Examining the Employee-Customer Chain in the Fitness Industry

Bosmat Makover
EXAMINING THE EMPLOYEE-CUSTOMER CHAIN
IN THE FITNESS INDUSTRY

By

BOSMAT MAKOVER

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The members of the Committee approve the dissertation of Bosmat Makover defended on
November 6, 2003.

Aubrey Kent
Professor Directing Dissertation

Akihito Kamata
Outside Committee Member

Gershon Tenenbaum
Committee Member

Michael Mondello
Committee Member

Approved:

Charles Imwold, Chair, Department of Sport Management, Recreation Management and Physical Education

The Office of Graduate Studies has verified and approved the above named committee members
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ABSTRACT

The purpose of this research was to develop and test a model of the relationship between contact-employees and customers in a sport organization based on the balanced scorecard framework (Kaplan & Norton, 1992, 1993) and the Sears’ model (Rucci, Kirn, & Quinn, 1998). Specifically, the model proposed that employee attitudes (self-efficacy, organizational commitment and job satisfaction) and behaviors (in-role job performance and organizational citizenship behaviors) impact customer level outcomes (perceived service quality, customer satisfaction and loyalty).

Data were collected from contact-employees (n = 112) and customers (n = 303) representing 20 fitness clubs in South Florida. Linear hierarchical regressions followed by Structural Equation Modeling analysis were performed to evaluate the fit of the model to the data.

The results provided support for the proposed model as employee attitudes predicted employee behaviors, and customer perceived service quality predicted customer satisfaction and loyalty. Moreover, employee variables account for 54% of the customer perceived service quality variance, and 83% of the customer loyalty total variance. Managerial implications and directions for further research are discussed.
CHAPTER 1
INTRODUCTION

There is broad agreement among researchers that a firm’s performance in service organizations is a function of both employee and customer variables. In an increasingly competitive environment, organizations must be committed to deliver quality to customers, and to continually enhance customer’s experience and satisfaction (Schneider & Bowen, 1999; Sivadas & Baket-Prewitt, 2000). Customer loyalty is a prime determinant of long-term financial performance, and can substantially increase profits (McDougall & Levesque, 2000). Employees on the other hand, are often thought of as the most valuable resource of any service organization, and as such, their attitudes (e.g., satisfaction and commitment) and behaviors (e.g., retention, absenteeism, and productivity) determine the organizations’ success and ultimate existence (Chelladurai, 1999; Mowday, 1999). As businesses face increasing competitive challenges, a strategy of developing committed, loyal, and satisfied employees holds the promise of superior financial returns (Huselid, 1995).

The business literature is saturated with managerial models (e.g., Total Quality Management, re-engineering, etc.) that were implemented by successful organizations. One such model, the balanced scorecard, was popularized by Kaplan and Norton (1992, 1993, 1996, 2000), and has increasingly been adopted by major companies from different domains (e.g., retail chain, telecommunication, and commercial companies). As part of this implementation, each organization developed its own instrument in order to simultaneously evaluate three stakeholders’ performance: employees, customers, and shareholders.

Two key principles underlie the success of for-profit organizations. First, for businesses to thrive in the long run, the expectations of shareholders, customers, and employees need to be satisfied. The second principle is that all three of these stakeholders are interrelated. Employee attitudes and behaviors impact the level of customer satisfaction and retention. In turn, customer attitudes and behaviors influence shareholder satisfaction and retention. Finally, shareholder satisfaction affects employee satisfaction through bonuses, stock options, or further investment.
in employee growth and development (Yeung & Berman, 1997). The balanced scorecard framework is presented in Figure 1. It provides a simple conceptual and diagnostic tool to ensure that companies utilize the right processes and people to drive customer and business performance. The ultimate power of the balanced scorecard framework does not lie in its conceptual elegance, but in its empirical validity (Ulrich, 1997).

![Figure 1. The balanced scorecard framework.](image)

This relatively new performance measurement necessitated the cooperation of both controllers and senior managers towards the organization’s overall vision.

The balanced scorecard framework has been utilized in several companies such as American Express, AT&T, Eastman Kodak, Sears, and Taco Bell. In Figure 2, the Sears model, which is an expansion of the balanced scorecard framework, is presented. In Sears’ model, employees’ satisfaction is represented by their attitudes about the job and the company. In turn, these attitudes influence employees’ behavior and retention. Customer satisfaction is determined by the level of service, and the value of the merchandise as perceived by the customer. Customer impression (i.e., satisfaction) determines customer retention, and recommendations to new clients. Shareholder satisfaction is established by three financial ratios: return on investment, operating margin, and revenue growth.

Sears developed a conceptual model of firm performance linking employees, customers, and shareholders in a causal chain. This model, known throughout the firm as the “Three Cs” (for the creation of compelling place to work, compelling place to shop, and a compelling place to invest), was subsequently validated with a substantial amount of data collection and econometric analysis (Rucci, Kirn, & Quinn, 1998; Yeung & Berman, 1997). Yeung and Berman (1997) describe the magnitude of these interrelationships as follows: “…for every 5%
improvement in associates behaviors, customer retention was increased by 1.3%, revenues by 1.04% and profit by 0.4%. What does this mean to Sears? It means that if Sears succeeds in improving associates behavior by 5% (e.g., from 50% to 55%), its revenue will be increased by $300 million (Sears’ current revenue is approximately $38 billion).” (p. 326)

**Figure 2. The Sears Model**

As a result of this research process, and simplicity and clarity of the message contained in the “Three Cs”, this framework had a considerable amount of credibility in the eyes of management. Data are collected on an ongoing basis on workplace, customer, and shareholder outcomes; and these data are presented to the Sears workforce on a quarterly and annual basis, including the most recent results along with the target and the stretch goals that have been set for the firm. In an effort to gain more direct feedback on employees, Sears randomly prints a $5 coupon on sales receipts, which can be redeemed if customers call an 800 number (at their convenience) and provide the store with detailed feedback about their shopping experience. For managers, total compensation is comprised of base, annual incentive, and (for the top 250
managers on the firm) long-term incentives. By restructuring the bonus system, Sears’ senior managers are encouraged to focus not only on the financial outcomes, but also on the process and capability that contribute to such outcomes (Kirn, Rucci, Huselid, & Becker, 1999; Yeung & Berman, 1997).

Most sport organizations are service-oriented, and as such, the service they deliver is characterized as: intangible (i.e., the customer cannot judge the quality of the product before actually obtaining it), perishability (i.e., the service cannot be produced and stored for future use), heterogeneity (e.g., different customers’ perceptions on the same service, the same customer perceive the same service differently in different times), and simultaneity (i.e. the service is perishable thus it has to be consumed as it is produced). Because services are produced and consumed simultaneously, the interaction between the service employee and the customer becomes a critical element for the organization for the short and long run (Chelladurai, 1999; Parasuraman, Zeithaml, & Berry, 1985).

In the sport management literature, Organizational Behavior (OB) research has not received a comparably amount of attention. Moreover, it appears that OB research has tended to focus more on work environment factors (e.g., the attributes and leader behavior of the manager), and less on the affective and behavioral outcomes of the work environment. Doherty (1998), in an extensive review of the OB literature in sport, reported that half of the studies on performance examined leader behavior alone (e.g., Doherty & Danlychuk, 1996; Smidley, 1986) and with other organizational factors (e.g., Li, 1993) as a possible determinants of employees’ performance. Several studies examined organizational effectiveness as a function of volunteers’ commitment (Cuskelly, 1995; Cuskelly, McIntyre, & Boag, 1998; Daly, 1991), coaches and athletic directors’ satisfaction in each of the three divisions of the National Collegiate Athletic Association (Freyberg, 1987; Pastore, 1994), athletes’ satisfaction and commitment to a team (Chelladurai & Riemer, 2001), customer’s satisfaction at college and university campuses’ recreational services and intramural programs (Handel, Wolter, & Young, 1994), and a normative model was suggested to create fan identification (Sutton, McDonald, Milne, & Cimperman, 1997).

A sports organization’s financial performances have been the center of attention in only a few studies. These include an overview of the financial status of professional sports leagues in North America in comparison to professional soccer teams in England (Howard & Crompton,
2002), and a comparison between three European models of sport financing and the American model (Andreff & Staudohar, 2000). In general, the models specifically examined in the sport management literature, have been quite basic, with none of them including an interaction between employees and customers’ variables.

As mentioned earlier, most of the sport management research has focused on coaches, athletes, athletic directors, and administrators and the relationship between them. However, the sport business offers a variety of different settings to study. For example, the health and fitness industry in the United States has been one of the fastest growing segments of the multi-billion dollar sports industry. The fitness industry’s total revenues for the year 2001 were $12.2 billion, with 18,203 clubs as of July 2002, and 33.8 million American members as of January 2002 (industry statistics, 2003). Prior research on fitness clubs has mainly investigated the customers perception of the service quality, satisfaction, and presented strategies to retain clients (e.g., Alexandris, 2002; Alexandris, Papadopoulos, Palialia, & Vasiliadis, 1999; Papadimitiou, & Karteroliotis, 2000; Theodorakis, Kambitis, Laios, & Koustelios, 2001). A study addressing employees’ attitudes and behaviors in this context has not yet been carried out.

**Purpose of the Study**

The purpose of this study was to evaluate the impact of employee attitudes and behaviors on customer level outcomes in the fitness industry. This study provides a more holistic perspective, and proposes to close gaps in the sport management literature, as both employees variables (i.e., self-efficacy, organizational commitment, job satisfaction, “in-role” job performance, and organizational citizenship behavior), and customers’ variables (i.e., perceived service quality, customer satisfaction, and customer loyalty) were simultaneously examined in the fitness industry.

**Significance of the Study**

First, considering the Kaplan and Norton (1992, 1993, 1996, 2000) balanced scorecard framework, and previous studies both in the organizational behavior and the marketing literature, it is evident that employees’ attitudes and behaviors in the workplace significantly and positively correlate with customers’ perceptions of the quality of the service they receive (Hatfield, Cacioppo, & Rapson, 1992; Pugh, 1997; Schneider & Bowen, 1992). Given the very strong
“service encounter”, participatory element of the fitness industry, an examination of the employee-customer chain was warranted. More specifically, assessment of both employees and customers’ attitudes and behaviors in different fitness clubs provides a more holistic perspective on the mutual relationship between these two important stakeholders, and can contribute to a more efficient organizational functioning.

Second, previous research in sport management on employees or customers’ attitudes and behaviors has been primary correlational in nature (e.g., Chelladurai & Haggerty, 1991; Handel et al., 1994; Martin, 1990; Nicholls, Gilbert, & Roslow, 1999; Wallace & Weese, 1995). Because of inherent limitations using correlational analysis, the linkage between employee attitudes and behaviors could not be directly estimated. In the current study, the fitness club was used as the unit of measurement, i.e., each club was represented by the mean value of its employees and customers variables and thus a comparison between the 20 clubs could be carried out.

Thus, to challenge the call to integrate “both theoretical and applied aspects of sport management” (Weese, 1995, pp. 242-243), to expend the understanding of organizational processes that eventually contribute to the “bottom line,” and to provide fitness club operators with practical feedback that will improve club’s operation, the current study was conducted.

Theoretical Proposition

The Sears’ model presented earlier is an example of a successful implementation of the balanced scorecard framework. However, a model that fits Sears’ environment is not necessarily appropriate to smaller organizations that are non-dependent upon one another like fitness clubs. Sears is a giant retail chain that has large financial resources and time to invest in research (i.e., a seven-year longitudinal study). Moreover, it is important to note that not all 80,000 company employees are serving customers, a factor that influenced the data analysis. In contrast, in the fitness industry, organizations vary in many aspects (e.g., for-profit vs. non-for-profit, general public vs. women only, and privately owned vs. public owned). Most organizations do not invest heavily in research of employees’ and customers’ attitudes and behaviors. A newly proposed model, specific to the fitness industry, is displayed in Figure 3.

According to the model presented in Figure 3, employees’ variables include attitudes (i.e., organizational commitment and job satisfaction), and work-related beliefs (i.e., job self-
efficacy). These variables affect directly employees’ behaviors (i.e., “in-role” job performance, and organizational citizenship behaviors). It was assumed that higher levels of employees’ job self-efficacy, organizational commitment, and job satisfaction would result in higher levels of “in-role” job performance and organizational citizenship behavior. Employees’ variables would impact customers’ variables (i.e., perceived service quality, customer satisfaction and customer loyalty). Overall, the model proposes that the more positive the attitudes and beliefs of the employees, the more satisfied and loyal the customers will be, and the better the organization will perform on the long run.

![Figure 3. The employee-customer chain in the fitness industry](image)


**Research Questions and Hypotheses**

The following research questions and the corresponding hypotheses will be tested in this study:

R1. Will employee attitudes significantly predict employee behaviors?

H1A. Employees’ self-efficacy will account for a unique variance of “In-role” job performance (IRJP).
H1B. Employees’ self-efficacy will account for a unique variance of Organizational Citizenship Behavior-Individual (OCBI).
H1C. Employees’ self-efficacy will account for a unique variance of Organizational Citizenship Behavior-Organization (OCBO).
H1D. Employees’ organizational commitment will account for a unique variance of IRJP.
H1E. Employees’ organizational commitment will account for a unique variance of OCBI.
H1F. Employees’ organizational commitment will account for a unique variance of OCBO.
H1G. Employees’ job satisfaction will account for a unique variance of IRJP.
H1H. Employees’ job satisfaction will be account for a unique variance of OCBI.
H1I. Employees’ job satisfaction will account for a unique variance of OCBO.

R2. Will perceived service quality significantly predict customer satisfaction?
H2. Perceived service quality will be a significant predictor of customer satisfaction.

R3. Will customer satisfaction significantly predict customer loyalty?
H3. Customer satisfaction will be a significant predictor of customer loyalty.

R4. Will employee behaviors significantly predict customers’ perceived service quality?
H4A. Employees’ IRJP will be a significant predictor of perceived service quality.
H4B. Employees’ OCBI will be a significant predictor of perceived service quality.
H4C. Employees’ OCBO will be a significant predictor of perceived service quality.

**Definition of Terms**

Self-Efficacy – “beliefs in one’s capabilities to organize and execute the courses of action required to produce given attainments” (Bandura, 1997, p. 3).
Organizational Commitment – “a psychological state that (a) characterizes the employee’s relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization” (Meyer & Allen, 1997, p. 67).

Job Satisfaction – “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke, 1976, p. 1300).

“In–Role” Job Performance – the duties, activities, and accomplishments considered “part of the job” (Meyer & Allen, 1997, p. 28).

Organizational Citizenship Behavior – “individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization” (Organ, 1988, p. 4).

Perceived Service Quality - “is the consumer’s judgment about an entity’s overall excellence or superiority” (Parasuraman, Zeithaml, & Berry, 1988, p. 15).

Customer Satisfaction – “Satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or overfulfillment” (Oliver, 1997, p. 13).

Customer Loyalty – “is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1997, p. 392).

Delimitations of the Study

Several delimitations were imposed upon the current study. These included:

1. A relatively small sample size that included twenty fitness clubs from South Florida participated in the study.

2. The study took place in fitness clubs in South Florida; which may not nationally represent the fitness industry in the US.

3. The sampling was not random but purposive, therefore, results could not be generalized but to the study’s population.

4. Only customer-contact employees were included in the study to comply with the study’s model.
5. Data was collected using two different questionnaires; one questionnaire was given to fitness contact employees, and the other to fitness club customers. Since the number of participants from each group was different, in order to compare, the mean of each group was calculated for each club.
CHAPTER 2

REVIEW OF LITERATURE

In this chapter, the conceptual structure of the new model is introduced in seven sections which include: 1) job self-efficacy; 2) organizational commitment; 3) job satisfaction; 4) interactional perspective of self-efficacy, organizational commitment, and job satisfaction; 5) perceived service quality; 6) customer satisfaction; 7) customer loyalty; and 8) discussion and summary.

Self-Efficacy

Self-efficacy beliefs are defined as “people’s judgments of their capabilities to organize and execute courses of action required to attain designated types of performances” (Bandura, 1997, p. 391). People’s beliefs about their efficacy can be developed by four main sources of influence: mastery experiences, vicarious experiences, social persuasion, and somatic and emotional states such as anxiety, stress, arousal, and mood states (Bandura, 1994). Self-efficacy was included in the proposed model because it has been empirically shown to be one of the most influential psychological constructs affecting achievement in life in general, and in sport in particular (Feltz, 1988).

The following is a review of self-efficacy in the contexts of human functioning, career development and pursuit, and in the sport management literature.

The Influence of Self-Efficacy on Human Functioning

Self-efficacy beliefs can enhance human accomplishment and well-being in numerous ways. It influences the choices people make and the courses of action they pursue. Unless people believe that their actions will have the desired consequences, they have little incentive to engage in those actions. Self-efficacy beliefs also help determine how much effort people will expend on an activity, how long they will persevere when confronting obstacles, and how
resilient they will be in the face of adverse situations (Pajares, 2002). The higher the sense of efficacy, the greater the effort, persistence, and resilience. Self-efficacy beliefs also impact an individual’s thoughts and emotional reactions. High self-efficacy helps create feelings of peacefulness in approaching difficult tasks and activities. Conversely, people with low self-efficacy may believe that things are tougher than they really are; a belief that promotes anxiety, stress, depression, and a narrow vision of how best to solve a problem (Bandura, 1994; Pajares, 2002).

According to Bandura (1977, 1986, 1997), self-efficacy beliefs are a major determinant of behavior only when people have sufficient incentives to act on their self-perception of efficacy and when they possess the necessary skills. Self-efficacy beliefs will exceed actual performance when there is little incentive to perform the activity, or when physical or social constraints are imposed on performance. Some people may have the necessary skills and high self-efficacy beliefs, but no incentive to perform. Inconsistencies between efficacy beliefs and performance also occur when tasks or circumstances are ambiguous or when one has little information on which to base efficacy judgments, such as when one is first learning a skill (Feltz & Lirgg, 2001).

**Career Development and Pursuits**

According to Bandura (2000), perceived self-efficacy is an influential determinant of career choice and development. In making career decisions, people must come to an understanding with: (1) uncertainties about their capabilities; (2) the stability of their interests; (3) the current and long range prospects of alternative occupations; (4) the accessibility of potential careers; and (5) the type of identity they seek to construct for themselves. People with higher perceived self-efficacy to fulfill job functions consider a wider range of career options. Some people eliminate entire classes of vocations based on perceived efficacy (Bandura, 1997; Lent, Brown, & Hackett, 1994).

In a meta-analysis of 114 studies, Stajkovic and Luthans (1998) examined the relationship between self-efficacy and work-related task performance. Their main finding was an average weighted correlation between self-efficacy and work-related performance of $r = .38$, which transformed to a 28 percent gain in task performance. The results have significant implications for human resource managers because programs aimed at developing a resilient
sense of efficacy among employees can yield significant dividends in performance accomplishments and personal well-being (Stajkovic & Luthans, 1998).

**Sport Management Research**

The sport management literature has yet to embrace employees’ self-efficacy as a main construct of interest. However, many studies were conducted in sport psychology focusing mainly on athletes and coaches. Overall, the research on athletes has shown self-efficacy to be a reliable predictor of sport performance and useful in combination with other cognitive and training variables in accounting for performance variance. The research on coaches has concentrated on their role in building the efficacy beliefs of their athletes and teams, and the efficacy beliefs of coaches themselves to carry out their roles (Fletz & Lirgg, 2001).

In the only study of note, Sesow (1998) examined the self-efficacy of 156 YMCA program directors. Participants responded to a modified task-specific and general self-efficacy scales. Significant differences were found in the number of employees supervised and general and task specific self-efficacy. Non-significant differences were found between years of YMCA supervisory experience and general and task specific self-efficacy. Sesow concluded that YMCA program directors that supervised a large number of employees had greater reported self-efficacy than those who supervised a small number of employees.

**Summary**

Perceived self-efficacy is concerned with people’s beliefs in their capabilities to exercise control over their own functioning and over events that affect their lives. Beliefs in personal efficacy affect life choices, level of motivation, quality of functioning, resilience to adversity, and vulnerability to stress and depression.

Bandura’s self-efficacy theory provides a conceptual framework in which one can study the characteristics of effective work environment, and the mechanisms to enhance organizational functioning (2000). Given the generality and centrality of the self-efficacy variable, it is an important motivational factor that accounts for employees’ behaviors’ variance in the workplace (Bandura, 1997). However, in the sport management literature self-efficacy has been largely ignored, probably due to the contextual link to physical performance. Self-efficacy theory has gain support in many sport- and exercise-related studies mainly with athletes and coaches.
Because self-efficacy is directly related to employees’ performance, it was expected to influence customer satisfaction, and thus was included in the new model.

The second variable in the study’s model is organizational commitment. A review of the relevant literature is presented next.

**Organizational Commitment**

Organizational commitment is defined as “a psychological state that (a) characterizes the employee’s relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization” (Meyer & Allen, 1991, p. 67). Commitment can take different forms and can be directed at different constituencies within the organization (Meyer & Allen, 1997). The general consensus in the last decade is that organizational commitment (OC) is a multidimensional construct. Meyer and Allen (1991) identified three distinct themes in the definition of commitment: commitment as an affective attachment to the organization, commitment as a perceived cost associated with leaving the organization, and commitment as an obligation to remain in the organization. The nature of the psychological state for each form of commitment is quite different. Employees with a strong affective commitment remain with the organization because they want to; those with a strong continuance commitment remain because they need to; and those with a strong normative commitment remain because they feel they ought to do so. One could achieve a better understanding of an employee’s relationship with the organization when all three forms of commitment are considered together (Meyer & Allen, 1997).

**Perception of Commitment**

Commitment can have two forms: the employer perspective, and the employee perspective. From the standpoint of the employee, the benefits from being committed to the organization are obviously the job itself that occupies time and money to pay the bills, the opportunity to do important and challenging work, to meet and interact with interesting people, and to learn new skills and develop as a person. From this perspective, working in an organization to which one can become committed is an advantage (Meyer & Allen, 1997).

From the perspective of organizations, having committed employees would be beneficial due to the potential for increased performance and reduced turnover and absenteeism (Mowday,
In addition, committed employees may be more likely to engage in “extra-role” behaviors, such as creativeness or innovativeness, which are often what keeps an organization competitive (Katz & Kahn, 1978). A failure to develop this psychological attachment among members may require the organization to bear the increased costs associated with more detailed and sophisticated control systems (O’Reilly & Chatman, 1986).

