THE IMPORTANCE OF PRODUCT/SERVICE QUALITY FOR FRONTLINE MARKETING EMPLOYEE OUTCOMES: THE MODERATING EFFECT OF LEADER-MEMBER EXCHANGE (LMX)

Kristina K. Lindsey Hall, Thomas L. Baker, Martha C. Andrews, Tammy G. Hunt, and Adam A. Rapp

Drawing from a social identity perspective of the organizational identification theory, we propose a model in which product and service quality serve as antecedents to frontline employee identification with the organization, which, in turn, is proposed to be positively related to job satisfaction, commitment, and customer orientation. The model also proposes leader-member exchange (LMX), which refers to the different types of relationships that leaders (i.e., supervisors) develop with each of their subordinates (i.e., employees), as a boundary condition for the associated outcomes. The model was tested using data collected from 265 employees of a business-to-business service industry firm. The overall model was supported. All hypotheses were supported, except for the moderating effects of LMX on the relationship between organizational identification and job satisfaction.

Research addressing organizational identification has proliferated over the past two decades across several disciplines including social psychology, communication, and organizational behavior (Jones and Volpe 2011; Riketta 2005). Recently, research in marketing, particularly that related to frontline employees, has begun to utilize organizational/job identification as an explanatory construct (e.g., Gabler, Rapp, and Richey 2014; Korschun, Bhattacharya, and Swain 2014). Organizational identification refers to a feeling of oneness with the organization such that membership in the organization becomes a part of one’s self-concept (Ashforth and Mael 1989; Pratt 2000). Individuals take on the values of the organization and feel a sense of pride that results from being a member (Abrams, Ando, and Hinkle 1998; Smidts, Pruyn, and van Riel 2001).

A number of benefits, including increased job and organizational satisfaction, job involvement, citizenship behaviors, and reduced turnover intentions, accrue for organizations and their members when marketing employees possess a strong organizational identification (He and Brown 2013; Reade 2001; Riketta 2005). Beyond that, marketers have proposed that brand identification, which can be referred to as a sublevel of organizational identification, can have benefits for employees and organizations (Hughes and Ahearne 2010; Baker et al. 2014). Given the positive outcomes associated with organizational identification, researchers have sought to predict its drivers by exploring the roles of organizational socialization practices (e.g., Ashforth, Sluss, and Saks 2007), organizational properties including external prestige and attractiveness (e.g., Bartels et al. 2007; Glavas and Godwin 2013) and more recently relational identification with one’s supervisor (Sluss et al. 2012).

One specific area that has only recently has begun to be explored for its impact on organizational identification is the perceptions of frontline employees of the quality of the products and services provided by their organization. Frontline employee perceptions of quality are thought to be derived from both personal experiences and perceived external prestige (e.g., Bartels et al. 2007; Smidts, Pruyn, and van Riel 2001).
Furthermore, Arnett, Laverie, and McLane (2002) indicate that employees evaluate their work environment based on the work atmosphere, as well as the on the organization’s reputation. Accordingly, the relationship between employee perceptions regarding the quality of a firm’s offerings and perceived organizational identification may prove to be a fruitful area of research.

Frontline employees are critical for product and service delivery (Baker et al. 2014) and greatly influence customer perceptions of the service encounter (Luk and Layton 2002), emotional states (Hennig-Thurau, et al. 2006), and levels of satisfaction (Gounaris 2006; Lings and Greenley 2005). Given the importance of the frontline employee-customer relationship, understanding employee perceptions of the firm’s offerings, which will likely be communicated to customers, should be of paramount concern for managers. Moreover, how these employee perceptions translate into identification with the organization should be considered. For example, in sales organizations, identification translates into how employees represent products and services to others (Hughes and Ahearne 2010; Pratt 2000). Thus, if employees identify their firm as possessing high product or service quality, this representation can positively influence their level of organizational identification and other positive job-related outcomes. Therefore, our first research objective is to test potential drivers, specifically, product quality and service quality, for their influence on organizational identification.

Another focus of organizational identification research has been in enhancing associated job outcome variables. For example, Riketta (2005) called for additional research to shed light on potential moderators of the organizational identification-outcome relationships. Thus, a second objective of this study is to examine leader-member exchange (LMX) as a possible moderator of the relationships between organization identification and job satisfaction, organization commitment, and customer orientation. LMX, which is grounded in social identity and social exchange theories (Ilies, Nahrgang, and Morgeson 2007), refers to the different types of relationships that leaders (i.e., supervisors) develop with each of their subordinates (i.e., employees). Previous studies (Gerstner and Day 1997; Ilies, Nahrgang, and Morgeson 2007) show that performance at the individual, group, and organizational levels can be significantly impacted depending on the type of relationship established with the leader. Specifically, a central tenet of LMX theory is that employee attitudes and behaviors in a work-specific context are largely dependent on the treatment from and relationship with the supervisor. It follows that employees may benefit or suffer from levels of high- or low-quality LMX, respectively (Graen and Uhl-Bien 1995; Graen 1976). Employees in high-quality relationships may experience greater status, job satisfaction, and commitment (Rockstuhl et al. 2012). Additionally, employees engaged in high-quality LMX relationships with their managers are able to develop higher levels of respect, trust, and loyalty, as well as receive more attention from them (Cropanzano and Mitchell 2005; Scandura, Graen, and Novak 1986). Consequently, in this study, we suggest high LMX can enhance the positive outcomes associated with employee organization identification.

The present study makes a number of contributions to the emerging literature pertaining to the management of frontline employees in marketing organizations. First, this study investigates how two critical marketing variables, frontline employee perceptions of firm product quality and service quality, affect organization identification. This investigation addresses the call for research (Boshoff and Mels 1995; Riketta 2005) that takes into account employee evaluations in determining the quality of service delivery. Second, by incorporating LMX in a framework comprised of more traditional marketing constructs, we provide insights into how the LMX research stream can contribute to our current understanding of the role of LMX in marketing by analyzing it as a potential moderator of the organizational identification-employee outcomes relationships. This contribution is important because it may identify a mechanism for strengthening favorable outcomes associated with organizational identification, particularly ones shown to be critical with regard to customer perceptions of the firm’s product/service delivery.

