicators were used to assess the models in the structural equations used for the cases in this study, including root mean square error of approximation, the goodness of fit index, and the adjusted goodness of fit index. If the root mean square error of the approximation index is equal to 0.05 or less, then it is a good model.

Models that have an index of 0.1 or more have a weak fit. This indicator can be used to calculate the confidence interval. The ideal confidence interval is one with a low limit very close to zero and an upper limit not too high. As can be seen, the RMSEA of these models was low, indicating that they were in good condition. Whenever the GFI is closer to 1, the model fits better with the data. The index in this model was over 0.9, representing a good fit.

Table 5. Goodness of fit indices of models

Index title	Standard index value	Index value of the model	Conclusion
χ^2/df	Around 2	2.01	Appropriate model fit
p-value	More than 0.05	0.11	Appropriate model fit

GFI	More than 0.9	0.90	Appropriate model fit
RMSEA	Less than 0.1	0.06	Appropriate model fit
AGFI	More than 0.9	0.91	Appropriate model fit
NFI	More than 0.9	0.92	Appropriate model fit
NNFI	More than 0.9	0.91	Appropriate model fit
IFI	More than 0.9	0.93	Appropriate model fit
CFI	More than 0.9	0.096	Appropriate model fit

DISCUSSION

This study aimed to evaluate the effect of adaptive selling on the relationship between service leadership and customer orientation, in-role performance, and service recovery performance in two-star and higher-rated hotels in the city of Isfahan. The research findings showed that service leadership affected adaptive selling in these hotels. The results indicated that the regression coefficient or beta value between the effects of service leadership on adaptive selling was 0.88, which means that one unit of change in service leadership resulted in a change of 0.88 in adaptive selling. The coefficient of determination, which showed the variability of adaptive selling explained by service leadership, was 0.77, indicating a strong relationship. Since the result obtained was higher than the significance level in this research ($p > 0.05$), the hypothesis was confirmed. Therefore, it was concluded that service leadership has a positive and significant impact on adaptive selling, consistent with the findings of Aryee et al. (2019).

As shown by the results of the regression coefficient or the beta value, adaptive selling significantly impacted customer orientation in two-star and higher-rated hotels in Isfahan. The beta value of 0.81 indicated that one unit of change in adaptive selling resulted in a change of 0.81 in customer orientation. The coefficient of determination was 0.67, indicating the influence of customer orientation concerning adaptive selling, thereby reflecting a strong relationship. The hypothesis was confirmed since the impact was higher than the significance level obtained in this research ($p < 0.05$). Therefore, it was concluded that adaptive selling has a significant and positive impact on customer orientation, consistent with the findings of Sofi et al. (2020).

As the results indicated, the regression coefficient or beta value for the impact of adaptive selling on in-role performance was 0.75, showing that a change of one unit in adaptive selling created a change of 0.75 in in-role performance. The coefficient of determination was 0.57, which indicated the influence of in-role performance concerning adaptive selling, thereby illustrating a relatively strong relationship. Since the result was higher than the significance level of this research

($p < 0.05$), the hypothesis was confirmed. Therefore, it was concluded that adaptive selling significantly and positively impacts in-role performance. This finding was consistent with the results of Harindranath et al. (2019) and Inyang et al. (2018).

Adaptive selling also impacted service recovery performance in two-star and higher-rated hotels in Isfahan. As the results showed, the regression coefficient or beta value for the impact of adaptive selling on service recovery performance was 0.63, indicating that one unit of change in adaptive selling resulted in a change of 0.63 in service recovery performance. The coefficient of determination was 0.40, indicating the influence of service recovery performance regarding adaptive selling, reflecting an average relationship. Since the impact was higher than the significance level of this research ($p < 0.05$), the hypothesis was confirmed. Therefore, it was concluded that adaptive selling has a significant and positive impact on service recovery performance, consistent with the findings of Santos-Vijande et al. (2013) and Charoensukmongkol and Suthatorn (2020).

CONCLUSION

Because successful organizations in a competitive business environment develop competitive strategies based on their conditions and competitive advantages, it is recommended that the effects of these competitive strategies (cost reduction, product innovation, and quality promotion) be studied as moderator variables. Similar research should be conducted in other areas and industries to assess the external validity of the findings. Additionally, the relationship between other elements influencing service leadership should be examined. The statistical results of this study cannot be generalized to other populations. Since this study was conducted in Isfahan City, the research results cannot be generalized to the entire country of Iran due to differences in culture, demographics, interests, opinions, and perceptions. Due to the sensitivity of managers and the cultural tendency to consider information as private, some sales managers and experts may have refrained from providing certain information to the researchers. Another limitation of this study was the data collection method using a questionnaire. This method includes limitations inherent in written questionnaires, such as the impossibility of thoroughly verifying the accuracy of respondents' answers and the unwillingness of sales managers and staff to cooperate.

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