Some contemporary researchers have questioned the relevancy of commitment. For example, Baruch (1998) has argued that the strength of OC as a leading concept in management and behavioral sciences is continuously decreasing due to external changes in behaviors and culture (e.g., the increased global competition, the rapid developments in information technology, reengineering of businesses, and replacement of “jobs” with “roles”). In a highly competitive market it is the survival of the company that is at risk, and the choice between extinction and survival with fewer employees is clear. Two meta-analyses (Cohen, 1993; Randall, 1990) that explored the associations between OC and outcomes at the organizational level (performance, turnover, and absenteeism), uncovered a similar trend of a decrease in the level of the correlations between these variables.

Mowday (1999), to some extent, agrees with Baruch’s (1998) arguments regarding current trends in the economy. However, he draws attention to recent studies (Pfeffer, 1998; Reichheld, 1996; Tsui, Pearce, Porter, & Tripoli, 1997) providing evidence that organizational investment in employees was associated with higher levels of employee affective commitment, as well as higher levels of citizenship behavior, and greater intention to stay with the organization. Loyal employees develop higher quality relationship with customers, have greater opportunities to learn and increase efficiency, and reduce recruiting and training costs, producing resources that can then be reinvested in other parts of the business. Pfeffer (1998) argued that people-centered strategy is an important source of competitive advantage because, unlike technology, cost, or new product development, it is difficult to imitate.

On another dimension, however, there is mounting evidence that organizations pursuing high performance, and high commitment human resource strategies, can produce superior economic returns. From this perspective, employee commitment is very relevant as a management construct because it can lead to competitive advantage and financial success (Mowday, 1999).
The concept of commitment has received a great deal of empirical study in the past thirty years, both as a consequence and an antecedent of other work-related variables of interest. In addition, several other variables of interest, perhaps best referred to as correlates (e.g., job involvement and job satisfaction), have demonstrated relationships with organizational commitment (Grunberg, Anderson-Connolly, & Greenberg, 2000; Mathieu & Zajac, 1990; Mowday, Porter, & Steers, 1982; Mowday, Steers, & Porter, 1979; Porter, Steers, Mowday, & Boulian, 1974; Reichers, 1985; Steers, 1977). Next, the determinants of each commitment dimension (i.e., affective, continuance, and normative) are reviewed.

**Determinants of Commitment**

A variety of antecedents of affective commitment have been identified, including personal characteristics, organizational characteristics, and work experiences (Meyer & Allen, 1997; Mowday et al., 1982). Meyer and Allen (1991) noted that by far the strongest and most consistent relationships have been obtained with work experiences. Employees, whose experiences within the organization are consistent with their expectations and satisfaction of their basic needs, tend to develop a stronger affective attachment to the organization than do those whose experiences are less satisfying. Specifically, affective commitment has been positively correlated with job challenge, degree of autonomy, and variety of skills the employee uses. On the other hand employees who are unsure about what is expected of them (role ambiguity), or who are expected to behave in ways that seem incompatible (role conflict), demonstrated low affective commitment (Mathieu & Zajac, 1990; Steers, 1977). The relations between employees and their supervisors or leaders might also influence the development of affective commitment. In general, affective commitment to the organization is stronger among employees whose leaders allow them to participate in decision-making, and who treat them with consideration and fairness (Allen & Meyer, 1990; Kent & Chelladurai, 2001).

Employees’ personal characteristics were also studied in relation to affective commitment. This line of research has focused on two types of variables: demographic (e.g., gender, age, tenure), and dispositional (e.g., personality, values). Overall, relations between demographic variables and affective commitment were found to be neither strong nor consistent (Meyer & Allen, 1997). As for the dispositional variables, although some studies have shown that employees with high need for achievement, strong work, and strong confidence ethic (i.e.,
self-efficacy) have stronger affective commitment (Mathieu & Zajac, 1990), there is just enough evidence that individuals with particular personality characteristics (e.g., need for affiliation) are more or less likely to become affectively committed to an organization (Meyer & Allen, 1997).

Continuance commitment presumably develops as employees recognize that they have accumulated investment in the organization (Becker, 1960). Examples of this investment could be time, effort, money that an employee would lose if he or she left the organization. The other hypothesized antecedent is the employee’s perceptions of employment alternatives. Employees, who think they have several possible alternatives, will have weaker continuance commitment than those who think their alternatives are few (Meyer & Allen, 1997). And finally, normative commitment develops as the result of socialization experiences that emphasizes the appropriateness of remaining loyal to one’s employer (Wiener, 1982), or through the receipt of benefits (e.g., tuition payments or skills training) that creates within the employee a sense of obligation to give in return (Meyer, Allen, & Smith, 1993; Scholl, 1981).

The links between OC and employee behaviors are essential to the understanding of the current study’s model. Several studies examined the relations between OC and in-role performance, and organizational citizenship behavior. Each of these lines of research is reviewed in the ensuing pages.

**Outcomes of Commitment**

Committed employees are considered distinct from those with weak commitment in terms of their job performance. The relationship between employees’ behavior and OC raises some concerns. First, because of its nature, it is difficult, if not impossible, to manipulate the levels of commitment directly. In fact, until recently, very few ‘consequences of commitment’ studies were able to analyze a potential “cause and effect” relationship (Huselid, 1995; Mowday, 1999). Second, considerably more attention has focused on affective and continuance commitment than on normative commitment (Meyer & Allen, 1997). Overall, this line of study has found positive trend between both affective and normative commitment to the organization and employees’ performance at work. However, employees with strong continuance commitment demonstrated more dysfunctional behaviors than those with weak continuance commitment.
In-Role Performance. Refers to “the duties, activities, and accomplishments considered “part of the job” (Meyer & Allen, 1997, p. 28). Results of several recent studies suggest that, overall, employees with strong affective commitment to the organization work harder at their jobs and perform them better than do those with weak affective commitment (Meyer & Allen, 1997). Besides studies that used employees’ reports of their own behavior (e.g., Bycio, Hackett, & Allen, 1995), other studies have included independent assessments of performance. For example, affective commitment has been linked in some studies to objective indicators such as sales figures (Bashaw & Grant, 1994), and to the control of operation costs (DeCotiis & Summers, 1987). Significant positive relations were also reported between employees’ affective commitment and their supervisors’ ratings of their potential for promotion, and their overall performance on the job (Meyer & Allen, 1997; Meyer, Panuonen, Gellatly, Goffin, & Jackson, 1989). In relation to absenteeism, it has been suggested that affective commitment is significantly related to voluntary, but not to involuntary absences (e.g., Grunberg, Anderson-Connolly, & Greenberg, 2000).

Available research examining continuance commitment suggests that this particular psychological link to the organization has few positive relations with performance indicators. Meyer et al. et al. (1993) reported that absenteeism does not seem to be significantly related to continuance commitment. Moreover, low to moderate negative correlations have also been observed between continuance commitment and supervisor ratings of potential for promotion and overall job performance (Meyer et al., 1989).

Few studies have examined normative commitment and in-role performance indicators. These relations were found to be parallel to, albeit weaker than, those found with affective commitment (Meyer & Allen, 1997). For example, Ashforth and Saks (1996) examined business school graduates after four months and ten months on new jobs to assess refinements of existing measures of the investiture tactic and role innovation. Results indicated, among others, that the tactics were positively related to job satisfaction, organizational commitment, and organizational identification. With relation to absenteeism, normative commitment was found to be correlated with voluntary absence in one study (Meyer et al., 1993), but not in another (Hackett, Bycio, & Hausdorf, 1994).
Organizational Citizenship Behavior (OCB). OCB “represents individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization” (Organ, 1988, p. 4). Williams and Anderson (1991) classified OCB based on categories of behaviors that vary with respect to the behaviors' beneficiary. They distinguished between OCB-Individual-behaviors “that immediately benefit specific individuals and indirectly through this means contribute to the organization (e.g., helps others who have been absent),” and OCB-Organization-behaviors “that benefit the organization in general (e.g., gives advance notice when unable to come to work)” (p. 602). Using a factor analysis, Williams and Anderson (1991) showed that in-role behavior, OCBI, and OCBO are relatively distinct types of performance that can be assessed using supervisory ratings.

As would be expected, employees with strong affective commitment appear much more willing to engage in OCB, than those with weak affective commitment (Meyer et al., 1993). Significant relations between affective commitment and OCB have been observed in several studies including self-reports of behavior (e.g., Meyer & Allen, 1986; Meyer et al., 1993), and independent assessments of behavior (e.g., Shore & Wayne, 1993). In a meta-analytic review of attitudinal and dispositional predictors of OCB, Organ and Ryan (1995) reported significant, however, low average correlations between affective commitment and two dimensions of OCB: altruistic behavior toward other members, and generalized compliance with the rules and norms of the organization.

The relationship between normative commitment and OCB has received much less research attention. In their study of registered nurses, Meyer et al. (1993) found positive relations between several self-reported measures of OCB (“helping others,” and “use of time”), and both affective and normative commitment to the organization. However, significant results were reported only in one case (“use of time”).

A different pattern emerges when continuance commitment and OCB were examined. In one study, continuance commitment and OCB were unrelated ($r = -.06, \text{ and } .08$) (Meyer et al., 1993), and in another they were negatively related ($r = -.20$ with both altruism and compliance) (Shore & Wayne, 1993). Organ and Ryan (1995) reported that continuance commitment was not related to either altruism or compliance behavior.
In sum, not all forms of commitment are alike, and organizations concerned with keeping employees by strengthening their commitment should carefully consider the nature of the commitment they instill (Meyer et al., 1993; Meyer & Allen, 1997).

**Sport Management Research**

Organizational commitment has not been a prominent area of research in the sport management literature. Doherty (1998) reported that commitment was the least frequently examined variable on individual affective outcomes (i.e., 4% of human resource research) in sport management. In general, members’ performance and turnover were the main motives behind studying commitment. The literature review in this section is based on studies that share similar contents.

The relationship between perceived committee functioning and volunteers’ organizational commitment was studied by several scholars that aimed at exploring motives to volunteer in sports organizations beyond altruism. Cuskelly (1995) explored the extent to which perceived committee functioning (e.g., decision-making processes, cohesion, receptiveness, etc.) was predictive of OC among 159 volunteer administrators from different sporting clubs and associations. Significant, weak to moderate, relationships were found between OC and all five dimensions of committee functioning. A step-wise multiple regression analysis revealed that decision process, homogeneity (negatively), and receptiveness were significant predictors of OC. More specifically, volunteer administrators were committed to their sporting clubs when they perceived that their committee used open processes to make decisions and handle conflicts, remained receptive to new ideas and was not a homogeneous group.

In another study, Cuskelly et al. (1998) researched 328 volunteer administrators’ OC in relation to a range of variables including personal characteristics (e.g., gender, age, and education), behavioral commitment (e.g., volunteers’ age group, occupational prestige, and years as a member), and volunteering benefits. Results indicated that sociodemographic and behavioral characteristics, perceived benefits, and perceived committee functioning, were significant predictors of OC. Overall, it has been shown that the volunteers’ perceptions about how a committee functions (e.g., emphasizing cohesion, support, trust, and openness) are an important factor in understanding their commitment to sports organizations.
In a different organizational context, Haggerty and Denomme (1991) assessed the contribution of selected factors (i.e., personal, importance of club benefits, and club emphasis on benefits) to the organizational commitment of undergraduate sport club members (n = 237). It was found that management related factors such as frequent gatherings, effective use of time and facility, friendly club atmosphere, and enthusiasm of club executive, made a unique contribution in explaining the variance in members’ commitment. These findings emphasized the important role of managers in contributing to members’ commitment.

Leader behavior and its impact on subordinates’ attitudes (e.g., satisfaction, organizational citizenship behavior, and commitment) is a popular area of interest that has been recently studied in sport management. For example, Doherty and Danylchuk (1996) examined managerial leadership in interuniversity athletics using Bass’s (1985) transformational/transactional leadership model. A total of 114 Canadian head coaches completed a questionnaire. Lack of relationship between leadership profile, or any aspect of it, and coaches’ commitment to the athletic department was reported. The study’s findings tend to counter the theoretical supposition that a transformational leader generates subordinated commitment to the pursuit of the organization’s vision and goals.

However, Kent and Chelladurai (2001, 2003) examined the correlation between transformational leadership (TL) dimensions (i.e., charismatic leadership, individualized consideration, and intellectual stimulation) and selected outcomes (leader-member exchange, OC, OCB) in two settings (i.e., third-tier athletic department employees, and middle managers and third-tier employees of a State Department of Park and Recreation). Weak to moderate positive and significant correlations were found between the three dimensions of TL and affective commitment, and between leader-member exchange and affective commitment. Charismatic leadership contributed uniquely to the explained variance in affective commitment in both studies. As for normative commitment as an outcome, the dimensions of TL were significantly, yet weakly to moderately correlated. Both charismatic leadership and leader-member exchange contributed uniquely to the explained variance in normative commitment. In the second study, significant low correlation was reported between OCB-altruism and all leadership dimensions; however no significant correlations existed in the first study.
Summary

The general consensus is that organizational commitment is a multidimensional construct that can take different forms and can be directed at different constituencies within the organization. The positive consequences of having committed employees (e.g., “in-role” performance, OCB, and competitive advantage) are of main interest to organizations. Currently among the biggest challenges for commitment researchers is to determine how commitment is affected by the many changes (e.g., increased global competition, reengineering, downsizing, layoffs) that are occurring in the workplace. The few studies that have been carried out in the sport management literature were targeted to the study of volunteers, probably due to the economic element, and the reliance on volunteers. Other studies of non-volunteers exist also. It can be concluded that despite the correlational nature of most studies, and the dominance of intercollegiate sampling, organizational commitment is a central variable that needs further investigation in the different sports settings. The global economic decline in recent years affects the sport industry as well, thus, its influence on employees and customers’ commitment in the fitness industry is of importance to both scholars and practitioners. The next variable, job satisfaction, is perhaps the most often studied topic in management and industrial psychology (Locke, 1976), and is reviewed next.

Job Satisfaction

Job satisfaction is defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Locke, 1976, p. 1300). Throughout the years, numerous researchers have tried to define job satisfaction mainly in affective terms (e.g., Cranny, Smith, & Stone, 1992; Smith, Kendall, & Hulin, 1969; Vroom, 1964). Job satisfaction (JS) is a multidimensional construct examining a persons’ satisfaction about different elements of the job (e.g., pay, tasks, and relationships). Organizations measure JS primarily because of its expected direct relationship to the short-term goals of cost reduction through increased individual productivity and reduced absences, errors, and turnover. It has been suggested that management’s interest lasts as long as the link between individual satisfaction and individual productivity exists (Smith, 1992).
Determinants of Job Satisfaction

Person-environment (P-E) fit models have dominated how organizational psychologists have thought about the determinants of JS. Researchers (e.g., Porter, 1961; Rokeach, 1968, 1973) found that work environments that fulfill a person’s important needs are satisfying i.e., there is a fit between what the environment has to offer and what the person needs. For example, Dawis (1992) argued that P-E fit motivates employees as it contributes to directing behavior, sustaining behavior, and it can be the cause for energizing behavior, although other factors such as genetic inheritance, experience, learning, and memory, may play more decisive roles.

Another important determinant of job satisfaction is job level. These variables typically correlated for all aspects of the job as jobs that are more complex also have better working conditions, pay, promotion prospects, supervision, autonomy, and responsibility (Cranny et al., 1992). Schneider, Gunnarson, and Wheeler (1992) suggested to consider the perception of the availability of opportunity for desirable aspects of a job. Schneider et al. defined opportunity as “the availability of valued states and / or outcomes in the work situation…both…those things that people can presently have if they choose to (present opportunities) and…those things that people expect to have opportunity to choose some day (future opportunities)” (p. 54). They considered opportunity in relation to each of the traditionally measured aspects of JS, and concluded that beyond examining existing job situations and individual differences, researchers need to measure opportunities as well in their effort to understand JS.

Alternative concepts to assess job satisfaction have been recently suggested. Brief (1998) asserted that job satisfaction is influenced directly by how people interpret their jobs and those interpretations are influenced by both their personalities and the objective circumstances of their jobs. Judge, Locke, and Durham (1997) proposed a dispositional model of JS based on core evaluations individuals make about themselves, the world, and other people. These core evaluations refer to an individual’s fundamental (metaphysical) value judgments. One way to see these core evaluations affecting JS is through their interaction with job characteristics; more specifically, core evaluations are intended to moderate job characteristic – JS relationships. Moreover, Judge, Locke, Durham, and Kluger (1998) found that core evaluations of the self have consistent effects on JS, independent of the attributes of the job itself. That is, the way in which people see themselves affects how they experience their jobs and even their lives. Self-esteem
and general self-efficacy were found as contributing the most to the core self-evaluation concept. Thus, people who consider themselves worthy and able to cope with life’s exigencies bring a “positive frame” to the events and situations they encounter, whereas people who do not see themselves as worthy are able to bring negative frame to the same situation. Finally, Judge, Bono, and Locke (2000) concluded that job complexity, the actual attainment of challenging jobs, was an important explanatory variable in the relationship between core self-evaluations and JS over time.

Researchers have established relationship between JS and almost every dependent variable considered in organizational behavior. In the following section, only relevant categories of consequences pertaining to this study’s model are reviewed.

Outcomes of Job Satisfaction

In-role Performance. The elusive relationship between Job Satisfaction and Job Performance (JP) has intrigued organizational researchers for nearly 50 years. Several reviews of the JS-JP attempted to resolve the inconsistencies among individual study results by concluding that there is no strong relation between workers’ JS and productivity (e.g., Iaffaldano & Muchinsky, 1985; Vroom, 1964). A meta-analysis conducted by Vroom (1964) reported a median correlation of .14, and Iaffaldano and Muchinsky (1985) estimated the true population correlation between satisfaction and performance to be .17. Several explanations have been offered for the meager satisfaction-performance relationship, among them, measurement problem with the criterion variable (e.g., supervisory ratings of task performance are error laden), lack of “true” variability in the criterion variable (e.g., workers are not free to vary their behaviors, for instance, because of the restrictive nature of organization control mechanism), and failure to match general measures of JS with a correspondingly aggregated measure of a large set of behaviors (Brief, 1998). Moreover, Greene (1972) noted that although the expectation that satisfaction causes performance has theoretical roots, it also is supported by (a) the popular belief that a happy employee is a productive employee; (b) the notion that all good things come together; and (c) the unpleasantness of dealing directly with performance when a problem arises.

In a recent meta-analysis Judge, Thoresen, Bono, and Paton (2001) challenged previous research findings and have grouped seven different models positing different forms of relations between JS and performance (e.g., job satisfaction causes job performance, job performance
causes job satisfaction, and job satisfaction and job performance are reciprocally related). Judge et al. reported that the true mean correlation between job satisfaction and general job performance was .30. The researchers argued that the proper estimate of the overall relationship is between overall job satisfaction and overall job performance, thus, they took a composite average of specific facets to arrive at a measure of overall job satisfaction.

Other aspects of “in-role” performance are employees’ turnover and absenteeism. Overall, the correlations between satisfaction and turnover varied across studies. For example, Hom and Griffeth (1991) found a low negative correlation between satisfaction and turnover. However, Shore, Newton, and Thornton (1990) found a positive, yet moderate correlation between these variables, and concluded that there may be a causal relationship from JS to job intentions. These conflicting findings leave researchers with the question of causality or mediating effects on the satisfaction-turnover relationships.

Following turnover, the research to date does not suggest a consistent relationship between job attitudes and absenteeism. Several reviews of the satisfaction-absence relationship indicate an average correlation of less than -.15 across studies (e.g., Scott & Taylor, 1985). This low value is surprising because it seems logical that if people do not like their jobs, they will be less motivated to show up consistently. A possible explanation for this extremely low correlation is that the relationship may be a function of the sorts of absenteeism investigated (e.g., an unexpected accident vs. a voluntary absence due to social reason). Shore et al. (1990), studied 566 university employees, and reported a correlation between JS and absenteeism of .46. Using structural equation modeling technique, they supported the notion that a causal relationship from JS to absenteeism is apparent. Further research is needed to decode these relationships.

Organizational Citizenship Behavior (OCB). Most current work with satisfaction and performance has searched for conditions under which the conventional wisdom of the managers ("more satisfied employee will perform better") can be met. One such example is the work by Organ and his colleagues (e.g., Bateman & Organ, 1983, Organ, 1988, Organ & Konovsky, 1989) on the relationship between JS and OCB. For example, Organ and Konovsky (1989) directly compared the relative contribution of both affective and cognitive components of satisfaction to predicting OCB performance. A total of 369 individuals from two hospitals
provided data concerning their typical mood state and appraisals of their jobs and their pay. Regression analysis identified pay cognitions (e.g., how good is your pay relative to specified referents) to be a significant, yet extremely low predictor of both altruistic and compliance dimensions of citizenship behaviors as measured by using supervisory ratings. In a similar study, Williams and Anderson (1991) investigated 127 employees of various organizations who were attending evening MBA classes. It was found that positive arousal (i.e., measured positive affect), job cognition intrinsic and extrinsic (i.e., measured cognitive components of satisfaction) were significantly correlated with OCBI (i.e., altruism), and OCBO (i.e., compliance), using both self-reported and supervisors evaluations. Hierarchical regressions indicated that the two cognitive components of satisfaction produced significant change in the variance explained on satisfaction. Organ (1988) summarized the research at that time on the JS-OCB relationship and concluded that the research does “lend reasonable support to the hypothesis that OCB and JS are bound together in a robust relationship” (p. 43).

**Sport Management Research**

In a review of organizational behavior research in the sport management, Doherty (1998) reported that the majority of the literature was concerned with job satisfaction. One quarter of JS studies were set in intercollegiate athletics, with over half of those focused on athletic directors. A similar proportion of studies were found in recreation and leisure service setting as studies focused on nonmanagerial staff. The independent variables in most studies included both individual (e.g., sex, age, education, personality, etc.) and organizational factors (e.g., leader behavior, perceived decision making power, etc.). The following review is focused on different employees’ groups.