Further, we believe our research will be interesting in a number of managerial contexts. Many firms recognize the importance of product quality relative to firm performance, but ours is one of the few studies that links enhancement in product quality to specific frontline employee responses. By doing so, we highlight even further the importance of product quality as not only a critical direct contributor to firm performance, but as a factor that also indirectly leads to enhanced outcomes.
via its impact on frontline employee behaviors. The same is true with regard to the impact of service quality. As firms increasingly engage in service infusion activities (Fang, Palmatier, and Steenkamp 2008), our findings concerning the positive impact of service quality on employee identification and, ultimately, on desired outcomes will become applicable to a broader range of firms. Finally, the positive impact of LMX highlights the proactive role managers should play in enhancing the service/product quality → organizational identification → outcomes links revealed in our research.

The hypothesized model is shown in Figure 1. Product quality and service quality are expected to be positive drivers of organizational identification. Additionally, organizational identification is expected to be positively related to commitment, job satisfaction, and customer orientation. Finally, LMX is anticipated to strengthen the relationships between organizational identification and the outcome variables.

The remainder of the article is organized as follows. The next section discusses the hypothesis development, which includes a conceptual overview of organizational identification within the framework of social identity theory. Additionally, the primary constructs in relation to organizational identification are summarized. Next, we discuss the research methodology and analyze the results. Finally, we identify potential contributions and limitations of the study and propose avenues for future research.

**HYPOTHESIS DEVELOPMENT**

**Conceptual Overview of Organizational Identification and Social Identity Theory**

Organizational identification refers to a feeling of oneness or a strong sense of belonging with an organization (Ashforth and Mael 1989), such that a person’s beliefs about an organization may become self-defining (Hughes and Ahearne 2010). It reflects a strong psychological attachment or bond employees have with their organization (Marique and Stinglhamber 2011), which has been shown to impact various employee outcomes, such as commitment, positively. Van Dyne, Graham, and Dienesch (1994) argue that organizational identification has powerful motivational effects on a firm’s employees. Specifically, employees who have strong feelings of organizational identification are more likely to behave collectively and develop shared self-definitional characteristics (Turner 1999).

Organizational identification is rooted in social identity theory (Tajfel 1978; Tajfel and Turner 1979), which
focuses on two primary motives for identification: a need for self-categorization and the need for self-enhancement (Tajfel 1982; Pratt 1998). The former helps individuals to find a place in society while the latter focuses on the rewards derived from group membership and the degree to which their group is unique or distinctive from other groups (Wieseke et al. 2007). Social identity theory is particularly well suited to the study of antecedents and outcomes of organizational identity as both of the primary motives are relevant to organizational members. Furthermore, social identity theory has been utilized often in studies related to frontline marketing employees (e.g., Rapp et al. 2015; Underwood, Bond, and Baer 2001).

According to Tajfel and Turner (1979), there are three principles that underlie social identity theory. First, individuals attempt to achieve a positive social identity. Second, a favorable social identity is generated through comparisons made between in-groups and related out-groups such that favorable comparisons regarding the in-group will be made. Finally, if one’s social identity is not satisfactory, individuals will attempt to leave the group or improve it. These principles are consistent with the model presented in Figure 1. Specifically, individuals will increase the level at which they identify with their organization to the extent their perceptions of the organization’s product and service quality is superior to the product and service quality of other similar organizations. Further, in order to preserve their social identity, which is tied to their organizational membership, individuals will increase their level of commitment to the organization as well as display higher levels of customer-orientation.

Generally, individuals are thought to associate with others largely to enhance their self-esteem (Jones and Volpe 2011) and to maintain a positive self-concept (the totality of self-descriptions and self-evaluations subjectively available to an individual [Hogg and Abrams 1988]). Ashforth and Mael (1989) argue that as individuals continue to identify with the organization, they engage in behaviors consistent with the goals and values of that organization. Consequently, these individuals share the status and successes of the collective group. Dutton, Dukerich, and Harquail (1994) make a similar argument; they suggest individuals begin to describe themselves with the same attributes of the organization with which they identify. In other words, one’s social identity results from his or her self-concept in relation to group memberships. Likewise, it is expected that employee organizational membership influences both individual and group-related attitudes and behaviors (Dutton, Dukerich, and Harquail 1994). In this way, social identity theory underlies the relationships proposed by this research.

Quality Perceptions and Organizational Identification

While different employees may have different levels of contact with the firm’s products or services as well as different roles or functions within the organization (Dutton, Dukerich, and Harquail 1994), frontline sales and service employees are inextricably involved with the firm’s products and services. A service is considered to be a “performance” whereby production and consumption are inseparable (Brady, Bourdeau, and Heskel 2005). Consequently, we conceptualize service quality as the overall evaluation of a firm’s provision of service resulting from assessments of expectations and actual performance, and in comparison to perceptions of how similar firms should perform (Bitner, Booms, and Tetreault 1990). Similarly, product quality refers to employee evaluations of expectations versus performance, but only as they are related to a physical object provided by the firm (Brady, Bourdeau, and Heskel 2005; Kopalle and Lehmann 1995).

Previous research has indicated that there are several factors or cues that influence perceptions of quality (Hartline and Jones 1996). For example, Steenkamp (1990) suggests that quality evaluations derived from intrinsic and extrinsic cues largely determine the level of investment and involvement with a product. These cues may be even more important for the determination of service quality as there is no tangible product to evaluate in the case of services, which may increase the associated level of perceived risk (Brady, Bourdeau, and Heskel 2005).

Increasing low or maintaining high perceptions from employees of its product and service quality—particularly for customer-facing employees—is crucial for firms. These frontline service workers are often responsible for providing the product or service to customers and for delivering on the promises of the firm (Baker et al. 2014; Gilly and Wolfinbarger 1998). Consequently, employee perceptions of quality, and how these perceptions translate into attitudes and behaviors (Kimpakorn and Tocquier 2010) as well as into the level of employee effort dedicated to work, can greatly impress the customer’s evaluations of
quality. Additionally, the resulting attitudes and behaviors of employees can ultimately influence the quality of the product or service itself (Boshoff and Mels 1995).