Factors that could be source of satisfaction for volunteers were identified by several scholars (e.g., Beard & Ragheb, 1980; Gidron, 1983; Silverberg, Marshall, & Ellis, 2001), and were targeted toward understanding their motives in order to keep them in the organization. For example, Gidron (1983) found that work itself, task achievement, task convenience, and lack of stressors contributed the most to volunteer satisfaction. Moreover, family, social acceptance, recognition, and other volunteers were sources of satisfaction that are unique to volunteering. Beard and Ragheb (1980) studied parks and recreation volunteers, and identified six facets of job satisfaction including: psychological, education and intellectual, social, relaxation, physiological,
aesthetic, and environmental to clients as well as to other volunteer workers. In another study, Silverberg et al. (2001) evaluated the reliability and validity of inferences that can be made about public parks and recreation volunteers (n = 583). The scale items addressed six satisfaction dimensions: nature of the work, contingent rewards, supervision, operating procedures, coworkers and communication. Results suggested to match both job setting and psychological functions (i.e., individual reasons for volunteering) to increase satisfaction among volunteers. Overall, the need to assess volunteer satisfaction is of great importance to most sports organizations, mainly because many rely on this group of employees to survive. Research showed that understanding motives to volunteer, as well as a proper positioning is the key to increasing volunteers’ job satisfaction.

In not-for-profit organizations’ research, the main focus was on the relations between employees’ job satisfaction and task variability, personality, and job stressors (Teague et al., 1987), employees’ response to different leadership styles (Wallace & Weese, 1995), and perception of process effectiveness (Chelladurai & Haggerty, 1991). For example, Wallace and Weese (1995) examined Canadian YMCA organizations (n = 69). A matching between CEOs’ leadership style (i.e., high or low transformational leadership) and administrators’ job satisfaction was executed. The authors found no differences in JS among YMCAs administrators when different leadership styles were tested. The researchers explained these findings with the altruistic nature of the organization.

Chelladurai and Haggerty (1991) studied 153 Canadian National Sport Organizations administrators’ job satisfaction and their perceptions of process effectiveness. No significant differences were found between administrators of Olympic sports and those of non-Olympic sports’ job satisfaction and evaluation of internal organizational processes. Overall, both volunteers and professional administrators expressed high job satisfaction. In sum, it can be assumed that the not-for-profit nature of these organizations impacts employees’ attitudes, and thus the source of satisfaction is more intrinsically oriented (i.e., self-esteem, and self-actualization).

In the private sector, for example, Koehler (1988) examined the influence of several JS facets on different employees in the fitness industry. Corporate fitness managers who direct fitness programs or facilities were asked to respond to different statements about various aspects of their jobs (e.g., achievement, coworkers, recognition, etc.). Results revealed that overall
managers were satisfied, as social services and moral values were significantly more satisfying. These findings were related to the social aspect of the fitness industry (i.e., assisting other people).

Research on coaches’ satisfaction has focused on demographic and job characteristics in relation to intrinsic and extrinsic satisfaction (Bell, 1989), coaches’ perception of the athletic department climate and the athletic director’s behavior comparing to their JS (Snyder, 1990), and job related stress and job satisfaction (Green, 1992). Pastore (1994) examined 135 coaches’ satisfaction in each of the three divisions of the National Collegiate Athletic Association (NCAA). Results indicated that Division III coaches were significantly more satisfied with pay, promotion, and co-workers than coaches at the other two levels. Female coaches expressed higher satisfaction with pay, promotion, supervision, and the job in general than male coaches did.

Athletes’ satisfaction with their intercollegiate programs has received attention because most educational institutions exist to provide them with “high level performance opportunities and excellence in an educational context” (Chelladurai & Riemer, 2001, p. 28). For example, Chelladurai and Riemer (1997, 2001) examined the facets of athlete satisfaction. The broad categories that were found are performance, improvement, leadership, teammates, support staff, administration, and community support. Moreover, the authors examined the dynamics of 649 athletes’ satisfaction in terms of selected antecedents (i.e., gender, negative affectivity, starter-status) and consequences (i.e., commitment to the team and desire to leave the team). Results indicated that the antecedences of negative affectivity and gender accounted for the most (18.6%) of the variance. Athletes who were high in negative affectivity were less satisfied, while females were more satisfied than their male counterparts. The consequences analyses indicated that only a limited number of facets of satisfaction (e.g., personal dedication, and dimension associated with leadership) were significant predictors of commitment to the team and to an athlete’s desire to leave the team.

Another focus group that has attracted scholars’ attention is athletic administrators. The satisfaction of administrators has been examined, among other, in relation to the division of school in which they worked (Freyberg, 1987), gender differences in satisfaction (Cleave, 1993), and salary (Parks, Russell, Wood, Robertson, & Shewokis, 1995). Cleave (1993) examined gender differences in satisfaction among athletic administrators (athletic directors and assistant
directors) in 217 American and Canadian universities. Results revealed that males scored higher on JS than females’ administrators, and females scored higher on satisfaction than males with job security and autonomy. Overall, administrators were more satisfied with their overall employment than the general working population. In another study, Parks et al. (1995) compared 514 female and male NCAA Division I-A (middle and first-line athletic administrators) on salary and JS. The findings indicated that men’s salaries were, on average, $6,000 higher than the women’s salaries after differences in age and time in present position were controlled. These results equated to the less satisfaction of women with pay and promotion opportunities. Overall, male administrators reported higher levels of satisfaction than females. Moreover, in examination of the total scores for both males and females, satisfaction was reported for the work, co-workers, supervision, and the job in general, and dissatisfaction was reported for promotional opportunities and pay.

In sum, the sports business is distinguished from other fields as it attracts many people regardless of low salaries payments (excluding professional athletes and CEOs). Of main interest are specific aspects of the work environment (e.g., supervision, rewards, and growth opportunities), as well as the overall satisfaction of different groups.

**Summary**

Job satisfaction plays a central role in the study of attitudes at work. Several determinants, consequences, and other variables that correlate with JS are of great importance to the understanding of satisfied employee. JS can be broken down into facets or components, as each of these facets can be tied to one or more aspects of the work environment and of the job (e.g., job level, job complexity, and personality). The relevancy of job satisfaction in the current model stands for two reasons: (1) as a determinant of employee’s behavior, and (2) as a potential factor in customers’ attitudes.

Several studies have examined the relationships among job satisfaction, organizational commitment, and self-efficacy, as well as their relationships with other predictors such as job characteristics, organization characteristics, and worker characteristics. A brief review is presented next.
Interactional Perspective on Organizational Commitment, Job Satisfaction, and Self-Efficacy

A number of authors evaluated similarities and differences of satisfaction and commitment in the workplace (e.g., Koch & Steers, 1978; Peters, Bhagat, & O’Connor, 1981). Research has generally report JS and OC to be positively related (e.g., Mowday et al., 1979; Peters et al., 1981; Porter, Steers, Mowday, & Boulian, 1974). Glisson and Durick (1988) sampled 319 workers from 47 human service workgroups, and reported a significant moderate correlation between satisfaction and commitment. Results revealed that role ambiguity was the best predictor of commitment and satisfaction; the more ambiguity, the less the respondent is satisfied and committed. The predictors having the next greatest effect were leadership, organization age, and skill variety; the more highly rated the leader, the older the organization, and the more variety in the skills applied by workers, the greater the job satisfaction and organizational commitment of the respondent.

Several studies have examined causal links between JS and OC. Throughout the years four hypotheses advanced in the literature: (a) satisfaction causes commitment (e.g., Reichers, 1985; Steers, 1977); (b) commitment causes satisfaction (e.g., Bateman & Strasser, 1984; Vandenbarg & Lance, 1992); (c) satisfaction and commitment are reciprocally related (Porter et al., 1974); and (d) no causal relationship exists between the two contracts (Curry, Wakefield, Price, & Mueller, 1986). Still, the causal relationship between OC and JS however, remains unclear.

Few studies have included self-efficacy in the examination of employees’ attitudinal and behavioral responses. The importance of efficacy beliefs to effective training efforts has been the center of several studies (e.g., Durhan & Waung, 1995; Frayne & Latham, 1987; Gist, Schwoerer, & Rosen, 1989; Latham, 1988; Latham & Frayne, 1989; O’Neill, & Mone, 1998; Saks, 1995). Durham and Waung (1995) investigated the effect of self-regulatory coping orientation on newcomers. Results revealed that self-efficacy failed to moderate the effects of training on satisfaction, and commitment. However, Saks (1995) found that post training self-efficacy was significantly correlated with job satisfaction and organizational commitment, but not correlated to these variables in the initial state. Saks concluded that self-efficacy is not as useful for predicting work outcomes as it is for predicting training and laboratory outcomes because of fewer external influences.
Riggs and Knight (1994) developed a theoretical model describing the construct of perceived group success-failure (i.e., group members’ perceptions of their ability to perform essential behaviors to their function), individual and collective levels of job-specific efficacy, and outcome expectancy, satisfaction and organizational commitment. A total of 480 employees (student union, state, and university’ employees) responded to a survey. A structural equation modeling analysis revealed that self-efficacy was not a significant antecedent (positive or negative) of commitment or satisfaction.

O’Neill and Mone (1998) integrated measures of equity sensitivity (i.e., how sensitive people are to overreward and underreward situations), and self-efficacy in an effort to investigate how these variables may affect job satisfaction, organizational commitment, and intention to leave the workplace. Results from a field study of 242 health care employees supported the moderating role of equity sensitivity in relations between self-efficacy and job satisfaction, and intention to leave the workplace, but not between self-efficacy and organizational commitment. As is consistent with past research, job satisfaction and organizational commitment were positively correlated with each other; however, self-efficacy was not significantly correlated with satisfaction or commitment.

One prominent study on customer-contact employees’ influence on customers’ perceptions of service quality was conducted by Hartline and Ferrell (1996). The unit of measurement was hotels, and the sample consisted of 236 managers, 561 hotel employees, and 1238 customers. Structural equation modeling analyses indicated that confident and satisfied employees are likely to perform better than apprehensive and dissatisfied employees during the service encounter, which leads to an increase in customers’ perceptions of service quality. Furthermore, it was found that self-efficacy has a stronger influence on perceived quality than job satisfaction.

In sum, few studies have integrated self-efficacy, job satisfaction, and organizational commitment together with other attitudinal and behavioral variables in different work settings. The fitness industry appears to be a proper environment for investigating employees’ influence on customers’ attitudes and behaviors due to the close relationships between service providers and customers in most interactions (i.e., fitness instructor and clients). These three distinct variables intercorrelate and as such they elegantly fit in the study’s model.
In the following sections, customers’ variables, i.e., perceived service quality, customer satisfaction and customer loyalty are reviewed. Due to the causality relationship among the three variables, the interactional effects are reviewed next.

**Perceived Service Quality**

“Perceived service quality is the consumer’s judgment about an entity’s overall excellence or superiority” (Parasuraman, Zeithaml, & Berry, 1988, p. 15). Delivering quality service is considered a crucial strategy for success and survival in today’s economy. Currently over 75% of all United States jobs reside in services industries. Further, the services sector generates over 85% of all new jobs and 66% of the Gross National Product of the United States (Brady, Cronin, & Brand, 2002). Due to the increasing promotion on service quality, customers have developed higher expectations, and are more aware of rising standards in service endorsed by competitors (Frost & Kumar, 2000). Any decline in customer satisfaction due to poor service quality would be a matter of concern to the organization, and may result in undesired consequences. Therefore, organizations must find ways to effectively manage their customer-contact employees to ensure that their attitudes and behaviors are conductive to the delivery of quality service (Hartline & Ferrell, 1996).

Perceived quality is distinguished from objective quality, which refers to an objective aspect or feature of a thing or event (Holbrook & Corfman, 1985). Several scholars suggested that quality as a form of overall evaluation of a product, similar in many ways to attitudes (Olshavsky, 1985, Parasuraman, Zeithaml, & Berry, 1985) it is “the degree of discrepancy between consumers’ perceptions and expectations” (Parasuraman, et al., 1988, p. 17). The term “expectations” is used differently in the service quality and the consumer satisfaction literatures. Specifically, in the satisfaction literature, expectations are viewed as predictions made by customers about what is likely to happen during future transaction or exchange. In contrast, in the service quality literature, expectations are viewed as customers’ desires or wants, i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988).

**Dimensions of Service Quality**

A number of service dimensions were identified in the marketing literature (e.g., Harte & Dale, 1995; Lee, Lee, & Yoo, 2000; Parasuraman et al., 1985, 1988). For general criteria, the ten
dimensions of Parasuraman et al. (1985) provide the most comprehensive range of determinants including: tangibles, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the consumer, and access. These ten dimensions and their descriptions served as the basic structure of the Parasuraman et al.’s (1988) 22 items SERVQUAL scale. The SERVQUAL’s five dimensions (based on three original and two combined dimensions) are: tangibles, reliability, responsiveness, assurance, and empathy. The foundation of the measure rested on the authors’ suggestion that service quality should be represented as the “gap” (i.e., difference) between service expectations and actual service performance (i.e., the disconfirmation paradigm). Accordingly, service quality is deemed sufficient when customer perceptions of service performance are equal to or greater than the expected level of service. Other researchers (e.g., Brady et al., 2002; Cronin & Taylor, 1992) have argued that performance dimension alone predicts behavioral intentions and behaviors at least as well as the complete model. Thus, it has been suggested to use only performance perceptions as a measure of service quality.

**Employee Attitudes in Service Quality**

The feelings service workers display toward customers contributes to the need to understand what drive these behaviors. The concept of climate for service was formulated by Schneider and his colleagues (e.g., Schneider & Bowen, 1985; Schneider, Wheeler, & Cox, 1992). A general conclusion drawn from this line of research is that when organizations treat their employees well, the employees, in turn, treat the customer well. Schneider and Bowen (1992) found that “employee attitudes about their employing organization are significantly correlated with their customers’ perceptions of the quality of service they receive” (p. 5).

From the customers’ perspective, it has been suggested that customers adopt the attitudes expressed by the service workers they encounter (e.g., Pugh, 1997; Schneider & Bowen, 1992). Hatfield et al. (1992) suggested the term “emotional contagion” which relates to “the tendency to automatically mimic and synchronize facial expressions, vocalizations, postures, and movements with those of another person and, consequently to converge emotionally” (pp. 153-154). Stated differently, how customers cognitively evaluate a service encounter is influenced by their feelings, and those feelings are influenced by the attitudes and behaviors of service workers.
Sport Management Research

Despite the fact that service quality has been the most popular area of research in services marketing, it has only recently gained sport management scholars’ attention (Change, Chen, & Hsu, 2002). Numerous efforts have been made in the sport/fitness fields to study service quality, including the development and examination of several measurement models (e.g., Alexandris 2002; Kim & Kim, 1995; Nicholls et al., 1999; O’Neill, Getz, & Carlsen, 1999; Papadimitriou & Karteroliotis, 2000; Theodorakis et al., 2001; Triado, Aparicio, & Rimbau, 1999). However, because of its conceptual complexity, the sport management literature, like the business literature, has not agreed upon one scale to measure service quality. The following literature review is based on the different instruments that were used in sport management research.

SERVQUAL (Parasuraman et al., 1988, 1991), the most popular service quality scale, was used in sport management literature in several studies (e.g., Alexandris, 2002, O’Neill et al., 1999). In a study on the influence of perceived quality on customer satisfaction and service loyalty in the fitness industry, Alexandris (2002) posed two main research questions: (1) Can customer satisfaction in fitness clubs be predicted from the SERVQUAL dimensions? (2) Which dimensions of service quality are related with customer loyalty? 250 members of five private fitness clubs completed an adjusted version of the SERVQUAL, an adjusted version of Oliver’s 1997 satisfaction scale, and Zeithaml et al. (1996) behavior intention scale. Results indicated that SERVQUAL model accounted for 64% of the variance in customer satisfaction as four of the five dimensions (tangible, reliability, responsiveness, and empathy) contributed significantly to the prediction of satisfaction. Moreover, it was concluded that in order to built positive word-of-mouth and affect customer intentions, fitness club managers should emphasize on the tangible element, the reliability (ability to perform the services accurately), and responsiveness dimensions (provide prompt service).

O’Neill et al.’s (1999) study aimed towards the investigation of the conceptualization and measurement of service quality, and the relationships between service quality, customer satisfaction, and repeated visitation at the Coca-Cola Masters Surfing Event. 239 visitors at the event completed the SERVQUAL. Results were presented in three categories: (1) site-related features which represent the more tangible aspect of the event were positive overall; (2) staff-related features were positive (mean score of 3.94 on a 7-points scale); and (3) other related
feature that did not fit into the other two categories (e.g., satisfaction with the actual event). An overall high level of customers’ satisfaction was reported as almost 96% of the respondents were at least satisfied. 77% of the participants stated that they intended to return to the event the following year, and 88% indicated that they would recommend the event to friends.

Theodorakis et al. (2001) examined the relationship between service quality and customer satisfaction using SPORTSERV (Theodorakis & Kambitsis, 1998) scale. The SPORTSERV represents five dimensions (access, reliability, responsiveness, tangibles, and security), and was designated to measure spectators’ perceptions of service quality in professional sports. All the 22 items of the scale are perception-performance statements. The $\alpha$ internal consistency for the scale ranged between .62-.91. Results for the first study of 173 spectators of professional basketball game in Greece indicated that their perception of the team reliability, the responsiveness of personnel, and security were relatively low. The tangible and access elements of service received somewhat positive scores.

Kim and Kim (1995) followed by Papadimitriou and Karteroiotis (2000) used the QUESC (quality excellence of sports centers) instrument. The QUESC model consists of 33 items of service quality representing 11 dimensions (ambiance, employee attitude, employee reliability, information available, program offered, personal considerations, price, privilege, ease of mind, stimulation, and convenience), was developed based on a consumer-oriented approach and used date from private and public sports organizations in Korea. Papadimitriou and Karteroiotis (2000) in a study of 487 members from 12 different fitness clubs in Greece, criticized the QUESC’s psychometric properties for three reasons: (1) the large number of factors, (2) its interpretability, (3) its internal consistency of the suggested factors. Using a factorial analysis, the authors proposed a 24-item scale loading on four factors (instructor quality, facility attraction and operation, program availability and delivery, and significant others). However, the four -factors solution indicated only marginal internal consistency reliability.

In another study, Nicholls et al. (1999) compared two hospitality-oriented firms, cruise lines and bookstores, with two sport-oriented ones, bowling alleys and racetracks, for both the personal service received, and the setting in which the service was provided. A total of 1,284 customers of the two service industry categories completed the satisfaction with the personal service (SatPers) 5 items (e.g., courtesy, timeliness), and satisfaction with the service setting...
(SatSett) a 4-item scale (e.g., convenience of the operating hours, the cleanliness of the facility). These measures were derived as a result of customer ratings of statements about each organization. Findings revealed that hospitality-oriented firms earned significantly higher satisfaction ratings than sports-oriented firms for both the personal service received, and the setting in which the service was provided. Nicholls et al. suggested that more opportunities for personal contact between providers and customers, and environmental conditions in the hospitality-focused industries were among the causes for these differences.

In sum, perceived service quality is a controversial topic as no consensus has been reached on how to conceptualize and/or operationalize this construct. Several scholars have tried to adjust existing models to the sport setting; however, more research is needed to advance this line of research.

Summary

Perceived service quality is a central variable in today’s world of intense competition. The key to sustainable competitive advantage lies in delivering high quality service that will result in satisfied and loyal customers. The influence of employees’ behaviors on customer perception of the service quality is fundamental for managers of a service-oriented organization. The relationship between service quality and customer satisfaction is reviewed next.

Customer Satisfaction

“Satisfaction is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or overfulfillment” (Oliver, 1997, p. 13). Customer satisfaction is essential to the individual well being, and to the profits of firms supported through purchasing and patronization. In capitalistic societies firms exist to make a profit, thus, repeat purchasing is essential to a continued stream of profitability (Oliver, 1997; Schneider & Bowen, 1999).

In order to better comprehend customer satisfaction, understanding of expectation formation is needed. Expectations have two components: a probability of an occurrence, and an evaluation of the occurrence. Oliver (1981) defines high expectations as a shopper’s anticipation.
that “desirable events will occur, and that undesirable events will not occur” (p. 34). Conversely, low expectations are a shopper’s anticipation that “desirable event will not occur and undesirable events will occur” (p. 34). The importance in allocating time to measure expectations lies in that expectations play a role in satisfaction formation. It means that without observing performance, expectations may have already predisposed the consumer to respond to the product or service in a certain way (Oliver, 1997).

Two other determinants of customer satisfaction are: (1) quality, which is defined as consumers’ perceptions and judgments of products and services, and it relates to the process of expectation formation (Oliver, 1997), and (2) perceived value which is “the results or benefits customers receive in relation to total difference between perceived benefits and cost” (McDougall & Levesque, 2000, p. 395). Researchers agree that quality is in the eye of the beholder; and of particular interest are those research findings indicating that consumers often infer quality from price (e.g., Aaker & Jacobson, 1994; Capon, Farley, & Hoenig, 1990; Rao & Monroe, 1989). It has been found that firms with higher quality had better consumer reputations, better channel member receptivity, and hence better word of mouth, better awareness, and lower costs of attracting new customers. Moreover, the common believe is that customers that received “value for money” tend to be more satisfied than those who do not. For example, McDougall and Levesque (2000) studied the relationship between customer satisfaction and core service quality, relational service quality, and perceived value in four different services (dentist, auto service, restaurant, and haircut) in 587 participants, members of Canadian church congregation. Findings indicated that core service quality and perceived value were the most important drivers of customer satisfaction.

**Current Customer Satisfaction Theories**

The dominant explanation in the marketing literature for customer satisfaction is the *Expectancy Disconfirmation Model* (e.g., Oliver, 1980, Westbrook & Oliver, 1991). In essence, the model describes consumers as forming expectations regarding the performance (quality) of a product or service. According to the model, there are three predictors of satisfaction: expectation (“a probability or likelihood of attribute or product performance at a specific performance level”), disconfirmation (“the result of a comparison between what was expected and what was observed”), and performance (“the perceived amount of product or service attribute outcomes.”)
The three possible states of disconfirmation are: negative disconfirmation – performance is below standard (i.e., expectations); positive disconfirmation – performance is above standard; and zero disconfirmation – performance confirms expectations. Oliver (1977, 1997) and Iacobucci, Grayson, and Ostrom (1994) have found that the highest level of satisfaction occurs when people enter into a purchase with high expectations and experience positive disconfirmation; the lowest levels of satisfaction occur when expectations are low and negative disconfirmation is experienced.