Recent research (Ahearne, Bhattacharya, and Gruen 2005; Hughes 2013; Hughes and Ahearne 2010) has also highlighted the role that strong brands, whether related to products or services, can have on employee organizational identification. This research proposes that the quality of the outputs of the organization may be salient to employees when developing identification with the organization because they are perceived as being congruent with their own self-image. This notion is consistent with social identity theory as individuals try to achieve a favorable social identity and may do so when they possess positive perceptions of their organization's product and service quality. Hughes and Ahearne (2010) propose the idea of "brand identification," which they define as "a social construction that involves the integration of perceived brand identity (or brand image) into a self-identity" (p. 84). In other words, identification is not restricted to that which occurs between the individual and the organization. It can be further extended to include employee identification at the product or service brand level, which is called "employee-brand identification." As employees play a critical role in portraying the brand image to customers, their sense of brand identification is important for firms.

Past research has also shown that product and service quality have a positive impact on organizational reputation (Wang, Lo, and Hui 2003). Further, it is likely that product and service quality play a strong role in enhancing the status and brand image of the organization. When members perceive the organization favorably and are reassured by internal reference groups (i.e., other employees), they are more likely to identify strongly with the organization as a result of enhanced self-worth (Smidts, Pruyn, and van Riel 2001). Many marketing and sales organizations utilize socialization techniques, employee training, and cultural values to reinforce the necessity of high quality products and services for increasing both individual and organizational level outcomes (Bell and Menguc 2002; Schneider 1994). In addition to reinforcing overall product quality and service quality to enhance employee performance, these quality measures, we contend, will positively contribute to organizational identification.

Extant literature ((Bitner, Booms, and Tetreault 1990; Hennig-Thurau 2004) discusses how consumers’ perceptions of product or service quality impact the organization. We seek to extend this view by evaluating the importance of employee perceptions of product or service quality. Perceptions of how external reference groups, such as friends, family members, or customers (Celsi and Gilly 2010; Smidts et al. 2001) evaluate the character of the organization can strengthen or weaken an employees' organizational ties (Smidts, Pruyn, and van Riel 2001). Advertisements, publicity, and branding efforts, as well as social referents (i.e., competitors) are also shown to impact employees’ perceptions of their employer (Baker et al. 2014; Dutton, Dukerich, and Harquail 1994; Smidts, Pruyn, and van Riel 2001).

The successful internalization of the organization’s values by employees (e.g., high service quality)—considered a defining characteristic of organizational identification (Wieseke et al. 2007)—can increase the likelihood of employees supporting actions that are in the best interest of the firm (Baker et al. 2014; Gilly and Wolfinbarger 1998; van Knippenberg and Schie 2000). Employees incorporate the organization’s characteristics into their own self-concept, which can lead to organizational identification and attachment (Dutton, Dukerich, and Harquail 1994). The perceived quality of the organization can distinguish it from other firms in the eyes of employees thereby enhancing the “us vs. them” distinction (Smidts, Pruyn, and van Riel 2001) and increasing feelings of oneness with the organization (Mael and Ashforth 1992).

As studies have shown, the level of effort exerted on behalf of the brand corresponds to the level of identification with the brand. Furthermore, when the interests of the organization correspond to the personal values of an employee, supporting organizational goals is considered an extension of the self-concept (Hughes and Ahearne 2010). Therefore, as previous research (Hughes and Ahearne 2010; Baker et al. 2014) emphasizes, consciously selecting congruent internal and external marketing communications is critical for commitment and, we argue, for high employee perceptions of quality. These perceptions of quality may then be reinforced through the interactions of employees, customers, and managers (Bhattacharya, Rao, and Glynn 1995).
Services marketing studies have demonstrated that employee behaviors and communication efforts can affect the customer perceptions of product or service quality (Bitner, Booms, and Tetreault 1990; Hennig-Thurau 2004). Likewise, external prestige from other stakeholders, such as the actions or opinions of customers, can impact the employee perceptions of service quality (Mishra 2013). Moreover, these positive evaluations by external reference groups increase the strength of employee identification (Bhattacharya, Rao, and Glynn 1995; Smidts, Pruyn, and van Riel 2001). Therefore, it is likely that perceptions of product or service quality can increase the prestige of an organization by its stakeholders and increase employee identification with the organization.

Although we have not found extant literature that looks at the relationship between the employee perceptions of product or service quality and organizational identification, inferences can be drawn from the abundant literature on consumer perceptions of quality and organizational identification (Akdeniz, Calantone, and Voorhees 2013). Similar to way consumers prefer brands that help satisfy self-definitional needs (Bhattacharya and Sen 2003; Hughes and Ahearne 2010; Stokburger-Sauer, Ratneshwar, and Sen 2012), we suggest employees are driven by similar motivations regarding their employers.

Therefore, we propose that

**Hypothesis 1:** Product quality is positively related to organizational identification.

**Hypotheses 2:** Service quality is positively related to organizational identification.

**Organizational Identification and Commitment**

Just as one’s social identity helps to explain individual behaviors and attitudes, one’s organizational identification, under the rubric of social identity theory, helps to explain job-related attitudes and behaviors (van Knippenberg and Schie 2000). There are three forms of organizational commitment: affective, continuance, and normative (Meyer and Allen 1991). Affective commitment refers to the emotional attachment individuals develop with their organizations (Bergami and Bagozzi 2000; Kimpakorn and Tocquer 2010). Employees who are affectively committed remain with the organization because they want to be there. Continuance commitment refers to perceptions that leaving the organization is too costly and, therefore, these employees remain out of necessity. Normative commitment refers to feelings of obligation by the employees. These employees remain because they believe it is the right thing to do. While all three forms are widely recognized, affective commitment is most often considered because it focuses on the extent of employee organizational identification and commitment (Kimpakorn and Tocquer 2010).

Additionally, organizational commitment takes organizational identification one step further as it implies identification with and intentions to remain an employee of the organization. Specifically, affective commitment has the potential for motivating employees to expend additional effort on behalf of the organization (Meyer et al. 2002). It is positively related to attendance, performance, and citizenship behavior, as well as employee health and wellbeing. Stronger feelings of affective commitment result from job satisfaction (Sager and Johnston 1989), transformation-oriented leadership, empowerment, procedural justice (Park and Rainey 2007), as well as goal challenge and clarity (Allen and Meyer 1990).

Organizational identification has been strongly and positively related to affective commitment (Herrbach 2006; Jussila, Byrne, and Tuominen 2012; Marique and St inglhamber 2011). While there has been some debate regarding the distinctiveness of these two constructs, researchers generally agree they are unique (Mael and Ashforth 1992; Whetten, Lewis, and Mischel 1992). Van Knippenberg and Sleebos (2006) describe organizational identification as a “psychological oneness with the organization” while commitment reflects a “relationship between separate psychological entities” (p. 571). Mael and Ashforth (2001) note affective commitment is an attractive and positive organizational outcome. Bedeian (2007) argues strong identification strengthens the emotional attachment individuals have with their organization as they see themselves within the fate of the organization. Social identity theory further suggests individuals will act in accordance with the values of the organization in order to maintain membership. Therefore, we predict

**Hypothesis 3:** Organizational identification is positively related to affective commitment.
Organizational Identification and Job Satisfaction

Organizational identification stems, in part, from an individual’s attraction to the goals and values of the company. This leads to the notion that one’s work serves to satisfy individual needs, such as belonging and self-enhancement (Pratt 1998). Based on this logic, van Dick et al. (2007) propose individuals who strongly identify with their organization will derive satisfaction from their work, and as a result, their satisfaction increases to the extent individuals shared the same values as the organization. The relationship between organizational identification and job satisfaction has been empirically supported in several studies (Hughes and Ahearne 2010; Riketta 2005; van Dick et al. 2008). Furthermore, and consistent with social identity theory, we propose employees will experience higher levels of job satisfaction to the extent they identify with an organization that provides high quality products and services.

Therefore, consistent with previous research, we assert

Hypothesis 4: Organizational identification is positively related to job satisfaction.

Organizational Identification and Customer Orientation

In addition to employee-centered outcomes, He and Brown (2013) note performance-related behaviors represent key outcomes of organizational identification. Customer orientation, an employee’s tendency to focus on serving the needs of customers (Brown et al. 2002), has been related to a number of personality traits including extraversion and conscientiousness (Liau and Chuang 2004), emotional intelligence (Rozell, Pettijohn, and Parker 2004), and agreeableness (Brown et al. 2002). However, while it has been largely assumed customer orientation is most strongly predicted by dispositional traits, some researchers have taken a situationist perspective (Mischel 1968), suggesting the environment may play a role in the strength of an employee’s level of customer orientation (Wieseke et al., 2007). Prior research (Bitner, Booms, and Tetreault 1990; Hennig-Thurau 2004) emphasizes the importance of customer orientation as an indicator of a firm’s success. Such an orientation can greatly influence satisfaction levels and the relationship quality of customers with firms (Kelley 1992). Previous studies (Hartline, Maxham, and McKee 2000; Zeithaml, Berry, and Parasuraman 1988) recommend employees be evaluated on behavioral—rather than outcome-based characteristics. Such an approach is more consistent with a customer-oriented strategy. Wieseke et al. (2007) argue organizational identification should play a key role in the development of customer orientation. As employees identify more strongly with their organization, they take on the attitudes and values of the organization and display behaviors that are consistent with these values. These behaviors can be expected to ensure sustained organizational membership, which is desirable because they contribute to a positive social identity among members. Therefore, we posit:

Hypothesis 5: Organizational identification is positively related to customer orientation.

Moderating Factor—Leader-Member Exchange (LMX)

LMX theory emphasizes how leaders develop and determine the quality of unique relationships with each of their subordinates (Dansereau, Graen, and Haga 1975; Rockstuhl et al. 2012). Such relational differences result in different treatment of employees by managers and, consequently, different resulting employee attitudes and behaviors (Rockstuhl et al. 2012). LMX evolved from role theory (Graen 1976), whereby leaders and followers form role expectations regarding each other, into a social exchange-based theory whereby each party attempts to fulfill the expectations held by the other group. A high-quality LMX relationship consists of respect, trust, loyalty, and feelings of reciprocity (Cropanzano and Mitchell 2005; DeConinck 2011). Subordinates in high quality LMX relationships (i.e., supervisor’s in-group) have been referred to as “trusted assistants,” possess greater influence in decision making, and receive increased attention, support, and rewards, both formal and informal (Ilies, Nahrgang, and Morgeson 2007), from their managers (DeConinck 2011; Scandura, Graen, and Novak 1986). These increased levels of trust and greater resource allocation likely intensify an employee’s sense of obligation to reciprocate by improving their efforts and performance (DeConinck 2011). A low-quality LMX relationship is an economic exchange, characterized by contractual
exchanges (DeConinck 2011) based on formal agreements regarding pay for performance (Blau 1964; Dulebohn et al. 2012). These members comprise the out-group and have been referred to as “hired hands” (Dansereau, Graen, and Haga 1975).

The norm of reciprocity (Gouldner 1960) is often used to describe the motivation behind perceived obligations between supervisor and subordinate. Likewise, it is used to explain the formation of positive employee attitudes as a result of employee-leader relations (Settoon, Bennett, and Liden 1996). Positive evaluations of a leader’s level of support result in perceived high LMX relationships by employees (Settoon, Bennett, and Liden 1996). In an attempt to reciprocate positive leader contributions, members respond in beneficial ways, such as with increased performance or commitment (Rockstuhl et al. 2012). Additionally, greater employee-perceived high-quality LMX relationships, and subsequent positive behaviors from employees, are likely to increase the supervisor’s sense of reciprocity to those employees as well.

Research has examined numerous drivers and consequences of LMX. The antecedents to high LMX include personality characteristics of the follower such as extraversion, openness, conscientiousness, as well as positive affectivity (Dulebohn et al. 2012). Outcomes of high quality LMX relationships include reduced turnover, and increased commitment, satisfaction, and performance (Dulebohn et al. 2012). LMX has also been examined as a moderator of numerous relationships. For example, LMX has been found to strengthen the relationships between leader delegation and subordinate job satisfaction and performance for those in high quality LMX relationships (Schriesheim, Neider, and Scandura 1998) resulting in increased employee decision making authority in high LMX pairs (Scandura, Graen, and Novak 1986).