A number of researchers have criticized the expectancy disconfirmation model to the extent of which it explains customers’ behavior (e.g., Erevelles & Leavitt, 1992; Yi, 1990). Schneider and Bowen (1999) criticized its inability to offer insights about customer reactions that are more emotionally charged than satisfaction or dissatisfaction. “Firms cannot understand or manage emotionally charged customer reactions, such as delight and outrage, by merely meeting or exceeding specific service expectations” (p. 37). It is their opinion that customer delight and outrage originate with the handling of three basic needs: security (the need to feel unthreatened by physical or economic harm), justice (the need to be fairly treated), and self-esteem (the need to maintain and enhance one’s self-esteem). They suggested that customer retention and profitability could be achieved by firms’ understanding these three customer needs (1999).

Dissatisfaction

Recognition of dissatisfaction is as important as satisfaction for the study of customer behavior. The majority of people do not complain to the seller when they are dissatisfied with a good or service (Zairi, 2000a). For example, data indicate that only about 20% of Americans complain in response to dissatisfying service encounters (Day, Grabicke, Schaetzle, & Staubach, 1981). A reason for raising the “do nothing” response is to alert organizational researchers that complain likely are rather poor indicators of customer goodwill, grossly underrepresenting the true levels of those who are dissatisfied (Brief, 1998).

True customer loyalty can translate into increase profits because such loyalty leads to a guaranteed customer base, and correspondingly, more accurate budgeting, more efficient strategic planning, and decreased marketing costs (Oliver, 1997). Zairi (2000b) found that satisfied customers are more likely to share experiences with other people (5-6 people), and
dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Moreover, it was found that it costs as much as 25 percent more to recruit new costumers (Zairi, 2000b).

**Sport Management Research**

Customer satisfaction among sport management scholars has been acknowledged only recently. Only a small number of relevant studies exist in the sport management literature. The following literature review is based on related content areas such as satisfaction with personal service, fan satisfaction with sports facilities, and social values of fan groups.

Customer satisfaction with personal service was studied in relation to different aspects of the service provider (e.g., Alexandris et al., 1999; Handel et al., 1994; Martin, 1990). Martin (1990) investigated how customer relations’ behaviors enhance customer satisfaction in the bowling industry. First, 62 audits were conducted to assess the frequency of 16 behaviors by customer-contact employees (e.g., verbal – thanking the customers, and nonverbal – chewing gum while serving). The most frequently observed customer relations’ behaviors were nonverbal. Next, 82 customers’ perceptions of the relative importance of each behavior were assessed. It was found that the three most desirable customer relations’ behaviors were related to promptness of services: being served without delay, and when paying for lineage after bowling. Moreover, females tended to rank proactive comments and offers as assistance from employees as relatively more important than did males.

The influence of sports facilities on customer satisfaction is another area of interest in sport management, mainly because of revenues’ considerations. For example, Greenwell, Fink, and Pastore (2002) examined the influence of spectator sports facilities on customer satisfaction. A questionnaire was administered to 218 participants attending minor league hockey games. Facility elements predicted customer satisfaction when perceived as a whole, but attributes of the facility had little impact individually. It was also reported that both perceptions of service personnel and of the physical facility contributed to customer satisfaction over and above the impact of customers' perceptions of the core product. In another study, Greenwell (2002) examined whether customers’ perceptions of facility attributes or expectancy disconfirmation predict more variance in customer satisfaction. The study sample consisted of 197 minor-league hockey customers. It was found that expectancy disconfirmation was the most important
predictor of customers’ satisfaction followed by the facility’s level. Furthermore, these results implied that customers base their satisfaction judgments on ideal expectations formed from what they know about other facilities.

In another study, Alexandris et al. (1999) compared customer satisfaction between private and public sport and fitness clubs in Greece. 418 members of five public and five private clubs participated in the study. The confirmatory factor analysis with the use of structural modeling supported the multidimensionality of the satisfaction construct, and resulted in a six dimensions model. Furthermore, results indicated significant differences between private and public clubs in facilities, staff, intellectual/individual, and health/fitness dimensions. Customer in public clubs score lower than customers in private clubs.

In sum, the literature has suggested that customer satisfaction is related to organizational prosperity. Thus, further examination of different sports settings is needed in order to advance the general knowledge, and contribute to organizational effectiveness.

Summary

Most organizations, in their quest for progress and advancement, put the customer first. Delivering quality to customers in a competitive marketplace dictates the need to continually enhance a customer’s experience and satisfaction. Thus, service firms that focus on achieving customer satisfaction and loyalty try to deliver a sense of superiority. As most of the research in sport management is correlational in nature, the current study pertains to explore causality between employees’ variables and customer satisfaction. Based on the literature reviewed, it seems that customer-contact employees’ attitudes and behaviors in service-oriented industry such as the fitness industry would influence customers’ satisfaction and loyalty to the center.

As previously discussed, it is expected that customer satisfaction would lead to customer loyalty (i.e., retention). Customer loyalty is essential to organizational survival and is reviewed next.

Customer Loyalty

“Customer loyalty is a deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, despite situational influences and marketing efforts
having the potential to cause switching behavior” (Oliver, 1997, p. 392). The discussion of loyalty for products and services generally requires that consumers be able and willing to continue interaction with a brand in some way. In general, this involves repetitive purchasing thus, the decision making process become a target for marketers (McDougall & Levesque, 2000). A distinction is made between proactive loyalty and situational loyalty. In proactive loyalty, the customer frequently and regularly rebuys the brand, settling for no other (e.g., a favorite sports drink like Gatorade). In situational loyalty, a special situation is needed to initiate consideration of the product category (for example, a football fan is wearing a certain t-shirt color when attaining his team home games). In either case, the consumer is focused and considers no alternatives (Oliver, 1997; Sivadas & Baker-Prewitt, 2000; Zairi, 2000b).

According to Oliver (1997) three conditions must exist for true brand-loyalty: (1) consumers must have information about the focal brand as being superior to what is known of competitive offering, (2) the consumer’s degree of liking must be higher than that for other offering, so that clear affective preference exists for the focal brand, and (3) when a purchase is needed, the consumer must intend to buy the focal brand, as opposed to the alternative brands.

Loyalty Phases

Oliver (1997) emphasized four phases for consumers to become loyal. First, loyalty in a cognitive sense. For example, a customer’s membership in a fitness club that offers the lowest monthly installments. This is not a strong form of loyalty because of the option that another fitness club might lower the membership prices sometimes in the future. In the second phase, commitment is referred to as affective loyalty. Loyalty is now encoded in the consumer’s mind as affect and not solely as cognition. For example, in the context of channel relationships, Ping (1994) showed that dissatisfaction increases the effect of the attractiveness of alternative suppliers on exit intention. The third phase is a conative loyalty, which refers to “a loyalty state containing the deeply held commitment to buy” (Oliver, 1997, p. 393). In the last phase, action control, loyalty maintains by commitment and action inertia.

When examining loyalty patterns, researchers could not find product categories that are purchased repeatedly over time (e.g., McDonald, 1993; Snyder, 1991; Sproles & Kendall, 1986). Oliver (1997) concluded that customers are loyal to the relative benefits of the product (i.e., the price, service, or quality) in a cognitive loyalty manner, which is the weakest loyalty mode.
Nevertheless, Sivadas and Baker-Prewitt (2000) tested Oliver’s (1997) loyalty model among 542 department store customers and supported the proposed loyalty continuum.

**Sport Management Research**

The attention in customer loyalty literature has been mainly focused on fans’ loyalty, likely due to the fact that fans are a major source of revenues to professional sports teams. Several studies examined the determinants and outcomes of fan loyalty, and some theoretical models dealing with the allegiance of fans to sports teams have been suggested. Athletes’ loyalty to sport and managerial decisions that influenced fan loyalty were studied as well. Following is a review of relevant studies sharing similar contents.

James (2001) examined the process of becoming a loyal fan of a sport team (i.e., when, and what influences the individual). A qualitative study was conducted with two groups of children (n = 50) aged 5-6, and 8-9. It was found that children begin to demonstrate team loyalty as young as age 5, and that fathers were the most influential socializing agent relative to introducing children to sports teams. Several scholars have developed theoretical models and scales pertaining to the nurture of fans loyalty (e.g., Funk & Pastore, 2000; Mahony, Madrigal, & Howard, 2000; Sutton et al., 1997). For example, Sutton et al. presented a normative model to create and foster fan identification. Conceptually, the model suggests that managerial factors such as team characteristics, and organizational characteristics, influence the level of fan identification, which then results in managerial benefits in the form of decreased price sensitivity. In another study, Funk and Pastore addressed the issue of how fan allegiance in a team sports context should be defined and operationalized. The authors integrated behavioral (e.g., watching games on TV) and attitudinal components (e.g., commitment) into a composite index of loyalty (“Loyalty, Importance and Direct Experience Scale”). An overall sample of 379 undergraduate sport-marketing students participated in the study. The results indicated that importance and direct experience were the most powerful determinants of loyalty.

The intensity of fan loyalty has been considered in a couple of studies. Sebastian and Bristow (2000) compared 200 students’ brand-loyalty-proneness scores on six products (blue jeans, delivery pizza, tennis shoes, soft drinks, beer, and professional sports teams), and found that participants exhibited greater brand loyalty to professional sports teams (even an inferior one) than to the other five products studied. Sebastian and Bristow proposed that people are
more attached to living creatures than to inanimate entities. In another study, Smith, Patterson, Williams, and Hogg (1981) aimed to profile the deeply committed male sport fan. They conducted 52 interviews with committed sports consumers, highlighting the degree to which they follow sport. The authors suggested that, as with anything that becomes an obsession, there could be negative consequences to a fanatic fan’s behavior.

Athlete’s loyalty was studied by Adler and Adler (1988). The authors conducted a five-year period participant-observation study of a major college basketball program. Five elements essential to the development of intense loyalty to sport were found: domination, identification, commitment, integration, and alignment. Through their experience with each of these organizational dimensions, athletes developed feeling that lead to the expansion of intense loyalty.

Finally, the relation between managerial decisions and fan loyalty was at the center of two studies. Depken (2001) found that the decision to relocate a professional football franchise is related to fan loyalty; a relatively low level of fan loyalty was a motivating factor in the decision to relocate a franchise to a new host city. Wakefield and Sloan (1995) studied the effect of team loyalty and selected stadium factors on 1,491 spectator attendance. The study’s results supported the premise that although team loyalty strongly affected attendance, stadium design and stadium services also directly influenced spectators’ desire to stay, and hence, attend games at the stadium.

Overall, mainly due to financial aspects, customers’ loyalty becomes fundamental to the existence of sports organizations. Recent attempts to develop models and evaluate customer loyalty emphasize the centrality of this variable in sport management literature.

**Summary**

Loyal customers are the ultimate goal of every firm in the process of profit maximization. Customers should experience a history of quality-level product or service performance, and a sequence of satisfactory experiences to become loyal to a firm. The fitness industry is constantly growing and thus offers to potential customers a variety of clubs to choose from. Therefore, loyal customers are crucial to each center’s existence, and probably employees’ attitudes and behaviors affect customers’ decision to remain with a club.
Interactional Perspective on Perceived Service Quality, Customer Satisfaction, and Customer Loyalty

The Direction of Causality between Service Quality, Satisfaction, and Loyalty

The relationship between customer satisfaction and service quality and the measurement of these constructs have received a considerable amount of attention in the literature (e.g., Brady et al, 2002; Cronin & Taylor, 1992; Lacobucci, Ostrom, & Grayson, 1995; Parasuraman et al., 1985; Sivadas & Baker-Prewitt, 2000), however, a consensus concerning these key issues has not yet emerged. Two major positions have been advanced. First, service quality has been identified as an antecedent to customer satisfaction (e.g., Anderson & Fornell; Brady et al., 2002; Cronin & Taylor, 1992; Lacobucci et al., 1995; Lee, Lee, & Yoo, 2000; Parasuraman et al., 1985, 1988; Sivadas & Baker-Prewitt, 2000; Spreng & MacKoy, 1996). In an attempt to distinguish between the two constructs, Rust and Oliver (1994) suggested that customer satisfaction is a cognitive or affective reaction that emerges as a response to a single or prolonged set of service encounters. Satisfaction is a “post consumption” experience which compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm’s service delivery system.

Several authors supported the argument that customer satisfaction leads to service quality (e.g., Bitner, 1990; Bolton & Drew, 1991; Oliver, 1981) based on the notion that incidents of satisfaction over time result in perceptions of service quality. Overall, despite the lack of agreement regarding the causality of the quality – satisfaction relationship, the dominant conceptualization suggests service quality is an antecedent of customer satisfaction.

The link between perceived service quality and behavioral intention was examined by Zeithaml, Berry, & Parasuraman (1996). The authors tested a model that begins with a customer’s assessment of service quality, and poised that when service quality assessments are high the customers’ behavioral intentions are favorable, which strengthens their relationship with the organization. When service quality assessments are low the customers’ behavioral intentions are unfavorable and the relationship is more likely to be weakened. Behavioral intentions can be viewed as indicators to whether customers will remain with or leave the organization.

The quality-satisfaction-loyalty chain was examined in several studies. For example, Lee et al. (2000) studied 521 customers of three different industries (i.e., entertainment park, aerobic school, and investment consulting firm). They tested the mediating role of satisfaction between
service quality and repurchase intention and the mediating role of service quality between satisfaction and repurchase intention. They found that perceived service quality was an antecedent of customer satisfaction in all three samples, and mediating customer satisfaction and repurchase intention in one case only. Thus, they concluded that perceived service quality leads to customer satisfaction, and that customer satisfaction exerts a stronger influence on purchase intention than service quality. Sivadas and Baker-Prewitt (2000) examined 542 heads of household shopping experience at a department store within the past three months and found that service quality influenced satisfaction with retail stores. Satisfaction also influenced the likelihood of recommending a department store as well as repurchase but had no direct impact on loyalty.

**The Employee-Customer Interface**

The interactions between service employees and customers are considered to be the most important contributor to customers’ assessments of quality (e.g., Harte & Dale, 1995; Tansik, 1985). Hochschild (1983) termed the component of service encounters on the employee’s side, *emotional labor*. According to her, jobs that involve emotional labor are those requiring face-to-face or voice-to-voice contact with customers, thereby, affecting the emotional state of customers. Rafaeli and Sutton (1989) used the term *display rules* to describe the emotional activities required of employees as part of their jobs. From a managerial perspective, the idea is, that if employees display the right emotions, the customers will have the intended emotional reaction to the service encounter (e.g., a smiling weight training instructor produce a smiling customer). When external forces are not a factor, summary perceptions (i.e., perceived organizational climate) may be a basis for customer decisions to remain with or leave the organization.

Research has shown that employees’ attitudinal and behavioral responses can positively and negatively affect customers’ perceptions of the service encounter and their judgments of service quality (Bitner, 1990). On the negative side, studies by Schneider (1980) and Shamir (1980) revealed that employees’ role stress and dissatisfaction are major contributors to their inability to deliver good service. In contrast, several studies have shown that the friendliness, enthusiasm, and attentiveness of contact employees positively affect customers’ perceptions of service quality (e.g., Schneider & Bowen, 1999).
In an attempt to investigate the management of service employees from three perspectives, Hartline and Ferrell (1996) analyzed 2389 questionnaires filled by hotel managers, customer-contact employees, and customers received from 279 different hotels. The authors found that employee self-efficacy and job satisfaction increased customers’ perceived service quality, as self-efficacy had stronger effect on service quality than job satisfaction. It has been argued that highly self-efficacious contact employees may be better able to handle the difficulties inherent in their jobs, which leads to better performance and higher perceived service quality.

The Quality - Satisfaction – Loyalty – Financial Performance Path

The focus in the study of service quality, customer satisfaction, and customer loyalty has shifted from determining what these variables meant to customers, and adjusting strategies to achieve these goals, to the study of their impact on profit and other financial outcomes of the organization (Zeithaml et al., 1996; Zeithaml, 2000).

A number of authors have proposed compelling arguments and presented data strongly supporting the links that translate perceived quality to profit (e.g., Aaker, 1992; Anderson et al., 1994) despite other financial and accounting influences that affect profitability. Accordingly, the profitability sequence has four stages, which are as follows:

\[
\text{Quality} \rightarrow \text{Satisfaction} \rightarrow \text{Loyalty} \rightarrow \text{Profitability}
\]

Oliver (1997) suggested a more accurate relationship where profitability can be shown to follow from the mediated effect of quality and satisfaction through loyalty, and from direct effects due to quality, satisfaction and loyalty:

\[
\text{Quality} \rightarrow \text{Satisfaction} \rightarrow \text{Loyalty} \rightarrow \text{Profit}
\]
Zeithaml (2000) summarized existing research and company evidence for the link between service quality, customer loyalty, and profit. Overall, some direct and indirect relationship found between the variables. For example, better stock return linked to improved quality perceptions, and shareholder value was resilient with respect to customer satisfaction. Wiele, Boselie, and Hesselink (2002) evaluated empirical data on customer satisfaction and the relation with organizational performance data. They found that perceived quality is related to organizational performance indicators (e.g., sales per customer, and sales margin per customer) in the same year and/or in the next year. The way that complaints re-handled was positively correlated with quality perceptions, and with organizational performance indicators during the same time period. Jewett (1994) reported that Ford Motor Company has estimated the value of a one-percent increase in owner loyalty to be worth $100 million in profit. In another study, Hart, Heskett, and Sasser (1990) found that loyal customers of Club Med return an additional four times, spending roughly $1000 per visit. Given a reported profit margin of 60 percent, the future profit potential of a loyal customer is $2400 ($1000 X 4 X .60). Stated differently, this is exactly what Club Med would lose if a dissatisfied customer did not return after the first visit.

Three major problems have been mentioned regarding the measurement of customer variables and performance variables: (1) the time-lag between the two measurements, (2) other factors influencing profits (e.g., price, distribution, and competition), and (3) the variable order that should be included as mediator or moderators in trying to predict causality between attitudes, behaviors and financial results (Wiele et al., 2002).

Summary

The research literature on perceived service quality, customer satisfaction, and customer loyalty has two purposes: first, to determine the causality between customer variables, and second, to link these variables to financial performance. The nature of the exact relationship between employee variables is still shrouded with uncertainty; however, there is a growing consensus that service quality is antecedence to customer satisfaction and customer loyalty. Therefore, the same causal order will be tested in the study’s model.
Discussion and Summary

The current study is a first attempt to investigate the employee-customer chain in the sport industry in a holistic manner, and to examine causality between employees’ and customers’ variables. The model proposed here will be tested in the fitness industry as it is one of the fastest growing businesses in the sport industry, and it characterizes with close employee-customer relationship. Based on the literature reviewed, it is evident that employees are at the center of the organization, especially in service organizations which dominate the sport industry (Chelladurai, 1999), and that the implications of their acts influence every aspect of its operation. Thus, the new model includes three main attitudinal variables: self-efficacy, organizational commitment, and job satisfaction that represent employees’ variables on the job. Each of the three variables is a distinct construct that was extensively studied in the context of organizational behavior.

Two employees’ behaviors are represented in the study’s model: “in-role” job performance, and organizational citizenship behavior. These behaviors are included because they seem to be the main consequences of job satisfaction and organizational commitment, and are critical to effective organizational functioning.

The extensive competition in the fitness industry encourages managers to become professional, creative, initiative, and competitive in order to attract new customers and to retain the existing one. As a service-oriented in nature, the fitness industry should emphasize customers’ perceived service quality, satisfaction, and loyalty since they are crucial factors for business existence and success. Although several causal models linking service quality, customer satisfaction and loyalty were presented in the marking literature (e.g., Aaker, 1992; Anderson et al., 1994; Lee et al., 2000; Oliver, 1997), an examination of this relationship in the sport context is vital.

Overall, for scholars, this line of research could advance the understanding of interpersonal processes within a sport segment, and their implications on the “bottom line.” For practitioners, the study results could reinforce the importance of investing both in employees’ attitudes as part of the organization’s human resource management, and in customers in order to increase their loyalty to their organizations and thus to maximize revenues.
CHAPTER 3

METHODOLOGY

This chapter includes information about the research design, participants, instrumentation, procedure, and data analyses used in the study.

Research Design

The nature of the current study is inductive and exploratory. In part, this study can be viewed as a combination of the traditional and interpretive approaches to organizational research described by Frisby (1995), as it utilizes a survey methodology to gain an understanding into how the organizations’ constituents view and interpret the relationships with their work/ workout environment. The researcher collected data which quantitatively measured contact-employees’ self-efficacy, organizational commitment, and job satisfaction, as well as their “in-role” job performance and organizational citizenship behaviors at work. In addition, customers assessed their perceived service quality, satisfaction, and loyalty to the fitness club. For the purposes of this descriptive study, the variables were not manipulated.

The research method was survey research, described by Rea and Parker (1997) as “…the concept of considering information derived from a small number of people to be an accurate representation of a significantly larger number of people” (p. 1). Given the descriptive nature of this study, the nature of the constructs and the available quantitative instruments for measuring those constructs, survey research was deemed as the most appropriate methodology to follow. The researcher recognizes some limitations of this type of study method, including a questionnaires’ cross-sectional nature and the superficial nature of the responses received (Kerlinger, 1986).
Participants

A total of 415 surveys were collected in the current study: 112 employees and 303 customers from 20 different fitness clubs in South Florida. The majority of the clubs were members of the International Health, Racquet and Sports club Association (IHRSA) in Florida. IHRSA founded in 1981, is a not-for-profit trade association representing health & fitness facilities, gyms, spas, sports clubs and suppliers worldwide. Club memberships are available to investor-owned fitness, racquet and athletic facilities which pay property taxes and do not accept tax-deductible contributions for capital or operating costs. Associate memberships are available to manufacturers or suppliers of products and services of use to IHRSA members. Currently there are over 6,500 club members worldwide, and 3,800 in the United States (Industry statistics, 2003). The sampling technique was not random, but purposive. An effort was made to have a sociodemographic representation of clubs from South Florida. The employees’ and customers’ demographic characteristics are presented in Tables 1 and 2 (see Appendixes E & G for demographic questions). Tables 1 and 2 indicate that in both groups there was a good balance between males and females, and a wide range of ages. A relatively large standard deviation was inspected for employment duration (SD = 37.70) as well as for membership duration (SD = 33.45) which represents the dynamic of the fitness industry.

Table 1
Descriptive Statistics of Employees’ Sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>98</td>
<td>18</td>
<td>56</td>
<td>30.45</td>
<td>8.38</td>
</tr>
<tr>
<td>Employment Duration (months)</td>
<td>100</td>
<td>1</td>
<td>192</td>
<td>34.51</td>
<td>37.70</td>
</tr>
<tr>
<td>Average Working Hours (per week)</td>
<td>101</td>
<td>2</td>
<td>75</td>
<td>31.76</td>
<td>12.34</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Freq</th>
<th>Percent</th>
<th>Cum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>39</td>
<td>34.8</td>
<td>34.8</td>
</tr>
<tr>
<td>Female</td>
<td>66</td>
<td>58.9</td>
<td>93.7</td>
</tr>
<tr>
<td>No Response</td>
<td>7</td>
<td>6.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 2
Descriptive Statistics of Customers’ Sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>N</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>293</td>
<td>18</td>
<td>80</td>
<td>41.00</td>
<td>14.60</td>
</tr>
<tr>
<td>Duration of Membership in club</td>
<td>294</td>
<td>1</td>
<td>144</td>
<td>33.45</td>
<td>32.33</td>
</tr>
<tr>
<td>(months)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hours in Club (per week)</td>
<td>298</td>
<td>1</td>
<td>40</td>
<td>7.87</td>
<td>4.83</td>
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</table>

Gender

<table>
<thead>
<tr>
<th></th>
<th>Freq</th>
<th>Percent</th>
<th>Cum %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>143</td>
<td>47.2</td>
<td>47.2</td>
</tr>
<tr>
<td>Female</td>
<td>156</td>
<td>51.5</td>
<td>98.7</td>
</tr>
<tr>
<td>Not Responded</td>
<td>4</td>
<td>1.3</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Instrumentation**

The study instruments were selected based on their known reliability, validity, and parsimony. Fitness club employees responded to a survey consisting of four instruments (job satisfaction, self-efficacy, organizational commitment, and job behaviors), and customers replied to a survey composed of four instruments (customer satisfaction, perceived service quality, overall service quality, and customer loyalty).

**Overall Job Satisfaction (OJS; Brayfield-Rothe, 1951; Appendix A).** Overall JS was measured with five items taken from Brayfield-Rothe (1951) measure of JS ($\alpha = .88$). In the current study, OJS scale reported $\alpha = .73$ for Cronbach scale reliability estimate. Evidence for high validity of the scale rests upon the nature of the individual items (i.e., “face” validity), and when applied to two groups, personnel and non-personnel, which could reasonably be assumed to differ in job satisfaction, the mean difference of 11.5 points, and the variance were significant at the .01 level. The scale includes items such as, “I feel fairly well satisfied with my present job,” “Most days I am enthusiastic about my work,” and “Each day of work seems like it will never end” (reversed scored). The response format ranged from 1 (“strongly disagree”) to 5 (“strongly agree”), yielding a possible range of scores between 5 and 25. The average score on the items was the participant’s score of overall JS.
**Personal Efficacy Beliefs Scale (PEBS; Riggs & Knight, 1994; Appendix B).** The 10-item personal self-efficacy beliefs scale assesses employee’s perceived self-efficacy about their work. The scale demonstrates good internal consistency reliability ($\alpha = .80$). In the current study the alpha reliability was $\alpha = .77$. Construct validity of the questionnaire was examined by correlations with satisfaction ($r = .30$), organizational commitment ($r = .25$), and performance ($r = .22$) (Riggs, Warka, Babasa, Betancourt, & Hooker, 1994). The scale includes items such as, “I have confidence in my ability to do my job”, and “I have all the skills needed to perform my job very well.” The response format ranged from 1 (“strongly agree”) to 6 (“strongly disagree”). The range of possible total scores is 10 to 60. The average score on the items was the participant’s score of self-efficacy.

**Affective, Continuance, and Normative Commitment (ACNC; Meyer & Allen, 1997; Appendix C).** Organizational commitment instrument measures affective commitment (6 items; $\alpha = .85$; and $\alpha = .71$ in the current study), continuance commitment (6 items; $\alpha = .79$; and $\alpha = .64$ in the current study), and normative commitment (6 items; $\alpha = .73$; and $\alpha = .74$ in the current study). Construct validity of the questionnaire was examined with correlations between the three commitment subscales and performance indicators. For example, affective commitment was found to have .46 correlation with spontaneity, .27 with helping behavior, and .29 with job performance (Lee, 1992). Continuance commitment was found to have -.20 correlation with altruism, and -.20 with compliance (Shore & Wayne, 1993). And finally, normative commitment was found to have .17 correlation with voice, .40 with loyalty, and .14 with professional activity (Meyer, Allen, & Smith, 1993). The instrument includes items such as, “this organization has a great deal of personal meaning for me” (affective), “I feel that I have too few options to consider leaving this organization” (continuance), and “this organization deserves my loyalty” (normative). The response format for this instrument is a 7-point scale ranging from 1 (“strongly disagree”) to 7 (“strongly agree”). Each sub scale was averaged to create affective, continuance, and normative scores. The range of possible scores for each scale is 7 to 42.
Employee Performance (Williams & Anderson, 1991; Appendix D). Three classes of employee behaviors were measured: “in-role” job performance (7 items), Organizational Citizenship Behavior – Individual (OCBI) (7 items), and Organizational Citizenship Behavior – Organization Scale (OCBO) (6 items). Williams and Anderson (1991) composed the scale from previous works (e.g., O’Reilly & Chatman, 1986; Organ, 1988; Smith, Organ, & Near, 1983). The content construct validity of the scale was examined by using exploratory factor analysis. Moderate correlations were inspected between IRB, OCBI, and OCBO, indicating independence among the variables. Construct validity of the questionnaire was examined by several authors with correlations between each of the three variables and performance indicators. For example, IRB was found to have .77 correlation with reward recommendations, .52 with perceived commitment, and .55 with altruistic motives (Allen & Rush, 1998). OCBI was found to have .13 correlation with organizational commitment, .42 with loyalty, and .41 with contribution (Randall, Nathan, & Robert, 1996). The scales reliabilities as reported by the authors were: in-role performance $\alpha = .91$, OCBI $\alpha = .88$, and OCBO $\alpha = .75$. In the current study the scales reliabilities were $\alpha = .81$, $\alpha = .63$, and $\alpha = .54$ respectively. The instrument includes items such as, “fulfills responsibilities specified in job description,” “helps others who have heavy work loads,” and “gives advance notice when unable to come to work.” Items were rated on a five-point scale with anchors ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). The range of possible total scores for the in-role performance and OCBI is 7 to 35, and for OCBO is 6 to 30.

Customer Satisfaction, Service Quality, and Purchase Intentions Measures (Brady et al., 2002; Appendix F). Four classes of customers’ variables were measured: satisfaction measure (10 items), service quality (10 items), overall service quality (5 items), and purchase intentions (3 items). This new scale was used in spectator sports, entertainment, health care, long-distance carriers, and fast food. Brady et al. (2002) used intervariable correlations to support the convergent and discriminant validity of the measures. The satisfaction scale was based on a summary disconfirmation measures (e.g., Oliver, 1977, 1980, 1981; Rust & Oliver, 1994). The 10 satisfaction items are summed to form an index of the satisfaction exhibited by customers. This summary index exhibited high inter-correlation with other variables ($r = .56$ with service quality, $r = .55$ with overall service quality, and $r = .77$ with purchase intentions).
The scale reliability as reported by the authors was $CFI = .94$ (Comparative Fit Index; using a confirmatory factor analysis). In the current study the alpha reliability was $\alpha = .96$. The scale includes items such as, “The effort of the employees to understand my needs was,” and “The neatness and cleanliness of the facilities and staff were”. Items were rated on a nine-point scale with anchors ranging from 1 (“very low”) to 9 (“very high”). The range of possible total scores is 10 to 90.

The 10 service quality items were developed based on Parasuraman et al.’s (1985) 10 dimensions of service quality. The scale reliability as reported by the authors was $CFI = .91$, and in the current study the alpha reliability was $\alpha = .96$. The scale includes items such as, “Generally, the employees provide service reliably, consistently, and dependably,” and “Generally, the employees listen to me and speak in a language that I can understand.” Items were rated on a nine-point scale with anchors ranging from 1 (“very low”) to 9 (“very high”). The range of possible total scores is 10 to 90.

The five overall service quality items were identified for use in operationalizing the overall service quality construct. The scale reliability as reported by the authors was $CFI = 1.0$, and $\alpha = .92$ in the current study. The respondent needs to assess his/her perception of the service quality based on a serious of adjectives (e.g., “poor” vs. “excellent,” and “inferior” vs. “superior.” Items were rated on a nine-point scale with anchors ranging from 1 to 9. The range of possible total scores is 5 to 45.

The three purchase intentions items are similar to those commonly used in the service literature (e.g., Cronin & Taylor, 1992). The scale reliability as reported by the authors was $\alpha = .82$. In the current study the alpha reliability was $\alpha = .94$. The scale includes items such as, “The probability that I will use this facility’s services again is,” and “If I had to do it over again, the probability I would make the same choice is.” Items were rated on a nine-point scale with anchors ranging from 1 (“very low”) to 9 (“very high”). The range of possible total scores is 3 to 27.

**Procedures**

This study utilized a purposive sampling technique. Fitness clubs were surveyed upon a manager’s approval. After the club was designated, the researcher instructed each manager to distribute the surveys on weekdays and weekends in order to reduce the sampling bias. Each
survey contained a short introduction and a letter of consent in which confidentiality was guaranteed. Employees and customers could contact the researcher with any questions/concerns about the questionnaire (see Appendix H). Employees received the surveys in person, and customers could pick a survey from the club’ front desk. Both employees and customers could respond on site or at home. Contact-employees completed surveys that contained measures of self-efficacy, organizational commitment, job satisfaction, “in-role” job performance, OCBI, and OCBO. Customers completed a survey containing measures of customer satisfaction, perceived service quality, overall service quality, and loyalty. Participation in the study was voluntary. Approximately 10 minutes were needed to complete a questionnaire. In order to secure non-biased responses, respondents returned the questionnaire to a drop box at the club’s front desk. Each club was given a period of 4 - 6 weeks to collect the surveys from both contact-employees and customers.

Data Analysis

First, descriptive statistics (i.e., the means, standard deviations, skewness, and kurtosis), and the reliability coefficients ($\alpha$) for all the scales used in the study were calculated. Once normality assumptions were assured, Pearson Product Moment Correlations (PPMC) were computed to examine the association of the three independent variables (JS, OC, and self-efficacy) with each of the dependent variables (IRBs, OCBI, and OCBO), and between perceived service quality, customer satisfaction, and customer loyalty. According to Gay and Airasian (2003), the correlation coefficient indicates the size and direction of a relationship. For example, correlation near +1 has a high size and positive direction of relationship. In this line, correlations in the range of .60 - .80 are considered moderate to high, correlations between .40 - .60 are considered moderate, between .20 - .40 are low, and correlation under .20 are considered very low.

Since the employees self-reported on the attitudinal and behavioral items in their survey, the presence of common method variance (i.e., introduce bias into the estimates of the parameters) could have emerged. Therefore, Harmon’s one-factor test was first performed. The basic assumption of this method is that if a substantial amount of common method variance is present, a single factor will emerge from the factor analysis (Podsakoff & Organ, 1986).
To test the hypotheses, a step-wise regression was performed to determine the order in which each of the employees’ attitude variables entered to the regression models. Linear hierarchical regressions were carried out to estimate the unique and accumulated variance in employees’ behaviors (IRBs, OCBI, and OCBO) accounted for by the independent variables, i.e., JS, Three OC dimensions, and self-efficacy. A second regression analysis was conducted to evaluate the unique and accumulated variance in customer loyalty accounted for by perceived service quality, and customer satisfaction.

To examine the relationship between employees’ behaviors (i.e., in-role performance, OCBI, and OCBO) and perceived service quality, the fitness clubs was used as the unit of measurement ($n = 20$). To ensure such analysis, means of the study’s variables (i.e., self-efficacy, OC, JS, “in-role” job performance, OCBI, OCBO, perceived service quality, customer satisfaction and loyalty) of each center were computed. These central estimates were subjected to correlation analysis between employees’ and customers’ variables. Furthermore, employees’ variables were regressed on perceived service quality, and later all the above variables were regressed on the other customers’ variables (i.e., customer satisfaction and customer loyalty). In the final analyses, customer satisfaction was entered first as it was believed to be the strongest predictor of customer loyalty. Perceived service quality was entered second, and employees’ behaviors and attitudes were entered third. A linear hierarchical regression procedure was selected to test the direct effects between the study’s variables due to the relatively small number of participating clubs. This procedure enabled the examination of partial correlations within the model.

As a complimentary procedure, Structural Equation Modeling (SEM) was carried out to examine the indirect as well as the direct effects of causality in the model, and to assess whether the hypothesized model was consistent with the data (i.e., whether the variable variances and covariances implied by the model are close to the observed variances and covariances computed from the data). In the proposed measurement model, depicted in Figure 4, the five exogenous variables (i.e., variables that were not explained by the model) are represented with x’s, and the six endogenous variables (i.e., explained by the model) are represented with y’s. Hypothesized direct effects were represented in the path diagram with straight arrows, with the arrowheads indicating the assumed direction of causality. Each endogenous variable in the model has a residual denoted $\zeta$ (zeta).
To indicate whether there was sufficient information to estimate all of the model parameters (i.e., an adequate number of observed variances and covariances), and to obtain the test of overall fit, the model has to be overidentified (Tate, 1998). Using the “t-role,” the number of observed variances and covariances must be greater than the total number of model parameters to be estimated. In the proposed model, the number of estimated model parameters included five variances for the five exogenous variables, 20 path coefficients, and six variances for the equation errors, for a total of 31 parameters. The number of observed variances and covariances for the five exogenous variables and six endogenous was \[(5+6+1)(5+6)/2\] = 66 items of information. The degrees of freedom for the hypothesized model were, therefore, 66 - 31 = 35. Thus, the model was overidentified and an overall test of the model fit was possible.

Next, the assessment of the fit of the model to the data was carried out. At the first level, a global assessment was made using an overall test of the model fit and taking into consideration several global fit indices. The null hypothesis for the global test was that the population reproduced covariance matrix is equal to the population covariance matrix. This test of the hypothesis was conducted using a Chi-square statistic. A “fail to reject” decision was expected suggesting that the hypothesized model was consistent with the data.

Two other fit indices that were used to assess the model fit: (1) the Root Mean Square Error of Approximation (RMSEA) which measures the differences between the reproduced and observed covariances per degree of freedom (a value of .05 or less is desired); and (2) the Comparative Fit Index (CFI) which measures how much better the measured model fits compared to an independence model. A value of .9 or greater represents an acceptable fit.

At the second level, a model fit assessment was conducted including the examination of several indices for possible model revisions. Specifically, because the variables in the model were measured using different scales, standardized covariance residuals were used in the fit assessment. In the current study, standardized residuals larger than 1 would suggest misfit (i.e., did not occur due only to chance). Modification indices were used to identify possible paths to be added to the model if fit was poor. Each path that was added reduced the Chi-square statistic and improved the overall model fit.

In addition to the assessment of the fit of the model to the data, some other considerations in the evaluation of the initial estimated model were carried out: (1) the admissibility of the results (e.g., results could include a negative estimated error variance or an \(R^2\) that is greater than
1); (2) the reasonableness of estimated path coefficients in the model (whether the coefficient estimates were consistent with the general accepted knowledge, i.e. magnitude and significance); and (3) adequate explanation of variability (the variability of the $R^2$ values for the different endogenous variables reflects the relative strengths of different portions of the model) (Tate, 1998).

The major limitation here was using SEM analysis with 20 units of measurement (and therefore a low level of power) is related to the probability of making a “Type II” error, which means incorrectly failing to reject a null hypothesis which is false.
Figure 4. Proposed Measurement Model
CHAPTER 4

RESULTS

This chapter contains the results of the quantitative data analysis procedures outlined in chapter 3, and is divided into the following sections: 1) data examination; 2) descriptive statistics and normality assumption testing; 3) hypotheses testing; and 4) structural equation modeling.

Data Examination

A summary of the raw data collected in this research endeavor is presented in Table 3. Only two employees did not respond to the organizational commitment and the job performances scales. Therefore, a pair-wise deletion method was implemented in the correlation computations (i.e., each pair-wise correlation was computed using the sub sample having values for both of the two variables in the model) so that all the available data was used, and regression analyses were processed through list-wise deletion method (i.e., subjects with missing values were deleted from the analysis) for accuracy because of the low number of subjects deleted (2 employees out of 112).

Descriptive Statistics and Normality Assumption Testing

To enable hypothesis testing, employees and customers’ variables were examined for meeting normality assumptions. The means, standard deviations, skewness, and kurtosis for all the study’s variables are presented in Table 3.

The variables’ skewness values ranged from -2.03 to .10, and kurtosis values ranged from -.49 to 4.04. The majority of the univariate normality values ranged within the -2 to +2 acceptable range, with the exception of the customer loyalty variable. A closer examination of the responses on this variable indicate that customer’s loyalty was rated extremely high by the majority of the clients resulting in negative skewness and extremely narrow distribution. The literature reviewed (e.g., Brady et al., 2002; Cronin & Taylor, 1992; Zeithaml et al., 1996) supports the fact that customer satisfaction, loyalty and perceived service quality are different
constructs despite the fact that they are highly correlated. Therefore, it was decided to maintain
the original variables and subject them to the inferential statistical procedures required for the
hypotheses testing.

Table 3
Descriptive Statistics for Employees’ and Customers’ Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th># of Items</th>
<th>N</th>
<th>Mean</th>
<th>SD</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Efficacy</td>
<td>10</td>
<td>112</td>
<td>5.18</td>
<td>.62</td>
<td>-.57</td>
<td>-.45</td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>6</td>
<td>110</td>
<td>4.89</td>
<td>1.11</td>
<td>-.30</td>
<td>-.17</td>
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<tr>
<td>Continuance Commitment</td>
<td>6</td>
<td>110</td>
<td>3.55</td>
<td>1.05</td>
<td>-.02</td>
<td>-.49</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>6</td>
<td>110</td>
<td>4.55</td>
<td>1.15</td>
<td>-.20</td>
<td>.01</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>5</td>
<td>112</td>
<td>4.02</td>
<td>.59</td>
<td>-.51</td>
<td>.01</td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>7</td>
<td>110</td>
<td>4.43</td>
<td>.49</td>
<td>-.84</td>
<td>.34</td>
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<tr>
<td>OCB-Individual</td>
<td>7</td>
<td>110</td>
<td>3.85</td>
<td>.53</td>
<td>.10</td>
<td>.17</td>
</tr>
<tr>
<td>OCB- Organization</td>
<td>6</td>
<td>110</td>
<td>4.05</td>
<td>.55</td>
<td>-.49</td>
<td>.34</td>
</tr>
<tr>
<td>Perceived Service Quality</td>
<td>10</td>
<td>303</td>
<td>7.77</td>
<td>1.3</td>
<td>-1.38</td>
<td>1.64</td>
</tr>
<tr>
<td>Service Quality</td>
<td>10</td>
<td>303</td>
<td>7.61</td>
<td>1.41</td>
<td>-1.13</td>
<td>.51</td>
</tr>
<tr>
<td>Overall Service Quality</td>
<td>5</td>
<td>303</td>
<td>7.24</td>
<td>1.53</td>
<td>-.63</td>
<td>-.31</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>3</td>
<td>303</td>
<td>7.89</td>
<td>1.66</td>
<td>-2.03</td>
<td>4.04</td>
</tr>
</tbody>
</table>

Finally, data were inspected for the possibility of common method variance (i.e., same
source bias) since employees self-reported on both their attitudes and behaviors. A Harmon’s
one-factor test results indicated the absence of common method variance, as only two factors
were extracted and explained 44% and 22% of the variance in the model. Therefore, same
source bias did not appear to influence further analysis.

Hypothesis Testing

To test the first hypotheses ($H_{1A} – H_{1I}$) stating positive correlations among employees’
attitudes (i.e., self-efficacy, organizational commitment and job satisfaction), and employees’
behaviors (i.e., in-role performance, OCBI and OBCO), Pearson Product Moment Correlations
(PPMC) were computed. The PPMC are presented in Table 4.

The correlations among self-efficacy and in-role performance, organizational citizenship
behavior – individual (OCBI), and organizational citizenship behavior – organization (OCBO)
were positive and significant ($r$'s = .19 to .48). These correlations, however, were low except that with in-role performance.

The correlations among the three commitment dimensions and employee performances depicted in Table 4 indicate that the three dimensions of organizational commitment, and in-role performance, OCBI, and OCBO were weak and non-significant. The only two significant correlations, low in magnitude, were between affective commitment and OCBI ($r = .34$), and between normative commitment and OCBI ($r = .27$).

The correlations among job satisfaction and employees’ performances ranged between .12 to .36. The two significant correlations were between job satisfaction and in-role performance ($r = .29$), and OCBO ($r = .36$).

These results partially support the correlations postulated in hypotheses $H_{1A} – H_{1I}$. The majority of the correlations were low, though some were moderate and significant ($p < .05$).

Table 4
Correlation Matrix among Employee Variables ($n = 112$)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Self-Efficacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2. Affective Commitment</td>
<td>.16</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Continuance Commitment</td>
<td>-.23*</td>
<td>.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Normative Commitment</td>
<td>-.06</td>
<td>.59**</td>
<td>.46*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Job Satisfaction</td>
<td>.44**</td>
<td>.40**</td>
<td>-.13</td>
<td>.15</td>
<td></td>
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</tr>
<tr>
<td>6. In-Role Performance</td>
<td>.48**</td>
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<td>-.00</td>
<td>.29**</td>
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<td></td>
</tr>
<tr>
<td>7. OCBI</td>
<td>.19*</td>
<td>.34**</td>
<td>.02</td>
<td>.27**</td>
<td>.12</td>
<td>.21*</td>
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<tr>
<td>8. OCBO</td>
<td>.25**</td>
<td>.15</td>
<td>-.12</td>
<td>.07</td>
<td>.36**</td>
<td>.48**</td>
<td>.46**</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05, 2-tailed; **p < .01, 2-tailed

The next stage in the analysis included examination of partial correlations between the variables in the study’s model. To expand upon the correlational findings, in-role performance, OCBI, and OCBO were used as dependent variables separately in three linear hierarchical regression analyses. Each of the independent variables, self-efficacy, organizational commitment (affective, continuance, and normative), and job satisfaction were used as predictor variables. Since the reviewed literature did not indicate a clear strength of relationships between employee’s predictors and outcomes, in the first stage, a step-wise regression analysis for each of
the outcomes was carried out. Next, hierarchical regressions were computed for each of the dependent variables. Results indicated that in each one of the step-wise regressions only one variable was included in the model, therefore, this variable was entered first, and the following variables were entered in relation to the magnitude of their correlations to the dependent variable.