In the context of this study, LMX may represent a boundary condition for the relationships between organizational identification and the outcomes investigated. For example, He and Brown (2013) suggest moderators for these relationships may exist because of the modest relationships found in previous research. They further suggest the effects of organizational identification could be strengthened through feelings of empowerment, which may be acquired through the autonomy provided as a result of high-quality LMX relationships. In line with social identity theory, empowering and, thus, creating greater autonomy for employees, such as is often the case with high LMX relationships, increase self-efficacy and perceived value derived from their job, or group membership (Gounaris 2006).

According to Gerstner and Day (1997) and Rockstuhl et al. (2012), LMX generally results in positive performance and attitudinal outcomes that can include increased performance, higher satisfaction (overall and with a supervisor), stronger organizational commitment, and improved role clarity for in-group members. Additionally, studies have shown LMX is linked with job satisfaction (Gerstner and Day 1997; Rockstuhl et al. 2012) and commitment (Gerstner and Day 1997). Management and employee attitudes in this setting are likely dependent on each other, a consideration that was previously overlooked (Hartline, Maxham, and McKee 2000). In this sense, frontline employees are dependent on their manager’s perceptions of, and the degree to which they also exhibit, customer-oriented behaviors (Wieseke et al. 2007). Therefore, it is likely that LMX theory increases the effects of the relationship between organizational identification and the positive employee-related job outcomes in high LMX conditions. Given that social identity theory recognizes that individuals make comparisons between in-group and out-groups, we suspect those who experience high LMX will be more likely to experience enhanced levels of favorable outcomes.

Therefore, we propose:

\textbf{Hypothesis 6: LMX will moderate the relationships between organizational identification and (a) commitment, (b) job satisfaction, and (c) customer orientation such that these relationships will be stronger under conditions of high LMX.}

\section*{METHODS}

\textbf{Data Collection}

The data used in this study come from a U.S.-based business-to-business service industry firm. The company provides products, systems, training aids, and services to help in areas most critical to an operation’s success: guest satisfaction, operational efficiency, and employee and food safety. Employees included in this study were involved in both sales and service activities for a defined territory and customer base. Data for this study were collected as part of a larger data collection effort designed to aid the firm in identifying gaps in management preferences and employee perceptions/behaviors. The
survey was deployed via an email that was sent by the particular employee’s closest manager. All 428 service employees in the organization were surveyed and 265 (62 percent) usable responses were obtained. As to characteristics of our sample, 68 percent were male and 32 percent female. As to educational attainment, 52 percent had completed an undergraduate degree. The average age of the respondents was 37.3. The respondents reported averages of 14.3 years of industry experience and 12.9 years of experience with the current firm.

Measures

Previously utilized scales were used to measure the constructs included in the study with the exception of those for product and service quality. While a large number of measures for those constructs exist, the vast majority are from a consumer’s perspective. The few that were from an employee’s perspective were not in keeping with the objectives of the sponsor firm. Accordingly, based on a review of the relevant literature, we developed three-item measures that captured employee perceptions of the quality, value, and satisfaction of product and service quality provided by the firm. Organizational identification was measured using four items from Mael and Ashworth (1992). Four items from a scale initially developed by Allen and Meyer (1990) were used to assess organizational commitment. Customer orientation was measured using the shortened version of Saxe and Weitz’s (1982) SOCO scale proposed by Thomas, Souter, and Ryan (2001). Finally, LMX was measured using an adaptation of the seven-item scale developed by Scandura and Graen (1984). All items were measured using a scale anchored by 1 (Strongly Disagree) and 7 (Strongly Agree). Means, standard deviations (SD), and correlations among all the constructs are provided in Table 1.

Analytical Procedures

The analysis was conducted in two stages. The first stage consisted of the measurement assessment and the tests of the linear effects paths detailed in H1–H6. Accordingly, all items used to measure the constructs were submitted to a confirmatory factor analysis via LISREL. We also calculated composite reliability scores to assess the reliability of the scales items for each construct, assessed discriminant validity, and common method variance. Next, we tested the proposed moderating effects of LMX highlighted in Hypotheses 6a–c. Although a number of methods have been proposed for testing moderating effects in structural equation models, Cortina, Chen, and Dunlap (2001) propose that the method suggested by Mathieu, Tannenbaum, and Salas (1992) is more “straightforward conceptually and operationally” and performed well in the assessment they conducted relative to four other methods (p. 357). We chose covariance-based SEM for a number of reasons. First, SEM is largely confirmatory rather than an exploratory technique that allows us to test our theoretically grounded model. Second, SEM allows us to test the latent variables and assess the overall measurement and fit of both the hypothesized model and the individual constructs. Third, the simultaneous estimation of hypothesized paths permits the researcher to examine interrelationships within the framework without the requirement of estimating separate models. We, therefore, tested the interaction effects using the procedure discussed below.

RESULTS

Measurement and Linear Effects Assessment

A covariance matrix created from the 29 items used to measure the seven constructs in the model presented in Figure 1 was submitted to a confirmatory factor analysis using LISREL. The model was estimated using maximum-likelihood. The initial fit to the data was quite good. Although the chi-square value was not significant ($\chi^2 = 699.74$ (356), $p = .00$), other fit indices were well within the range indicative of an excellent fit.

### Table 1

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product Quality</td>
<td>5.54</td>
<td>1.31</td>
<td>.90</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Service Quality</td>
<td>5.60</td>
<td>1.29</td>
<td>.72</td>
<td>.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Organizational</td>
<td>5.76</td>
<td>1.23</td>
<td>.60</td>
<td>.58</td>
<td>.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. LMX</td>
<td>5.23</td>
<td>1.49</td>
<td>.44</td>
<td>.49</td>
<td>.73</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Commitment</td>
<td>5.96</td>
<td>1.06</td>
<td>.53</td>
<td>.50</td>
<td>.69</td>
<td>.44</td>
<td>.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Job Satisfaction</td>
<td>5.28</td>
<td>1.26</td>
<td>.56</td>
<td>.51</td>
<td>.69</td>
<td>.39</td>
<td>.47</td>
<td>.64</td>
<td></td>
</tr>
<tr>
<td>7. Customer</td>
<td>6.02</td>
<td>1.02</td>
<td>.60</td>
<td>.57</td>
<td>.65</td>
<td>.53</td>
<td>.55</td>
<td>.80</td>
<td>.79</td>
</tr>
<tr>
<td>Orientation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: 1 SD = Standard deviations
2 Average variance extracted values on diagonal
3 All correlations significant at $p < .01$. 
Following suggestions by Hu and Bentler (1999), we chose to use a number of fit indices to provide a broad assessment of model fit. Following their suggestions, we chose to use SRMR as an absolute fit index, IFI as a measure of relative fit, and RMSEA as a noncentrality-based measure. Fit values of < .08, > .95, and < .08, respectively, provide evidence of acceptable fit (Hu and Bentler 1999). In our case, the values were .04 for the SRMR, .058 for the RMSEA, and .96 for IFI. Thus, we believe the data provide a good fit to the model. We will note that we tested a model that did not contain organizational identification to assess the extent to which the inclusion of organizational identification adds to our model. The chi-square value for the alternative model ($\chi^2 = 574.74$ (200)) was significantly worse than that for the hypothesized model, thus providing additional support for the linear effects model tested above.