Results for the first regression analysis, with in-role performance as the dependent variable, are presented in Table 5 and Table 6. The regression results indicated that self-efficacy accounted for 23% of the in-role performance variance. This regression was also significant (see Table 7). The standardized regression coefficient of self-efficacy ($\beta = .44$) was significant ($p < .05$) indicating that self-efficacy is a significant predictor of in-role performance.

The second model in which job satisfaction was added to self-efficacy in the regression equation, added 1% accounted variance to that of self-efficacy. This regression was also significant ($p < .05$). The last stage, the three organizational commitment dimensions were added to self-efficacy and job satisfaction equations, and resulted in identical accounted variance, thus not adding to the accounted in-role performance variance. This regression model was also significant ($p < .05$), however the regression coefficients ($\beta$’s) of job satisfaction and the three organizational commitment dimensions were non-significant ($p$’s > .05).

Table 5
*Linear Hierarchical Regression of Employee Attitude Variables on In-role Performance*

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative R</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Self-Efficacy</td>
<td>.48</td>
<td>.23</td>
<td>.23</td>
<td>.44*</td>
</tr>
<tr>
<td>II Job Satisfaction</td>
<td>.49</td>
<td>.24</td>
<td>.01</td>
<td>.09</td>
</tr>
<tr>
<td>III Organizational Commitment Dimensions</td>
<td>.49</td>
<td>.24</td>
<td>.00</td>
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<td>Affective Commitment</td>
<td></td>
<td></td>
<td></td>
<td>.05</td>
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<tr>
<td>Continuous Commitment</td>
<td></td>
<td></td>
<td></td>
<td>.05</td>
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<tr>
<td>Normative Commitment</td>
<td></td>
<td></td>
<td></td>
<td>.05</td>
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</tbody>
</table>

*$p < .05$
Table 6
ANOVA for the Three Regression Models Presented in Table 5

<table>
<thead>
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<th>Variables entered</th>
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<th>p</th>
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</thead>
<tbody>
<tr>
<td>Model I</td>
<td>1, 108</td>
<td>32.5</td>
<td>.00</td>
</tr>
<tr>
<td>Model II</td>
<td>4, 105</td>
<td>16.8</td>
<td>.00</td>
</tr>
<tr>
<td>Model III</td>
<td>5, 104</td>
<td>6.6</td>
<td>.00</td>
</tr>
</tbody>
</table>

Results for the second regression analysis with organizational citizenship behavior-individual as the dependent variable are presented in Table 7 and Table 8. The regression results revealed that organizational commitment accounted for 13% of the OCBI variance, and was significant ($p < .05$; see Table 8). In the second regression in which the self-efficacy variable was added, the accumulated accounted variance reached 15%, thus accounting for additional 2% of the OCBI variance. This regression was also significant ($p < .05$). In the third step, job satisfaction was added to self-efficacy and the three dimensions of OC. The accumulated accounted variance reached 16%, as job satisfaction added 1% to the OCBI variance. This regression was also significant ($p < .05$). However, none of the regression coefficients ($\beta$’s) was significant ($p > .05$).

Table 7
Linear Hierarchical Regression of Employee Attitude Variables on Organization Citizenship Behavior-Individual

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative R</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Organizational Commitment Dimensions</td>
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<td>.13</td>
<td>.13</td>
<td>.24</td>
</tr>
<tr>
<td>Affective Commitment</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Continuous Commitment</td>
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<td></td>
<td></td>
<td>-.07</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td></td>
<td></td>
<td></td>
<td>.19</td>
</tr>
<tr>
<td>II Self-Efficacy</td>
<td>.38</td>
<td>.15</td>
<td>.02</td>
<td>.19</td>
</tr>
<tr>
<td>III Job Satisfaction</td>
<td>.39</td>
<td>.16</td>
<td>.01</td>
<td>-.09</td>
</tr>
</tbody>
</table>
Table 8
ANOVA for the Three Regression Models Presented in Table 7

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>df</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
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<td>5.2</td>
<td>.00</td>
</tr>
<tr>
<td>Model II</td>
<td>4, 105</td>
<td>4.6</td>
<td>.00</td>
</tr>
<tr>
<td>Model III</td>
<td>5, 104</td>
<td>3.9</td>
<td>.00</td>
</tr>
</tbody>
</table>

Results for the third regression analysis with organizational citizenship behavior-organization as the dependent variable are presented in Tables 9 and 10. The regression results revealed that job satisfaction accounted for 13% of the OCBO variance, and was significant ($p < .05$; see Table 10). The standardized regression coefficient of job satisfaction ($\beta = .29$) was significant ($p < .05$). The second regression model in which self-efficacy was the added variable, accounted together for 14% of the OCBO variance. This regression model was also significant ($p < .05$), though the regression coefficient of self-efficacy was not ($p > .05$). In the third step, the three organizational commitment dimensions were added as a predictor to job satisfaction and self-efficacy. The accumulated explained variance reached 15%, adding 1% to the OCBO accounted variance. This regression was significant ($p < .05$), but not the variables’ regression coefficients. Insofar, as in all the regression models only the first variable that was entered to the regression equation (according to the step-wise regression) explained unique variance in each of the dependent variables, the first hypotheses ($H_{1A}–H_{1I}$) were partially accepted (see Appendix J for a summary of the hypotheses testing results).

Table 9
Linear Hierarchical Regression of Employee Attitude Variables on Organizational Citizenship Behavior-Organization

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative $R$</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Job Satisfaction</td>
<td>.36</td>
<td>.13</td>
<td>.13</td>
<td>.29*</td>
</tr>
<tr>
<td>II Self-Efficacy</td>
<td>.38</td>
<td>.14</td>
<td>.01</td>
<td>.11</td>
</tr>
<tr>
<td>III Organizational Commitment Dimensions</td>
<td>.39</td>
<td>.15</td>
<td>.01</td>
<td>- .02</td>
</tr>
</tbody>
</table>
Table 9 continued

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative R</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuous Commitment</td>
<td>-.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>.09</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*p < .05

Table 10

ANOVA for the Three Regression Models Presented in Table 9

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>df</th>
<th>F</th>
<th>p</th>
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<td>.00</td>
</tr>
<tr>
<td>Model II</td>
<td>2, 107</td>
<td>8.8</td>
<td>.00</td>
</tr>
<tr>
<td>Model III</td>
<td>5, 104</td>
<td>3.6</td>
<td>.00</td>
</tr>
</tbody>
</table>

To test the second hypothesis (H$_2$) stating a positive correlation between customers’ perceived service quality and customer satisfaction, a Pearson correlation was computed. These are presented in Table 11.

The correlation between perceived service quality and customer satisfaction was strong, positive, and significant ($r = .89; p < .01$). Also, the correlation between overall service quality (a supportive/alternative measurement of service quality) and customer satisfaction was moderately high, positive and significant ($r = .64$) (Gay & Airasian, 2003). These results support the direction and magnitude of the correlations postulated in the second hypothesis.

To test the third hypothesis (H$_3$) declaring a positive correlation between customers’ satisfaction and customer loyalty, a Pearson correlation was computed (see Table 11). The correlation between customer satisfaction and customer loyalty was moderately high, positive and significant ($r = .65; p < .01$). This result supports the relationship posited in the third hypothesis.
Table 11

Correlation Matrix among Perceived Service Quality, Overall Service Quality, Customer Satisfaction, and Customer Loyalty (n = 303)

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<tr>
<td>1. Perceived Service Quality</td>
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<tr>
<td>2. Overall Service Quality</td>
<td>.69**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Customer Satisfaction</td>
<td>.89**</td>
<td>.64**</td>
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<td></td>
</tr>
<tr>
<td>4. Customer Loyalty</td>
<td>.69**</td>
<td>.66**</td>
<td>.65**</td>
<td></td>
</tr>
</tbody>
</table>

**p < .01, 2-tailed

To expand upon these correlational findings, perceived service quality, and customer satisfaction were used as predictor variables in linear hierarchical regression analyses. Based upon the reviewed literature customer satisfaction was entered first, and perceived service quality was entered second. Results for the regression analysis, with customer loyalty as the dependent variables are presented in Table 12 and Table 13. The regression results indicated that customer satisfaction accounted for 42% of the customer loyalty variance. This regression was significant (p < .05; see Table 13). In the second model, perceived service quality was added to customer satisfaction model, adding 6% of the accounted customer loyalty variance. The standardized regression coefficient of customer satisfaction (β = .57) was significant (p < .05), but not that of customer satisfaction (β = .14). Therefore, as each of the independent variables (i.e., customer satisfaction, and perceived service quality) explained unique variance of the customer loyalty variance, the fourth and the fifth hypotheses were accepted.

Table 12

Linear Regression of Overall Service Quality, and Customer Satisfaction on Customer Loyalty

<table>
<thead>
<tr>
<th>Variable entered</th>
<th>Cumulative R</th>
<th>Cumulative R²</th>
<th>Δ R²</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>.65</td>
<td>.42</td>
<td>.42</td>
<td>.14</td>
</tr>
<tr>
<td>Perceived Service Quality</td>
<td>.69</td>
<td>.48</td>
<td>.06</td>
<td>.57*</td>
</tr>
</tbody>
</table>

*p < .05
Table 13
ANOVA for the Two Regression Models Presented in Table 12

<table>
<thead>
<tr>
<th>Variables entered</th>
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<th>p</th>
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<tr>
<td>Model II</td>
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<td>200.88</td>
<td>.00</td>
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</tbody>
</table>

To test the fourth research hypotheses (H₄A – H₄C) postulating positive correlations among employees’ behaviors (i.e., in-role performance, OCBI and OBCO), and customers’ perceived service quality at the fitness club level, Pearson correlations were computed. These are presented in Table 14 together with the employee attitude variables. The correlations between perceived service quality and in-role performance, OCBI, and OCBO ranged between \( r’s = -.16 \) to \( .22 \). These correlations were low and non-significant. These results do not support the correlations postulated in the fourth hypotheses as the majority of the correlations were low and non-significant. Thus, the fourth hypotheses (H₆A - H₆C) could not be verified.

A further examination of Table 14 suggests a similar pattern for the correlations between the employees’ variables (i.e. attitudes and behaviors, and perceived service quality). These correlations were low and non-significant at the club level (\( r’s = -.24 \) to \( .22 \)). The only significant (\( p < .05 \)) correlation obtained was between continuance commitment and perceived service quality. This correlation, moderate in magnitude, was negative (\( r = -.46 \)). Unexpectedly, the correlation between affective and normative commitment and self-efficacy (\( r’s = -.42 \) and \( -.28 \) respectively), and in-role performance (\( r’s = -.29 \), and \( -.17 \) respectively) were negative. Moreover, the correlations between the four customer’s variables were extremely high and ranged between \( .83 \) to \( .99 \).

To further examine the components of the model, the direct effects of employees’ variables on each of the customers’ variables (i.e., perceived service quality, customer satisfaction, and customer loyalty) were tested using three linear hierarchical regression analyses. Employee variables were entered to these regression analyses in the order they appear in the proposed model. As mentioned above, each of the independent variables of self-efficacy, organizational commitment (affective, continuance, and normative), job satisfaction, in-role performance, OCBI, and OCBO, were used as predictor variables.
Table 14  
*Correlation Matrix among All Study Variables (n = 20)*

<table>
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<tr>
<th>Variables</th>
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<th>3</th>
<th>4</th>
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<th>6</th>
<th>7</th>
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<th>9</th>
<th>10</th>
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<th>12</th>
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</thead>
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<td></td>
<td></td>
</tr>
<tr>
<td>2. Affective Commitment</td>
<td>-.42</td>
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<td></td>
</tr>
<tr>
<td>3. Continuance Commitment</td>
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</tr>
<tr>
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<tr>
<td>6. In-Role Performance</td>
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<td>-.08</td>
<td>-.17</td>
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<tr>
<td>8. OCBO</td>
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<td>.01</td>
<td>-.13</td>
<td>-.25</td>
<td>.12</td>
<td>.49*</td>
<td>.45*</td>
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</tr>
<tr>
<td>9. Perceived Service Quality</td>
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<td>-.10</td>
<td>-.46*</td>
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<td>.21</td>
<td>-.16</td>
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</tr>
<tr>
<td>10. Overall Service Quality</td>
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<td>-.06</td>
<td>-.27</td>
<td>-.21</td>
<td>-.23</td>
<td>.25</td>
<td>.04</td>
<td>-.16</td>
<td>.83**</td>
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<tr>
<td>11. Customer Satisfaction</td>
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<td>-.08</td>
<td>-.44*</td>
<td>-.18</td>
<td>-.29</td>
<td>.21</td>
<td>.17</td>
<td>-.18</td>
<td>.99**</td>
<td>.84**</td>
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<td>12. Customer Loyalty</td>
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<td>-.16</td>
<td>-.32</td>
<td>.21</td>
<td>.12</td>
<td>-.18</td>
<td>.91**</td>
<td>.86**</td>
<td>.91**</td>
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</tbody>
</table>

*p < .05, 2-tailed; **p < .01, 2-tailed*
Results for the first regression analysis, with perceived service quality as the dependent variable, are presented in Table 15. The regression results showed that in-role performance accounted for 5% of the perceived service quality variance. This regression was not significant (see Table 16), however, the standardized regression coefficient of in-role performance ($\beta = .58$) was significant ($p < .05$), meaning that in-role performance contributed significantly to the perceived service quality variance. The second model with OCBI and OCBO added to in-role performance showed that the accumulated accounted variance reached 21%, thus adding 16% of the accounted perceived service quality variance. The standardized regression coefficients of OCBI ($\beta = .62$), and OCBO ($\beta = -.87$) were also significant ($p < .05$), but not the regression model ($p = .27$). The third model included self-efficacy to that of in-role performance and the two OCBs. The accumulated accounted variance reached 22%, thus adding 1% accounted variance to the perceived service quality variable. The fourth model with the three organizational commitment dimensions, added to the predicted variables in the third model, resulted in accumulated accounted variance of 69%; thus adding 47% to the accounted perceived service quality variance. This regression model was significant ($p < .05$). The standardized regression coefficient of continuance commitment ($\beta = -.57$) was significant ($p < .05$), but not the standardized regression coefficients for affective ($\beta = .16$) and normative commitment ($\beta = -.33$). It seems like continuance commitment was the most influential variable in the regression model, contributing the most to the customer’s perception of the service quality explained variance. In the fifth step, job satisfaction was added to in-role performance, OCBs, self-efficacy, and the three dimensions of organizational commitment. The accumulated accounted variance reached 75%, thus adding 6% of the accounted perceived service quality variance. This regression model was significant ($p < .05$), though job satisfaction regression coefficient was not.

Table 15
Linear Hierarchical Regression of Employee Variables on Perceived Service Quality

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative $R$</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>I In-Role Performance</td>
<td>.22</td>
<td>.05</td>
<td>.05</td>
<td>.58*</td>
</tr>
<tr>
<td>II Organizational Citizenship Behaviors</td>
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<td>.21</td>
<td>.16</td>
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</table>
Table 15 continued

<table>
<thead>
<tr>
<th>Variables entered</th>
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<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
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</thead>
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</tr>
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<td>OCB-Organization</td>
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<td>-.87*</td>
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<td>III Self-Efficacy</td>
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<td>.22</td>
<td>.01</td>
<td>-.32</td>
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<tr>
<td>IV Organizational Commitment</td>
<td>.83</td>
<td>.69</td>
<td>.47</td>
<td>.16</td>
</tr>
<tr>
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<tr>
<td>Continuous Commitment</td>
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<td>-.57*</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td></td>
<td></td>
<td></td>
<td>-.33</td>
</tr>
<tr>
<td>V Job Satisfaction</td>
<td>.87</td>
<td>.75</td>
<td>.06</td>
<td>-.31</td>
</tr>
</tbody>
</table>

*p < .05

Table 16
ANOVA for the Five Regression Models Presented in Table 15

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>df</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I</td>
<td>1, 18</td>
<td>.89</td>
<td>.36</td>
</tr>
<tr>
<td>Model II</td>
<td>3, 16</td>
<td>1.43</td>
<td>.27</td>
</tr>
<tr>
<td>Model III</td>
<td>4, 15</td>
<td>1.06</td>
<td>.41</td>
</tr>
<tr>
<td>Model IV</td>
<td>7, 12</td>
<td>3.75</td>
<td>.02</td>
</tr>
<tr>
<td>Model V</td>
<td>8, 11</td>
<td>4.14</td>
<td>.02</td>
</tr>
</tbody>
</table>

Results for the second regression analysis, with customer satisfaction as the dependent variable, are presented in Table 17 and Table 18. The significant ($p < .05$) regression showed that perceived service quality accounted for 97% of the customer satisfaction variance (see Table 18). The standardized regression coefficient of perceived service quality ($\beta = 1.01$) was also significant ($p < .05$). The second model with in-role performance added to perceived service quality resulted in identical accounted variance thus not adding to the accounted customer satisfaction variance. The rest of the single variables (i.e., self-efficacy and job satisfaction) and clusters (i.e., OCBs and organizational commitment) added only 2% to the accounted variance of customer satisfaction. These results are due to the almost perfect correlation between customers’ satisfaction and perceived service quality in the combined data set ($r = .99$), and as such do not
reliably account for the direct relations between the independent variables and the dependent variables. In order to validate the effect of the employees’ variables on customer satisfaction, a supplemental analysis was performed in which perceived service quality was not included in the regression model. Results revealed that employees’ variables accounted for 69.7% of the customer satisfaction variance.

Table 17  
*Linear Hierarchical Regression of Perceived Service Quality, and Employee Variables on Customer Satisfaction*

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative R</th>
<th>Cumulative R²</th>
<th>Δ R²</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Perceived Service Quality</td>
<td>.98</td>
<td>.97</td>
<td>.97</td>
<td>1.01*</td>
</tr>
<tr>
<td>II In-Role Performance</td>
<td>.98</td>
<td>.97</td>
<td>.00</td>
<td>.03</td>
</tr>
<tr>
<td>III Organizational Citizenship Behaviors</td>
<td>.98</td>
<td>.97</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>OCB-Individual</td>
<td>-.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCB-Organization</td>
<td>.05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IV Self-Efficacy</td>
<td>.98</td>
<td>.97</td>
<td>.00</td>
<td>.08</td>
</tr>
<tr>
<td>V Organizational Commitment</td>
<td>.99</td>
<td>.98</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous Commitment</td>
<td>.02</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normative Commitment</td>
<td>.05</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VI Job Satisfaction</td>
<td>.99</td>
<td>.99</td>
<td>.01</td>
<td>-.09</td>
</tr>
</tbody>
</table>

*p < .05*  

Table 18  
*ANOVA for the Six Regression Models Presented in Table 17*

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>df</th>
<th>F</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model I</td>
<td>1, 18</td>
<td>681.49</td>
<td>.00</td>
</tr>
<tr>
<td>Model II</td>
<td>2, 17</td>
<td>322.11</td>
<td>.00</td>
</tr>
<tr>
<td>Model III</td>
<td>4, 15</td>
<td>150.16</td>
<td>.00</td>
</tr>
<tr>
<td>Model IV</td>
<td>5, 14</td>
<td>112.22</td>
<td>.00</td>
</tr>
<tr>
<td>Model V</td>
<td>8, 11</td>
<td>68.96</td>
<td>.00</td>
</tr>
<tr>
<td>Model VI</td>
<td>9, 10</td>
<td>75.58</td>
<td>.00</td>
</tr>
</tbody>
</table>

Results for the third regression analysis, with customer loyalty as the dependent variable, are presented in Table 19. The significant (*p < .05*) regression results showed that customer satisfaction accounted for 83% of the customer loyalty variance (see Table 20). The second
model, with perceived service quality added to customer satisfaction resulted in identical accounted variance. A similar trend was inspected in the third and fourth models, as in-role performance, and later OCBI and OCBO, were added to perceived service quality, and customer satisfaction. In the fifth model, with self-efficacy added, the accumulated accounted variance reached 88%, thus adding 5% of the customer loyalty variance. Moreover, the standardized regression coefficient of self-efficacy ($\beta = -0.41$) was significant ($p < 0.05$). The sixth model with the three organizational commitment dimensions, added to the variables in the fifth model, resulted in accumulated accounted variance of 90%, thus adding 2% to the accounted customer satisfaction variance. In the seventh step, job satisfaction was added to the sixth model. The last model resulted in identical accounted variance, thus not adding to the accumulated accounted customer loyalty variance. All regression models were significant at $p < 0.01$ level. In addition, a supplemental regression analysis was executed without the customers’ variables in the analyses, and resulted in 76.9% accumulated accounted variance of employees’ variable of the customer loyalty variance.

Table 19
Linear Hierarchical Regression of Customer Satisfaction, Perceived Service Quality, and Employee Variables on Customer Loyalty

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>Cumulative R</th>
<th>Cumulative $R^2$</th>
<th>$\Delta R^2$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>I Customer Satisfaction</td>
<td>.91</td>
<td>.83</td>
<td>.83</td>
<td>.89</td>
</tr>
<tr>
<td>II Perceived Service Quality</td>
<td>.91</td>
<td>.83</td>
<td>.00</td>
<td>-.20</td>
</tr>
<tr>
<td>III In-Role Performance</td>
<td>.91</td>
<td>.83</td>
<td>.00</td>
<td>.29</td>
</tr>
<tr>
<td>IV Organizational Citizenship Behaviors</td>
<td>.91</td>
<td>.83</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>OCB-Individual</td>
<td></td>
<td></td>
<td></td>
<td>.19</td>
</tr>
<tr>
<td>OCB-Organization</td>
<td></td>
<td></td>
<td></td>
<td>-.35</td>
</tr>
<tr>
<td>V Self-Efficacy</td>
<td>.94</td>
<td>.88</td>
<td>.05</td>
<td>-.41*</td>
</tr>
<tr>
<td>VI Organizational Commitment</td>
<td>.95</td>
<td>.90</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td></td>
<td></td>
<td></td>
<td>-.09</td>
</tr>
<tr>
<td>Continuous Commitment</td>
<td></td>
<td></td>
<td></td>
<td>-.17</td>
</tr>
<tr>
<td>Normative Commitment</td>
<td></td>
<td></td>
<td></td>
<td>-.09</td>
</tr>
<tr>
<td>VII Job Satisfaction</td>
<td>.95</td>
<td>.90</td>
<td>.00</td>
<td>-.02</td>
</tr>
</tbody>
</table>

* $p < .05$
Table 20  
*ANOVA for the Seven Regression Models Presented in Table 19*

<table>
<thead>
<tr>
<th>Variables entered</th>
<th>df</th>
<th>F</th>
<th>p</th>
</tr>
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<td>87.92</td>
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<td>Model II</td>
<td>2, 17</td>
<td>42.07</td>
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<tr>
<td>Model III</td>
<td>3, 16</td>
<td>26.45</td>
<td>.00</td>
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<tr>
<td>Model IV</td>
<td>5, 14</td>
<td>14.22</td>
<td>.00</td>
</tr>
<tr>
<td>Model V</td>
<td>6, 13</td>
<td>16.30</td>
<td>.00</td>
</tr>
<tr>
<td>Model VI</td>
<td>9, 10</td>
<td>10.32</td>
<td>.00</td>
</tr>
<tr>
<td>Model VII</td>
<td>10, 9</td>
<td>8.37</td>
<td>.00</td>
</tr>
</tbody>
</table>

**Structural Equation Modeling (SEM)**

Following the partial model examinations of the direct effects of multiple determinants on six outcomes (i.e., employees’ behaviors, and customers’ variables), SEM was performed. Using SEM overcame two main limitations of the regression analysis: (1) an examination of the indirect effects of variables in the model, so that together with the direct effects the determination of the total causal effect was possible, and (2) an empirical test of whether the model was consistent with the observed data (Tate, 1998). It is important to mention the relatively small sample size (*n* = 20) which could have resulted in an inappropriate data set to analyze. However, an inspection of the standardized residual errors confirmed that none of the estimates exceeded 1, and were all positive (ranged between .02 to .85). Therefore, in order to test the full model simultaneously, SEM was carried out as a supplemental analysis.

Results of the proposed model indicated that the Chi-square to df ratio was large at 2.55 (63.9/25 = 2.55). Since the Chi-square was large at 63.9, it resulted in significant *p* value (*p* < .05) and rejection of the null hypothesis, suggesting overall poor model fit (see Figure 5). The comparative fit index (CFI) was .73, smaller than the typical target of .9, and the root mean square error of approximation (RMSEA) was .28 much larger than the upper limit of .05 for acceptable fit. Moreover, the standardized coefficients to in-role performance ranged between -.27 (for affective commitment) and .26 (for self-efficacy) and were non-significant. The path coefficients to OCBI ranged between -.03 (for normative commitment) and .41 (for affective commitment), however, were non-significant. A similar trend was inspected for the standardized coefficients to OCBO; they ranged between -.46 and .19 and were not significant. Significant
standardized coefficients were inspected for the direct effect of OCBO on perceived service quality \((z = -0.42)\), for perceived service quality to customer satisfaction \((z = 0.99)\), and for the path between customer satisfaction to customer loyalty \((z = 0.92)\).

In considering possible model revisions, there was empirical support for the addition of a direct causal link from continuance commitment to perceived service quality as shown in Figure 6. Most importantly, inspection of the regression results (see Table 15), and reconsideration of the literature suggested possible theoretical support for the direct effect of continuance commitment on perceived service quality (Hochschild, 1983; Rafaeli & Sutton, 1989). Even though the continuance commitment - service quality relationship was not extensively investigated, they are negative in nature. Specifically, if employees remain with a fitness club mainly because of their accumulated investment in it (e.g., time, effort, money), and not because they want to be there, customers will probably “feel” the employee’s “emotional labor” (Hochschild, 1983), and connect these feelings to a lower perception of the service quality.

A second suggestion for model revision was the inclusion of the correlations between in-role performance, OCBI and OCBO. Theoretically and logically, these constructs are highly correlated since the better an employee performs in his/her jobs the more willing they would be to assist their colleagues and the organization as a whole (e.g., Williams & Anderson, 1991).

The improvement in the overall fit of the model to the data due to adding the path from continuance commitment to perceived service quality and the correlations between the three employee’s behaviors was statistically significant (see Figure 6). The null hypothesis that the model was correct was not rejected as the Chi-square was 34.76, and the Chi-square/df was smaller than 2 \((34.76/21 = 1.65)\). The CFI was .91, and thus exceeded the .9 threshold; however, the RMSEA (.18) was the only non-significant global index. In sum, as two of the model fits indices were significant, the revised model indicated a satisfactory model fit of the data. The standardized direct, indirect, and total causal effects implied by the model are shown in Table 21 and the path diagram is shown in Figure 6.

It was found that 26% of the variance in in-role performance was accounted for by employees’ attitudes (self-efficacy, the three dimensions of commitment, and job satisfaction). 18% and 15% of the OCBI and OCBO total variances were accounted for by the above employees’ attitudes. About 54% of the variance in perceived service quality was accounted for by employees’ attitude and behaviors. Moreover, OCBI, OCBO and continuance commitment
had a significant effect on service quality ($z = .49, -.61, \text{ and } -.61$, respectively). More than 97% of the customer satisfaction variance was accounted for by perceived service quality, and employees’ attitudes and behaviors. The standardized coefficient of service quality on customer satisfaction was also significant ($z = .99$). Finally, 83% of the customer loyalty variance was accounted for by customer satisfaction, perceived service quality, and employees’ attitudes and behaviors. Moreover, the standardized coefficient of customer satisfaction on customer loyalty was significant ($z = .91; p < .01$).

Table 21

*Standardized Causal Effects for the Revised Model*

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Determinant</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-Role Performance</td>
<td>Self-efficacy</td>
<td>.26</td>
<td></td>
</tr>
<tr>
<td>(R² = .26)</td>
<td>Affective commitment</td>
<td>-.27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continuance commitment</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>.25</td>
<td></td>
</tr>
<tr>
<td>OCBI (R² = .18)</td>
<td>Self-efficacy</td>
<td>.31</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affective commitment</td>
<td>.41</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continuance commitment</td>
<td>.19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>-.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>OCBO (R² = .15)</td>
<td>Self-efficacy</td>
<td>-.17</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affective commitment</td>
<td>.18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continuance commitment</td>
<td>.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>-.46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>.19</td>
<td></td>
</tr>
<tr>
<td>Perceived Service Quality (R² = .54)</td>
<td>In-Role Performance</td>
<td>.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCBI</td>
<td>.49</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCBO</td>
<td>-.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continuance Commitment</td>
<td>-.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-efficacy</td>
<td>.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affective commitment</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>.27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>-.04</td>
<td></td>
</tr>
<tr>
<td>Outcome</td>
<td>Determinant</td>
<td>Direct</td>
<td>Indirect</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>Perceived Service Quality</td>
<td>.99</td>
<td></td>
</tr>
<tr>
<td></td>
<td>In-Role Performance</td>
<td>.28</td>
<td></td>
</tr>
<tr>
<td></td>
<td>OCBI</td>
<td>.49</td>
<td></td>
</tr>
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<td></td>
<td>OCBO</td>
<td>-.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Self-efficacy</td>
<td>.32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Affective commitment</td>
<td>.02</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continuance commitment</td>
<td>.07</td>
<td></td>
</tr>
<tr>
<td>(R² = .97)</td>
<td>Normative commitment</td>
<td>-.60</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>-.04</td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Customer Satisfaction</td>
<td>.91</td>
<td></td>
</tr>
<tr>
<td>Perceived service quality</td>
<td>.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-Role Performance</td>
<td>.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCBI</td>
<td>.44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCBO</td>
<td>-.54</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective commitment</td>
<td>.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(R² = .83)</td>
<td>Normative commitment</td>
<td>.16</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job satisfaction</td>
<td>-.93</td>
<td></td>
</tr>
</tbody>
</table>
Figure 5. Path Diagram of Standardized Relationships - Initial Model
Figure 6. Path Diagram of Standardized Relationships - Modified Model
CHAPTER 5

DISCUSSION AND CONCLUSIONS

The purpose of the current study was to explore the dynamic relationship between customer-contact employees and their customers in the fitness industry. Until recently, organizational behavior was not a central theme within sport management research. Work that has been done in the area has concentrated on leader behavior as a predictor of employee performance (e.g., Doherty & Danlychuk, 1996; Li, 1993; Smidley, 1986), organizational effectiveness as a function of coaches and athletic director’s satisfaction (Freyberg, 1987; Pastore, 1994), and volunteers’ commitment (Cuskelly, 1995; Cuskelly et al., 1998; Daly, 1991). Customer satisfaction was studied at college and university campuses’ recreational services and intramural programs (Handel, Wolter, & Young, 1994). In other fields, however, especially within the business literature, there is a growing number of scholars that have been studying the employee-customer link, mainly due to the important financial consequences to the organization.

Since sport management models examining the employee-customer bond were not available at the time of this investigation, the current study is based on a model from a non-sport entity. The balanced scorecard framework (Kaplan & Norton, 1992, 1993, 1996, 2000) describes the relations between the three main stakeholders within the organization: employees, customers, and shareholders. This basic conceptualization has been successfully implemented by major companies from different domains (e.g., telecommunication, creditors, and food) such as Sears, the giant retail chain.

In the process of designing the company operational model (the “Three Cs”) Sears concluded that employees’ attitudes about the company and the job influence employees’ behavior and retention. Moreover, customer perception of the level of service and the value of the merchandise determine customers’ satisfaction, which influences customer retention and recommendations to new clients. The third link in the model is shareholder satisfaction that was determined by using several financial ratios (Rucci, Kirn, & Quinn, 1998). The conceptual
framework behind Sears’ model was the motive for the current research as both employees’ and customers’ variables were included in a holistic model, and hence its contribution to the sport management research.

**Discussion of Findings**

The current exploratory study utilized two data sets; one consisted of 112 customer-contact employees, and the second of 303 customers, representing 20 fitness clubs in South Florida. Paper and pencil questionnaires were distributed to managers for a period of four to six weeks to be filled by both employees and club’s customers.

Four hypotheses nested in four research questions were tested in the course of the model investigation. The data analysis included three stages: first, Pearson Product Moment Correlations were carried out to examine the correlations between the study’s variables among each population (i.e., employees and customers) and also of a combined data set at the club level \( n = 20 \). Second, linear hierarchical regressions were used for each of the above data sets to estimate the unique and accumulated variance in each dependent variable accounted for by the independent variables, according to the study’s hypotheses. Third, structural equation modeling analysis was performed to test the overall fit of the model to the data. This process included one revision to the measurement model that resulted in a more acceptable fit. The SEM analysis was a complementary procedure in the current dissertation because of the relatively small number of fitness clubs that participated in the study, resulting in low power and the higher probability of committing a Type II error. However, the data examination resulted in positive R\(^2\) and therefore “healthy” data set to analyze. Thus, results for the study’s model fit could be accepted.

**Hypothesis 1**

The first set of hypotheses \( (H_{1A} - H_{1C}) \) predicted that employee’s self-efficacy would be significantly correlated to employee in-role performance, OCBI and OCBO. The assumption among scholars is that self-efficacy and performance are positively correlated, and it is generally argued that the relation is reciprocal (e.g., Bandura, 1982; Stajkovic & Luthans, 1998). Self-efficacy grows stronger over time as the employees successfully perform task and build confidence necessary to fulfill their role in the organization (Hartline & Ferrell, 1996). In the fitness club, employee performance during a service encounter typically involves handling
specific requests, responding to customer needs, and sometimes performing under adverse circumstances (e.g., emergency health situation, overly crowded classes). It was therefore reasonable to expect that fitness contact employees who possess strong self-efficacy beliefs are more likely to perform better than those who did not. Indeed, in congruence with findings of various sport psychology (e.g., Feltz & Lirgg, 2000) and organizational behavior studies (e.g., Stajkovic & Luthans, 1998), the first set of hypotheses were confirmed as self-efficacy was found to be a reliable predictor variable of sport related performance. Moreover, although no extensive documentation exists for the relationship between self-efficacy, OCBI and OCBO, probably due to the indirect logical link between these variables, these correlations were low but significant. Scholars in sport management should use the finding from this study as motivation to include self-efficacy in future research.

The second set of hypotheses (H1D – H1F) posited that organizational commitment would account for a unique variance of employee in-role performance, OCBI and OCBO. The assumption that employees who feel attached to and identified with their organization work harder is a popular one and may provide the rationale for many organizational attempts to foster organizational commitment among employees (Riketta, 2002). Prior research, however, has concluded that the link between commitment and performance is largely nonexistent (Mathieu & Zajac, 1990; Mowday et al., 1982). For example, Mathieu and Zajac (1990), in their review and meta-analysis of commitment research, sum up the findings: “although higher levels of commitment may relate to improved job performance in some situations… the present findings suggest that commitment had very little direct influence on performance in most instances” (p. 184). Overall, results of the current study support this assumption. In line with, though weaker than, other studies’ results (e.g., Becker, Billings, Eveleth, & Gilbert, 1996; Meyer, Allen, & Smith, 1993; Meyer & Allen, 1997; Meyer et al., 1989), affective commitment was positively related and had the highest values among the three organizational commitment dimensions with in-role performance ($r = .14$), and with OCBO ($r = .15$). Continuance commitment, as expected, was negatively correlated to in-role performance and to OCBO, and not correlated to OCBI. Moreover, no correlation was found between normative commitment to in-role performance, and positive correlation was reported with OCBO. Consistent with Meyer et al. (1993), and Becker et al. (1996), significant correlations were found between affective ($r = .34$) and normative
commitment ($r = .27$) and OCBI. Therefore, hypotheses H₁D and H₁F were not accepted, and hypothesis H₁E was partially accepted.

These results merit some discussion. First, the relatively high contribution of commitment to OCBI, similar to O’Reilly and Chatman’s (1986) study, may be related to the fact that the fitness employees feel emotionally attached to the club (e.g., they feel responsible for their customer success, and share high “team spirit”), and as such feel more committed to their peers. An additional explanation of the findings may be related to the foci of the commitment instill. Several authors (e.g., Becker et al., 1996; Bishop, Scott, & Burroughs, 2000) have argued that the overall commitment to the organization is largely unrelated to employee performance. However, it seems that norms regarding in-role performance are often established by local foci as supervisors and work groups. Becker et al. (1996) found that commitment to supervisors was positively and significantly associated with performance, and was more strongly linked to performance than was commitment to the organization. One possible implication of the study’s results is that sport management researchers and practitioners should focus their efforts on commitment to supervisors/direct managers rather than on that to organizations.

These results further support the three dimensions underlying one’s psychological commitment to an organization as affective commitment of employees was positively related to measures of job performance, whereas continuance commitment was negatively related. The value of commitment to the organization, therefore, may depend on the nature of that commitment. As a result, in order to keep employees with the fitness club, managers should carefully consider the nature of the commitment they felt by employees, as the more employees intrinsically value their association with the club, the more likely they will not just remain with it, but would work toward its success (Meyer et al., 1989; Meyer & Allen, 1997).

The third set of hypotheses (H₃G – H₃H) predicted positive correlations among employee’s job satisfaction and in-role performance, OCBI and OCBO. The results provide further support for the positive relations between job satisfaction and job performance (e.g., Greene, 1972; Judge et al., 2001; Shore et al., 1990). In the current study a method of using an overall measurement of job satisfaction, as was recommended by Judge et al. (2001), was implemented. In their meta-analysis of the job satisfaction-job performance relationship, Judge et al. concluded that “…it appears that global measures display somewhat higher correlations with job performance than do
measures formed from a composite of job satisfaction facets” (p. 389). Unlike generations of scholars that described these relationship as elusive (e.g., Brayfield & Crockett, 1955; Iaffaldano & Muchinsky, 1985; Vroom, 1964), results revealed significant positive correlation of .29, consistent with Judge et al. (2001) recent meta-analysis estimation of .30 true mean correlation.

Explanation of the finding may come from the job complexity construct that was not included in the current study. It was found that in high-complexity jobs the satisfaction-performance correlation was stronger (Judge et al., 2001). Due to the nature of the industry, customer-contact positions at fitness clubs are relatively complex; employees usually face different situations they rapidly need to respond to, and therefore they possess greater autonomy at work (e.g., new training systems, new technology, and new trends in the market). Therefore, the job complexity variable in the context of the fitness industry should be examined in future studies.

Theoretically, Organ (1988) argued that if researchers wished to identify practically significant behavioral correlates of job satisfaction, they needed to measure different work behaviors from those commonly assessed (i.e., measures of productivity at work). He argued that employee job satisfaction was correlated with behavior displayed at work but that it was behavior of a certain class: behavior of a discretionary nature. These behaviors are not part of employees’ formal role requirements but nevertheless are important for the effective functioning of an organization. Using two measures of this discretionary work behavior, the current study found that job satisfaction was positively correlated with OCBI, and significantly positively correlated with employee OCBO ($r = .36$). Overall, the correlations in this study were similar to other studies, although somewhat towards the lower end of the range for OCBI (e.g., Murphy, Athanasou, & King, 2002; Organ, 1988; Organ & Konovsky, 1989).

Two possible explanations for the low correlations between job satisfaction and OCBI ($r = .12$) should be considered. First, it has been suggested that the relationship between JS and OCB may differ in strength based on the relative importance of cognitions vs. affect in job satisfaction measures (Moorman, 1993; Organ & Konovsky, 1989). The Brayfield-Rothe (1951) scale that was used in this study is more of an affective based measure of job satisfaction, explaining little variance in OCB. The low correlation that was found was in line with the general findings of Organ and Konovsky (1989), and Moorman (1993), that OCB is more likely related to cognitions about work than affect. Since OCBI and OCBO have different antecedents
than in-role performance (Williams & Anderson, 1991), additional job satisfaction scales should be considered in future studies. Second, many of the fitness instructors included in this employees’ sample (e.g., aerobics, yoga, and judo) worked in more than one club, and therefore, spent only a relatively short time in each club on average per week. For that reason, they may feel more obligated to the club itself (e.g., they will call if they will be absent), rather than to their colleagues in each club.

In addition to the correlational findings, an examination of the relative contributions of employees’ attitudes (i.e., self-efficacy, three dimensions of organizational commitment, and overall job satisfaction) to employees’ behaviors (i.e., in-role performance, OCBI, and OCBO) accounted variance was carried out. This analysis was deemed valuable because existing studies had only considered satisfaction and commitment simultaneously (e.g., Williams & Anderson, 1991), and together with performance (e.g., Shore et al., 1990). Results indicated that the three independent variables accounted for 24% of the variance in in-role performance (IRP) with self-efficacy contributing the most (23%). The three employees’ attitudes accounted for 16% and 15% of the variance in OCBI and OCBO respectively with organizational commitment dimensions added 13% to the OCBI explained variance, and job satisfaction contributed 13% to the OCBO total variance explained. Thus, congruent with previous studies (e.g., Bishop et al., 2000; Williams & Anderson, 1991), self-efficacy, OC, and JS significantly contributed to the variance in work behaviors.

**Hypotheses 2 - 3**

The second hypothesis (H₂) suggested that customer perceived service quality would be a significant predictor of customer satisfaction, and the third hypothesis (H₃) proposed a similar relationship between customer satisfaction and customer loyalty. The study of the relationship between customers’ perceived service quality, satisfaction, and loyalty is one of the most prominent research traditions in the marketing literature. Particularly in today’s world of fierce competition, rendering quality service is a key for success (Zeithaml, 2000). As expected, the correlations between the three variables were extremely high (ranged between .65 to .89), consequently supporting the notion that perceived service quality and customer satisfaction can be used interchangeably (e.g., Parasuraman et al., 1985; Sivadas & Baker-Prewitt, 2000). Since the three constructs are closely related an increase in one is likely to result in increase in another
(Sureshchandar, Chandresekhara, & Anatharaman, 2002). The causal link that was postulated in the study’s model suggesting that customer satisfaction is mediating the relationship between perceived service quality and customer loyalty was based on the results of previous research (e.g., Cronin & Taylor, 1992; Dick & Basu, 1994; Lee et al., 2000; Sivadas & Baker-Prewitt, 2000). An empirical examination of the relative contribution of perceived service quality, and customer satisfaction to the customer loyalty variance supported the second and the third hypotheses as both variables accounted for 48% of the customer loyalty variance.

Several clarifications should be made in light of these findings. First, the scales that were used to measure perceived service quality and customer satisfaction were performance-based scales (Brady et al., 2002), and although service quality and customer satisfaction are considered to be more distinct when assessed with performance-only measures, the correlation between them were very high (r = .89), and tend to be towards the high end of these reported in the extent literature (e.g., Brady et al., 2002; Cronin & Taylor, 1992). These results may also have to do with the fact that participation in the study was voluntary, and satisfy and loyal customers to the club were the most dominant respondents. Either way, there is still a need for an improved and more distinct conceptualization and operationalization of the two constructs, as suggested by Brady et al.

In addition to the previous argumentation, the participating fitness clubs varied across the fitness industry spectrum representing low end clubs, as well as lucrative centers. Nevertheless, most customers were highly satisfied and reported that they would renew their membership for the next year. Perhaps customers do not necessarily buy the highest quality services; rather they may buy services that provide more satisfaction. Some factors such as price, location, and other family and friends members may influence satisfaction as well as future purchase intention while not actually affecting customers’ perceptions of service quality (Cronin & Taylor, 1992). Consequently, club managers should try not only to improve service quality but also to find and manage factors which may not be related to service quality, but related to satisfaction. The literature also suggests that it is more cost effective to retain a customer than to attract a new customer (e.g., Jewett, 1994; Hart et al., 1990, Zeithaml, 2000) and therefore, fitness clubs should re-evaluate their relative budget allocation to improve customer satisfaction (Lee et al., 2000) and, in turn, retain existing customers.
As was mentioned earlier, in order to assess service quality, the scales that were used are characterized as “performance-only measures” since they refer to measures that are based only on customers’ perceptions of the performance of a service provider, as opposed to the difference between customers’ performance perceptions and their performance expectations (SERVQUAL; Parasuraman et al., 1988). To reexamine the effectiveness of a performance-only measure an assessment of its relationship to an overall scale was performed. The correlation between the 10-item performance-only measure, and an overall service quality measure was positive and significant ($r = .69$), and thus provided support for the efficacy of performance-only measure to effectively capture the service quality perception of fitness customers, as suggested by Cronin and Taylor (1992) and Brady et al. (2002).