Completely standardized parameter estimates are provided in Table 2 along with standard errors and composite reliabilities for each construct. Convergent validity is evidenced by levels of reliability above .70 and highly significant loadings by each item on the proposed construct (Gerbing and Anderson 1988). As can be seen in Table 2, the measures pass these tests as the lowest composite reliability value is .83 for job satisfaction and all items load at a significance level of p < .001. Discriminant validity was assessed using the procedure suggested by Fornell and Larcker (1981) in which the average variance extracted (AVE) for each pair of constructs is compared to the shared variance between those constructs. Discriminant validity is evident when the shared variances are less than the AVE for each pair of constructs. All of the constructs passed this test although the AVE for job satisfaction (.64) was equal to the variance it shares with commitment. Reliability is evidenced by the fact that the lowest composite reliability value is .83, well above the suggested level of .7 (Fornell and Larcker 1981).

After assuring the measurement properties of the items used to measure the constructs, a test of the structural paths proposed in the hypotheses and in Figure 1 was conducted. This model did not include LMX, which will be included in the next phase of the analysis. The model provides an adequate fit to the data based on the Hu and Bentler (1999) criteria described above ($\chi^2 = 699.74$ (356), $p = .00$; RMSEA = .74; IFI = .95; SRMR = .07). All hypotheses receive support. Both

<table>
<thead>
<tr>
<th>Items</th>
<th>Parameter Estimate (Standard Error)</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I believe ____’s products are of high quality</td>
<td>.97$^{ab}$</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>I believe ____’s products provide a high level of value.</td>
<td>.97</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.021)</td>
<td></td>
</tr>
<tr>
<td>I believe customers are very satisfied with the products provided by ____</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.030)</td>
<td></td>
</tr>
<tr>
<td><strong>Service Quality</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I believe the service provided by ____ is of high quality</td>
<td>.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>I believe the service provided by ____ is of high value.</td>
<td>.96</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.028)</td>
<td></td>
</tr>
<tr>
<td>I believe customers are very satisfied with the service provided by ____</td>
<td>.89</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.034)</td>
<td></td>
</tr>
<tr>
<td><strong>Organizational Identification</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>When someone criticizes ____ it feels like a personal insult.</td>
<td>.81</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>I am very interested in what others think about ____</td>
<td>.89</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.050)</td>
<td></td>
</tr>
<tr>
<td>When I talk about ____ I usually say “we” rather than “they.”</td>
<td>.86</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.057)</td>
<td></td>
</tr>
<tr>
<td>____’s successes are my successes.</td>
<td>.83</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.061)</td>
<td></td>
</tr>
<tr>
<td><strong>Customer Orientation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My customers and I feel close together.</td>
<td>.83</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>I help my customers achieve their goals.</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.050)</td>
<td></td>
</tr>
<tr>
<td>I understand my customer’s needs.</td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.048)</td>
<td></td>
</tr>
<tr>
<td>I achieve my goals by helping the customer meet theirs.</td>
<td>.93</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.049)</td>
<td></td>
</tr>
<tr>
<td>I keep my customer’s best interests in mind when working for them.</td>
<td>.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.052)</td>
<td></td>
</tr>
<tr>
<td><strong>Commitment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would be very happy to spend the rest of my career with ____</td>
<td>.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(c)</td>
<td></td>
</tr>
<tr>
<td>I feel “emotionally attached” to ____</td>
<td>.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.056)</td>
<td></td>
</tr>
<tr>
<td>I feel a strong sense of “belonging” to ____</td>
<td>.94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.053)</td>
<td></td>
</tr>
<tr>
<td>I owe a great deal to ____</td>
<td>.82</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(.059)</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
product quality (γ = .43, p < .05) and service quality (γ = .31, p < .05) are significantly and positively related to organizational identification, which, in turn, is significantly and positively related to commitment (β = .73, p < .05), customer orientation (β = .70, p < .05), and job satisfaction (β = .73, p < .05). Figure 2 provides the conceptual model with the parameter estimates.

To test the moderating effects of LMX on the relationships between organizational identification, commitment, and job satisfaction, the procedure recommended by Mathieu, Tannenbaum, and Salas (1992) was used. First, parceled scores were created for each construct, including LMX, by calculating the average for the items used to make up that construct.

In order for the model to be estimated, paths from the constructs to their respective parceled measures were fixed at the square root of their reliability. The error variances were fixed at a value equal to the variance for the parceled value, times one, minus its reliability (Jöreskog and Sörbom 1993). This additive model was then estimated and values from it were used as inputs into an equation presented by Bohrnstedt and Marwell (1978) that allows the calculation of the reliability of the interaction term. This calculation was used, in turn, to fix the measurement path and error variance of the interaction term in order to determine if any moderating effects exist. Prior to creating the interaction terms, organizational identification and LMX were mean-centered.

The chi-square value for the additive model was 518.24 (10) while the value for the model including the interaction terms was 509.14 (12). The difference between the two chi-square values is significant (p = .01), indicating the model including the interaction terms provides a better fit to the data. The parameter estimates for the paths from the interaction terms to the outcome variables indicate that two of the proposed moderating effects are significant. The parameter associated with the interaction of LMX on the relationship between organizational identification and commitment is significant and positive (γ = .25, p < .05) as is the parameter associated with the interaction of LMX on the relationship between organizational identification and customer orientation (γ = .23, p < .05). However, there is no interaction of LMX on the relationship between organizational identification and job satisfaction (γ = .01, p > .05). We will also note that the paths from LMX to each of the outcomes are also significant (LMX -> commitment: γ = -.27, p < .05; LMX -> satisfaction: γ = .35, p < .05; LMX -> customer service: γ = -.27, p < .05).

The positive interaction terms, taken with the positive paths from organizational identification to commitment and to customer orientation found in the structural model test from above, indicates that as LMX increases, so do the relationships between organizational identification and commitment and customer orientation. Put another way, while an employee’s identification with the firm can enhance commitment

<table>
<thead>
<tr>
<th>Items</th>
<th>Parameter Estimate (Standard Error)</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Satisfaction</strong></td>
<td></td>
<td>.83</td>
</tr>
<tr>
<td>I am satisfied with my territory and my customers.</td>
<td>.64</td>
<td>(c)</td>
</tr>
<tr>
<td>Generally speaking, I am very satisfied with my job.</td>
<td>.91</td>
<td>(.117)</td>
</tr>
<tr>
<td>I am general satisfied with the kind of work I do in this job.</td>
<td>.79</td>
<td>(.106)</td>
</tr>
<tr>
<td><strong>Leader Member Exchange</strong></td>
<td></td>
<td>.91</td>
</tr>
<tr>
<td>I am aware of how satisfied my general manager is with what I do.</td>
<td>.85</td>
<td>(c)</td>
</tr>
<tr>
<td>My general manager understands my job problems and needs.</td>
<td>.87</td>
<td>(.059)</td>
</tr>
<tr>
<td>My general manager recognizes my potential.</td>
<td>.86</td>
<td>(.056)</td>
</tr>
<tr>
<td>My general manager will use his/her power to help me solve problems in my work.</td>
<td>.89</td>
<td>(.057)</td>
</tr>
<tr>
<td>My general manager would “bail me out” at his/her expense.</td>
<td>.73</td>
<td>(.071)</td>
</tr>
<tr>
<td>I have enough confidence in my general manager that I would defend and justify his/her decision if he/she were not present to do so.</td>
<td>.88</td>
<td>(.055)</td>
</tr>
<tr>
<td>I have a very good working relationship with my general manager.</td>
<td>.88</td>
<td>(.050)</td>
</tr>
</tbody>
</table>

Notes: ^a^ Completely standardized parameter estimates
^b^ All parameter estimates significant at p < .001
^c^ Item was fixed at 1 to set the metric for the other items
and customer orientation, these relationships are strengthened by high levels of LMX.

DISCUSSION

As has been suggested elsewhere, frontline employees are a critical element with regard to ensuring positive outcomes from customers, whether those customers are the ultimate consumer or a business-to-business customer (Baker et al. 2014; Hughes and Ahearne 2010). Accordingly, a theme within the emerging frontline employee management literature has been how to best manage these employees to maximize customer relationships. This research has borrowed extensively from existing work set in a broader organizational context while formulating theoretical and managerial implications for those engaged in primarily marketing-related tasks. That is the objective of our article in drawing from existing organizationally developed theories (social identity theory, LMX theory) and setting them firmly within an important marketing context.

Results of this study indicate support for the overall model of the proposed antecedents and outcomes of organizational identification as well as the moderating effect of LMX on the organizational identification-outcomes relationships. Specifically, frontline employee perceptions of product and service quality are positively related to organizational identification, which is, in turn, positively related to employee job satisfaction, affective commitment, and customer orientation. As predicted, high quality LMX relationships enhance the relationships between organizational identification and the outcomes of commitment and customer orientation.

Following a social identity perspective (Ashforth and Mael 1989), these findings empirically demonstrate that product and service quality serve as antecedents to organizational identification. We suggest a strong brand image, which results from frontline employee perceptions of high-quality products and services, may strengthen organizational identification as employees attempt to affiliate and identify with high status entities. As these attachments develop and employees feel united with the organization, they exhibit stronger feelings of commitment and satisfaction. As suggested by organizational identification theory, employees begin to take on the values of the organization and begin to exhibit qualities consistent with those values. We submit customer orientation is one such quality.
This research offers LMX as one boundary condition, which may enhance or deter positive employee outcomes of organizational identification. Close relationships with one's supervisor can further strengthen an employee's feelings of commitment and customer orientation that result from organizational identification. Supportive supervisors may make employees feel as though they are a vital part of the company, especially when that company produces high-quality products and services. However, low-quality relationships with one's supervisor may limit feelings of commitment and customer orientation that result from organizational identification.

Managerial Implications

The results of this study offer a number of managerial and theoretical implications. First, it may be worthwhile for managers to emphasize firm product quality and service quality in both internal and external communications. Recent research pertaining to internal marketing and/or branding would seem to be relevant here (de Chernatony and Cottam 2006; King and Grace 2010). Such perceptions help to distinguish the organization (i.e., in-group) from competitors (i.e., out-group), thus enhancing the employee's self-concept by way of positive organizational identification. As the extent of employees' identification is likely driven by both their perceptions of the firm's external prestige and their own personal evaluations of its offerings, creating a strong, cohesive brand image offers managers a mechanism for strengthening organizational identification. As organizational identification theory indicates, engaged employees are likely to internalize the qualities or values that are emphasized by the firm, such as customer orientation.

If firms ultimately want customers to perceive the organization as providing high-quality products or services, then the means by which customers develop those opinions should also be taken into consideration. One way in which customers determine the level of product or service quality is by their interaction with frontline, or customer facing, employees. As employees communicate with customers through service provision, customers use cues garnered from the service personnel's appearance, level of service provision, and behaviors in forming determinations of service quality (Wall and Berry 2007). Ultimately, therefore, employee attitudes toward the products and services of the firm are critically important for customer perceptions of the service encounter. Therefore, it is crucial that firms ensure the brand values (i.e., high-quality offerings) are disseminated among employees so they may subsequently be effectively communicated to customers (Baker et al. 2014).

Given the results of our study, firms should place greater importance on both employee perceptions of product/service quality, as well as on approaches for continually improving them. One way of doing this is via internal marketing, whereby firms view employees as internal customers that can be segmented and marketed to in order to reinforce (improve) positive (negative) employee attitudes and behaviors (Wasmer and Bruner 1991). Moreover, consistent internal communication has been shown as a mechanism for fostering organizational identification and improving employee motivation to provide higher quality service (Lings and Greenley 2005).

It is important to note, however, that prior research (Smidts, Pruyn, and van Riel 2001; Löhndorf and Diamantopoulos 2014) argues the organization does not have control over all communications about the company. As a result, stakeholders, including employees, make inferences about the product and service quality from both nonmarketing and marketing-controlled cues (Akdeniz, Calantone, and Voorhees 2013). While there is disagreement over whether various stakeholders share similar views regarding a firm's product or service quality (Bitner, Booms, and Tetreault 1990; Gowan et al. 2001; Schneider and Bowen 1985), extant research agrees that there are ways to reduce the discrepancies. First, as previously mentioned, firms can expose employees to the preferred organizational identity through internal communication or branding efforts (e.g., employee newsletters or training programs). Moreover, firms can use congruent external (e.g., advertising) branding efforts, which is also visible to all stakeholders (Löhndorf and Diamantopoulos 2014; Smidts, Pruyn, and van Riel 2001). Importantly, all communications should be perceived as consistent and authentic in order for employees to internalize the values of the firm, which they communicate (Baker et al. 2014; Parasuraman, Zeithaml, and Berry 1985; Zeithaml, Berry, and Parasuraman 1988). Consequently, employees are more likely to be customer-oriented,
and subsequently, customer perceptions of service quality are expected to increase.

As employees are also less likely to be fooled by false claims in corporate advertising due to their familiarity with the true nature of the offerings (Gilly and Wolfinbarger 1998), the firm’s message should be congruent and provide relevant information to all stakeholders. External communications can set a standard for employees to follow (Gilly and Wolfinbarger 1998) and identify expected employee contributions (Wolfinbarger and Gilly 1991). Additionally, internal communications clarify the firm’s expectations about the roles of employees (King and Grace 2009) and inform employees of organizational goals, objectives, and performance measures that can differentiate the organization among others (Dutton, Dukerich, and Harquail 1994).

Overall, organizations should foster identification among members by focusing on cohesive communication efforts that increase external prestige. Additionally, a brand’s success or failure influences the financial wellbeing of its employees. Therefore, it may be in the best interest of the organization and its employees to promote the goods or services of the firm as being of high quality (Hennig-Thurau 2004).

Furthermore, since LMX has been established as a boundary condition, organizations should foster and promote close positive relationships between employees and their supervisors. Supportive supervisors may increase self-concepts by reassuring employees of their value to the company. This may be particularly successful if employees are made to feel they are vital to the production of high-quality products and services. Such high LMX relationships increase feelings of reciprocity between managers and employees. Ultimately, this has implications for increasing firm performance, as this sense of reciprocity often involves a willingness to exert additional effort on behalf of the other. As discussed above, positive LMX results in higher levels of performance, satisfaction, commitment, and reduced turnover (Dulebohn et al. 2012). These relationships are pronounced for those in high-quality LMX relationships. For example, Paparoidamis and Guenzi (2009) found that LMX impacted the relational aspects of sales persons’ performance such that they were more effective sales people. Strong LMX relationships also favorably impact team performance (Tse 2014) as well as firm performance (Unnu and Kesken 2014). Additionally, employees in high LMX relationships may be willing to engage in brand building activities and positive word-of-mouth outside of their role in the firm (Löhndorf and Diamantopoulos 2014). Since the results of this study suggest more pronounced outcomes when employees have a high level of organizational identification, managers and organizations should foster a positive climate that includes strong LMX relationships.

Notably, there may also be negative consequences that result from LMX relationships and potentially serve as obstacles to positive employee-related outcomes. Specifically, low quality LMX relationships with a supervisor may limit the feelings of commitment, satisfaction, or customer orientation that result from organizational identification. For example, an employee may strongly identify with an organization; however, a negative relationship with a supervisor might decrease job satisfaction or level of commitment. Also, an employee’s customer orientation may be lessened when that worker feels he/she does not have the resources to live up to organizational expectations (Wieseke et al. 2007) as determined by their relationship with a manager. Consequently, employees may engage in inappropriate or deviant behaviors if they feel their “psychological contract” with management or the firm is breached (Kimpakorn and Tocquer 2010).

In sum, this research contributes to both organizational identification and LMX theory development. Our results indicate that employee perceptions of product quality and service quality do, in fact, engender feelings of organizational identification, which is then positively associated with employee commitment, job satisfaction, and customer orientation. Finally, LMX is shown to enhance the positive relationships between organizational identification for two of the proposed outcome variables: commitment and customer orientation.

Limitations and Avenues for Future Research

As with any empirical research, we acknowledge the limitations of our study, which provide avenues for future research. First, our study used cross-sectional data, thereby, raising concern about causal direction. For example, it is possible that organizational identification precedes product and service quality rather than succeeds them. It also may be that organizational identification more strongly results from dispositional factors instead of organizational factors (He and Brown 2013). Second, all of the outcomes included in the model are employee-based perceptions. Therefore,
future research might include objective outcomes such as actual performance measures or employee turnover. Finally, our data were collected from employees within a single organization, which potentially limits the generalizability of these results. Future research is needed that replicates and extends this model in other organizations and industries as well as across cultures and with longitudinal data.

Some assumptions of our model include that a high-quality LMX relationship is likely to strengthen positive employee outcomes. One caveat might be that employees who positively benefit from a formal contract (i.e., employee-perceived high salary) with the organization might still feel a sense of reciprocity regardless of the quality of their LMX relationship (Settoon, Bennett, and Liden 1996), and perform accordingly. Additionally, firms must be aware that reciprocity with a supervisor does not necessarily translate to the firm (Gerstner and Day 1997). Thus, commitment to supervisors may possibly supersede commitment to the firm. This presents a problem should a manager leave the organization.

ORCID

Kristina K. Lindsey Hall @ http://orcid.org/0000-0003-1933-2120

REFERENCES


Kimpakorn, Narumon, and Gerard Tocquer (2010), *Organizational Identities: The Mediating Role of Organizational Identification, Equation Modeling with the SIMPLIS Command Language*.