**Hypothesis 4**

The fourth hypotheses (H$_{4A}$ - H$_{4C}$) were at the center of the current investigation, and suggested significant positive relationships between employee behaviors (i.e., in-role performance, OCBI and OCBO) and customers’ perceived service quality. The importance of customer-contact employees to the delivery of service quality is underscored by the results of this study. Specifically, it was first found that employees’ in-role performance, and OCBI were positively correlated to customer perception of the service quality, however these correlations were low (.21 and .22 respectively). These results are in-line with, though lower than, other studies’ findings (e.g., Hartline & Ferrel, 1996; Schmit & Allscheid, 1995). The low correlations can be related to the relatively small number of clubs participating in the study ($n = 20$), and consequently low power, and a small number of degrees of freedom in the analysis. Significant results are expected with a larger number of clubs. Moreover, a negative non-significant correlation was found between perceived service quality to OCBO ($r = -.16$). Since the current study is a first attempt to examine this relationship further investigation of the nature of the OCBs – customer’s variables relationship is warranted.

Another interesting, unexpected finding was the negative correlations among job satisfaction, and affective and normative commitment and the customer level variables (see Table 15). These findings are contradictory to previous research, and could be related to the instrument sensitivity to the data variability. Specifically, organizational commitment and job satisfaction scales adequately reflected employees’ attitudes at the individual level, however,
when data were aggregated to the club level, the results should be cautiously interpret, since the distribution of clubs’ means was not equal to the people distribution in the study’s sample (i.e. 20 observations per club comparing to 112 for employees). Thus, the mean score attributed to each club was not sufficiently representative of the data.

To examine the full model, all employee variables were regressed on the three customer variables in three separate regression analyses. Customers’ variables were gradually added to the regression models as the dependent variables (first perceived service quality, second customer satisfaction, and last customer loyalty). Specifically, in the first regression analyses, as perceived service quality was the dependent variable, employees’ variables accounted for 75% in perceived service quality variance. In the second regression analyses perceived service quality explain most of the variance in customer satisfaction (97%), however, in additional analyses, as perceived service quality was not included, employees’ variables accounted for 69.7% of the customer satisfaction variance. In the last regression analysis, customer satisfaction accounted for 83% of the customer loyalty variance, as the other study’s variable added a total of 7%. Once again, when customers’ variables were not included in the analysis, the accumulated accounted variance of the employees’ variable reached 76.9% of the customer loyalty variance. All of the above regression analysis were significant, and thus partially validated the proposed study’s model since they represented only direct effects of the independent variables on each of the dependent variables tested. Finally, a test of the study’s model using structural equation modeling analysis was conducted to support and add a holistic perspective to the previous regression analyses. The simultaneous examination of the direct and indirect effects of both employee and customer variables resulted in one modification to the preliminary model and a modified model that fit the data. The path that was added from continuance commitment to perceived service quality is in line with Chelladurai (1999) perception of the employee as the service (e.g. in aerobics class the instructor is also a participant). In the fitness industry, as customers think of the fitness club they perceive the employees as the service provided (unlike in other sport context where the game, for example, is the main service). These results reinforce the importance of the employee–customer link.

Several aspects regarding the above described analyses are worthy of discussion. The first part of the model was almost identical in both SEM and the linear hierarchical analysis. The coefficients of determination (R²) for the relationships between employees’ attitudes and
employees’ behaviors were: in-role performance = .26 in SEM compared to .24 in the regression model; OCBI= .18 compared to .16; and OCBO= .15 identical in both methods. Conversely, different results emerged from comparing the other parts of the model. Using SEM, 54% of the perceived service quality variance was accounted for by the direct effect of in-role performance, OCBI, OCBO, and continuance commitment, and the indirect effect of self-efficacy, the three dimensions of commitment, and job satisfaction. However, 75% of the perceived service quality variance accounted for by the direct effect of all the above variables.

Next, the total variance in customer satisfaction was almost completely accounted for (97%) by the direct effect of service quality and the indirect effects of employees’ behaviors and attitude in SEM. This finding is similar to the regression analyses results with 99% of the total customer satisfaction variance accounted for by the model. And finally, 83% of the customer loyalty total variance was accounted for by the direct effect of customer satisfaction and the indirect effect of the other study’s variables in SEM, compared to a total of 90% in the regression model (or 76.9% when customers’ variables were excluded). This result (83%), however, was similar to the customer satisfaction accounted variance out of customer loyalty total variance. These similarities relate to the fact that both analyses (i.e., linear hierarchical regression and SEM) are based on correlations among variables; in the linear hierarchical regression analysis only the direct effects of variables in parts of the model were tested each time, whereas in SEM the direct and indirect effects were tested simultaneously for the full model. Hence are the identical results in the first and last parts in both analyses, and the different results for the interface between employee variables and perceive service quality. Additionally, as previously discussed, customer satisfaction, perceived service quality, and customer loyalty were highly correlated, therefore, in the aggregate data set these relationship had a significant influence on the results. Interestingly, the final results of using two statistical analyses were almost identical and moreover, supported the study’s model. In future studies the model could be improved by reducing the non-significant paths in the model.

Contributions

The main motive driving this project was the need to advance the sport management literature towards a more holistic conceptualization of the sport organization. In recent years, several sport management scholars (e.g., Doherty, 1998; Slack, 1996; Weese, 1995)
constructively criticized the sport management literature. For example, Slack (1996) suggested that concepts and theories from the broader field of management should be implemented in sport management. Doherty (1998), in a review of the sport management research, reported that less than one tenth of our literature examined the behavioral outcome of performance, and then only at the individual level. Moreover, Weese (1995) elaborated on the need to focus our studies on the applied aspects for sport management practitioners.

Certain elements of the above critical assessments were reflected in the current study. Specifically, this is an attempt to adapt and modify a business based model to the sport environment. The balanced scorecard and the Sears’ model were used as the conceptual framework and were adopted to fit the fitness club environment. Moreover, relatively few studies had simultaneously examined both employees’ and customers’ variables at the individual and organization levels, and thus enabled an inclusive inspection of the raw data. Finally, the results of this project may impact the bottom line of the fitness clubs, since customers’ loyalty and retention is at the center of the existence for these clubs, and ultimately determines the success of its operation.

This study also contributes to the organizational behavior literature in several ways. First, as recommended by Mowday (1998), this type of study may attract top manager interest because of its potential influence on the organizational strategy, and its measurable and relatively easy translation to profitability, return on investment, and shareholder wealth. A second contribution relates to the Brady et al. (2002) performance-only service quality scale’s validation. Brady et al. modified instrument was used here to measure customer variables, and in line with the Brady et al. results the scale demonstrated high Cronbach alpha reliability value of .96, and was highly correlated to an overall service quality measurement (.69). Therefore, this replication in a sport venue further supports the scale’s validity and reliability. It is expected that this study could serve both sport management and organizational behavior scholars who share similar research interests by implementing and adjusting relevant theories from other domains to the sport arena and consequently would advance the general knowledge regarding employees and customers attitudes and behaviors. For organizational behavior scholars this kind of a research exposes them to unique sports venues, attitudes and behaviors that do not necessarily reflect the work environment.
Practical Implications

Issues concerning the interface of customer-contact employees and fitness customers were addressed in this study. Based on the findings, it could be concluded that the employee-customer link is one of the most important determinants of customers’ perceptions of service quality. As a result, sport managers must find ways to recruit, train, and retain potential employees to support the organizational structure. These employees should develop and maintain high self-efficacy, organizational commitment and job satisfaction. To meet this challenge, managers should facilitate the socialization process of new employees, making sure that both the organizational goals and culture will be clear and attainable. Additionally, specific training and mentoring programs can help elevate employees’ awareness, efficacy, commitment and satisfaction, and as a result an improved quality of the service that they provide to customers. It is recommended that service quality would be included as a component in the employee role perception evaluation, since it is a critical element in the employee-customer encounter (“how good of a customer server are you?”).

The overriding goal of club manager is to ensure the satisfaction of their customers. While the provision of high quality services is unquestionably an appropriate and important part of the strategic efforts that can be employed to enhance the satisfaction of their customers, it is clearly not the only means of increasing fitness clients’ satisfaction and ultimate retention. Managers should consider the value of the service, the physical environment, other patrons’ behavior at the different locations, and the competitor clubs from the same level. Managers, therefore, need to consider all of the possible determinants of the satisfaction of their current and potential customers, and attempt to determine which of these will have the greatest positive influence on the future purchasing of club memberships. In addition, managers can efficiently measure the quality of the services offered by their clubs using reduced measures, like the 10-item scale that was used in the current study, on a more frequent basis to provide valuable feedback.

The current research supports the notion that service quality, customer satisfaction and customer loyalty are closely related, and that an increase in one is likely to lead to a rise in the others. However, satisfying customers may not be sufficient to remain ahead of the fitness industry competition. Since the fitness industry is continually growing, and virtually every neighborhood offers a number of clubs to join, club managers should continually look for ways
to delight customers in order to influence their perception of the service quality (e.g., special promotion of products and services, guest speakers, website support, updated equipment, etc.).

**Future Research**

This study’s findings suggest several directions for future research. First, perhaps the most important implication of the work reported here is the contribution that can be made through the replication of this research effort. This study could be replicated within other sport service (e.g., sports retail, manufacturers, not-for-profit organizations) to further examine the hypothesized relationships suggested here. Second, while the current research indicates that self-efficacy, organizational commitment, and customer satisfaction are important considerations in employees’ behaviors in the club, the results also suggest that the three variables do not explain all of the variance in employee in-role performance and OCBs. Other potential factors relating to employees’ behaviors should be explored due to their potential influence on customers’ perception of the service quality, satisfaction, and willingness to repurchase memberships.

Third, methodological issues in aggregating and matching responses across multiple samples warrant further empirical research. Cross-validation of responses, for example, could offer insights into the differences between manger and employee perceptions of the employee overall performance. In addition, researchers could explore whether the problems associated with the aggregation of data are a result of the scale, or the positive and negative scale items that were used in estimating the measurement model (cf. Hartline & Ferrell, 1996).

Fourth, the role of “other” people in the service delivery: managers, suppliers, noncontact employees could be investigated. Studying the influence of these factors could give academicians and practitioners a stronger basis for making better inferences about organizational processes due to a more holistic perspective.

Fifth, inclusion of bottom line measurable outcomes, such as in the Sears model, should be done in the sport arena.

Sixth, customer’s expectations (e.g., price, location, parking, facilities) could be considered as a mediator variable between employee’s behaviors and customer’s perceived service quality (since they account for part of the remaining unexplained perceived service quality variance).
Seventh, different data collection techniques should be considered in future research in which the researcher would be able to efficiently use all the gathered information. Specifically, in the current study data were aggregated to the club level in order to be able to link between employees’ and customers’ variables, resulting in decreased statistical power ($n = 20$). However, if for example each customer could be matched with an employee (by weighting his/her preferred activities at the club), then using a hierarchical linear model analysis could elegantly utilize the overall collected data without losing statistical power.

**Limitations**

Several limitations were encountered in the current study. These included:

1. The environmental conditions were not standardized. For example, the survey was given in the different locations at different times of the day, in different days of the week, in a variety of environmental conditions (e.g., some participants filled the survey on site while others took it home).

2. Data consisted of self-report surveys completed by fitness clubs’ employees and customers. It was expected that respondents would understand the questions and would answer them honestly. However, inaccurate responses could have affected the data analyses.

3. Confidentiality was guaranteed to each participant, however some participants, especially employees, may not have answered the questions honestly due to a perceived negative consequences.

4. Though the total variance explained by the model is very high, the model’s explanatory power is limit to it included variables. Obviously, many other constructs could affect employee behaviors. These may include employee socialization, managerial functions, employee reward policies, role conflict, etc.

5. The alpha reliability of three scales, OCBI ($\alpha = .63$), OCBO ($\alpha = .54$), and continuance commitment ($\alpha = .64$) was lower than the acceptable value of $\alpha > .70$.

6. The researcher did not distribute the questionnaires but the club manager did, therefore bias may have been an issue in the current design, as relatively large numbers of respondents scored high on the customer items.
Conclusion

The ultimate service element of the interface of employees and customers was the focal point of the current study. The main study finding approved the proposed model in which employees’ attitudes and behaviors explained 54% of the customers’ perceived service quality variance, and a total of 83% of the customer loyalty variance. These results support previous research endeavors (e.g., Hartline & Ferrel, 1996; Schmit & Allscheid, 1995) to resolve the organizational behavior “enigma”, as it was clearly found that employees play a key role in customers’ retention with the organization through their influence on service quality perception. This study advanced the sport management literature forward, and would hopefully encourage other researchers to replicate this model and to further expand it. Sport managers could benefit from these findings as well by adapting strategies to recruit and retain highly efficacious, committed, and satisfied employees on one hand, and to delight and satisfy their customers on the other. The more managers allocate resources towards employee development, in a similar fashion as they do with customers, the higher the probability of success the organization will have.
APPENDIX A

Overall Job Satisfaction Scale (Brayfield-Rothe, 1951)

Below are several statements with which you may agree or disagree. Using the 1-5 scale below, indicate your agreement with each item by placing the appropriate number on the line preceding that item. Please be open and honest in your responding. All the questions refer to your current work at the fitness club.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

1. ____ Most days I am enthusiastic about my work.

2. ____ I feel fairly satisfied with my present job.

3. ____ Each day at work seems like it will never end.

4. ____ I find real enjoyment in my work.

5. ____ I consider my job rather unpleasant.
APPENDIX B

Personal Efficacy Beliefs Scale (Riggs & Knight, 1994)

Think about your ability to do the tasks required by your job. When answering the following questions, answer in reference to your own personal work skills and ability to perform your job.

Rating Scale:

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>Agree somewhat</th>
<th>Disagree somewhat</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

1. I have confidence in my ability to do my job. 1 2 3 4 5 6
2. There are some tasks required by my job that I cannot do well. 1 2 3 4 5 6
3. When my performance is poor, it is due to my lack of ability. 1 2 3 4 5 6
4. I doubt my ability to do my job. 1 2 3 4 5 6
5. I have all the skills needed to perform my job very well. 1 2 3 4 5 6
6. Most people in my line of work can do this job better than I can. 1 2 3 4 5 6
7. I am an expert at my job. 1 2 3 4 5 6
8. My future in this job is limited because of my lack of skills. 1 2 3 4 5 6
9. I am very proud of my job skills and abilities. 1 2 3 4 5 6
10. I feel threatened when others watch me work. 1 2 3 4 5 6
APPENDIX C

Affective, Continuance, and Normative Commitment Scale (Meyer & Allen, 1997)

Listed below is a series of statements that represent feelings that individuals might have about the company or organization for which they work. With respect to your own feelings about the particular organization for which you are now working, please indicate the degree of your agreement or disagreement with each statement by circling a number from 1 to 7.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Disagree somewhat</th>
<th>Natural</th>
<th>Agree somewhat</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>

1. I would be very happy to spend the rest of my career with this organization.

2. Right now, staying with my organization is a matter of necessity as much as desire.

3. I do not feel any obligation to remain with my current employer.

4. Even if it were to my advantage, I do not feel it would be right to leave my organization now.

5. It would be very hard for me to leave my organization right now, even if I wanted to.

6. I really feel as if this organization's problems are my own.

7. I do not feel a strong sense of "belonging" to my organization.

8. Too much of my life would be disrupted if I decided I wanted to leave my organization now.

9. I would feel guilty if I left my organization now.

10. This organization deserves my loyalty.

11. I feel that I have too few options to consider leaving this organization.

12. I do not feel "emotionally attached" to this
organization.

13. I would not leave my organization right now because I have a sense of obligation to the people in it.

14. If I had not already put so much of myself into this organization, I might consider working elsewhere.

15. I do not feel like "part of the family" at my organization.

16. This organization has a great deal of personal meaning for me.

17. One of the few negative consequences of leaving this organization would be the scarcity of available alternatives.

18. I owe a great deal to my organization.
APPENDIX D
Performance Scale (Williams & Anderson, 1991)

Please evaluate yourself for your willingness to do each of the following:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adequately complete assigned duties.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>2. Fulfill responsibilities specified in job description</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Perform tasks that are expected of me.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. Meet formal performance requirements</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. Engage in activities that will directly affect my performance evaluation.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. Neglect aspects of the job you I am obligated to perform.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7. Fails to perform essential duties.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>8. Help others who have been absent.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>9. Attend at work above the norm.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>10. Help others who have heavy workloads.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>11. Give advance notice when unable to come to work.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>12. Assist supervisor with his/her work (when not asked)</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>13. Take undeserved work breaks.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>14. Take time to listen to co-workers’ problems and worries.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>15. Spend great deal of time with personal phone conversations.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>16. Go out of way to help new employees.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>17. Complain about insignificant things at work.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>18. Take a personal interest in other employees.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>19. Passes along information to co-workers.</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>20. Adhere to informal rules devised to maintain order.</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
APPENDIX E

Demographic Questionnaire for Employees

To put your answer in context, we’d like to gather personal information from you. Please remember that your answers will be held in the strictest confidence.

What is your age? ______
What is your gender? __________
How long have you been employed with your current organization? ________
How many hours do you work, on average, every week? ________
APPENDIX F

Customer Satisfaction, Service Quality, and Purchase Intentions Measures
(Brady et al., 2002)

Summary Disconfirmation (Satisfaction) Measures

For the next series of questions, please fill in the blank with the response (a number from 1 to 9) which best reflects the degree to which your last visits to the fitness club exceeded or fell short of your expectations (i.e., worse, same, or better than expected)?

<table>
<thead>
<tr>
<th>Worse Than I expected</th>
<th>About What I expected</th>
<th>Better Than I expected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7 8 9</td>
<td>1 2 3 4 5 6 7 8 9</td>
<td>1 2 3 4 5 6 7 8 9</td>
</tr>
</tbody>
</table>

1. The reliability, consistency, and dependability of the employee were____
2. The willingness and ability of the employees to provide services in a timely manner were____
3. The competence (knowledge and skill) of the employees was____
4. The approachability and ease of contact of the employees were____
5. The levels of courtesy, politeness, and respect I received were____
6. How the employees listened to me and spoke in a language that I could understand were____
7. The trustworthiness, believability, and honesty of the employees were____
8. The environment for care in terms of being free from danger, risk or doubt was____
9. The effort of the employees to understand my needs was____
10. The neatness and cleanliness of the facilities and staff were____

Service Quality Measures

Please choose a number between 1 and 9 that best reflects your level of agreement with the following statements.

<table>
<thead>
<tr>
<th>VERY LOW</th>
<th>VERY HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7 8 9</td>
<td>1 2 3 4 5 6 7 8 9</td>
</tr>
</tbody>
</table>

11. Generally, the employees provide service reliable, consistently, and dependently____
12. Generally, the employees are willing and able to provide service in a timely manner____
13. Generally, the employees are competent (i.e., knowledgeable and skillful)____
14. Generally, the employees are approachable and easy to contact____
15. Generally, the employees are courteous, polite, and respectful____
16. Generally, the employees listen to me and speak in a language that I can understand____
17. Generally, the employees are trustworthy, believable, and honest____
18. Generally, the facility provides an environment that is free from danger____
19. Generally, the employees make the effort to understand my needs____
20. Generally, the physical facilities and employees are neat and clean____

Overall Service Quality Measures

The following questions relate to your perception of the overall quality of the fitness club’s services based on a series of adjectives. Please circle the number that best reflects your assessment of the service quality:

21. Poor 1 2 3 4 5 6 7 8 9 Excellent
22. Inferior 1 2 3 4 5 6 7 8 9 Superior
23. High Quality 1 2 3 4 5 6 7 8 9 Poor Quality
24. Low Standards 1 2 3 4 5 6 7 8 9 High Standards
25. One of the Best 1 2 3 4 5 6 7 8 9 One of the Worst

Purchase Intentions Measures

| VERY LOW | | VERY HIGH | |
|----------| |----------| |
| 1 2 3 4 5 6 7 8 9 |

26. The probability that I will renew my membership in this fitness club is____
27. The likelihood that I would recommend this fitness club to a friend is____
28. If I had to do it over again, the probability I would make the same choice and select this fitness club is____
APPENDIX G

Demographic Questionnaire for Customer

To put your answer in context, we’d like to gather personal information from you. Please remember that your answers will be held in the strictest confidence.

What is your age? ______
What is your gender? __________
How long have you been a member with this fitness club? ________
How often do you utilize the club’s facilities on average? ________(hours per week)
APPENDIX H  

Letter of Consent  

July, 2003  

Dear Sir/Madam:  

I am a graduate student under the direction of Professor Aubrey Kent in the Department of Sport Management at Florida State University. As part of my dissertation in the topic of employee-customer chain in the fitness industry, I am conducting a research study to investigate fitness club employees’ attitudes and behavior on the job, and customer satisfaction and loyalty to the fitness club.  

Your participation will involve answering few short questionnaires. This instrument should not take more than 5-10 minutes to complete. Your participation in this study is voluntary. If you choose not to participate or to withdraw from the study at any time, there will be no penalty. The results of the research study may be published, but your name will not be used.  

There are no foreseeable risks or discomforts if you agree to participate in this study.  

Although there may be no direct benefit to you, your participation would, however, be greatly appreciated and is crucial to the success of this research endeavor. If you have any questions concerning this research study, please call me at (954) 566-3019 or bbm4724@garnet.acns.fsu.edu  

Thank you for your time and assistance. I very much appreciate your willingness to help with this important research effort.  


Sincerely,  

Bosmat Makover
APPENDIX I

Human Subjects Approval

Florida State University

Office of the Vice President
For Research
Tallahassee, Florida 32306-2763
(850) 644-8673, FAX (850) 644-4392

APPROVAL MEMORANDUM
Human Subjects Committee

Date: 2/18/2003

Boosmat Makover
306 Stadium Dr. #22
Tallahassee, FL 32304

Dept.: Sports Management

From: David Quadagno, Chair

Re: Use of Human Subjects in Research

The employee-customer-profit chain in the sport fitness industry

The forms that you submitted to this office in regard to the use of human subjects in the proposal referenced above have been reviewed by the Secretary, the Chair, and two members of the Human Subjects Committee. Your project is determined to be exempt per 45 CFR § 46.101(b) 2 and has been approved by an accelerated review process.

The Human Subjects Committee has not evaluated your proposal for scientific merit, except to weigh the risk to the human participants and the aspects of the proposal related to potential risk and benefit. This approval does not replace any departmental or other approvals, which may be required.

If the project has not been completed by 2/17/2004 you must request renewed approval for continuation of the project.

You are advised that any change in protocol in this project must be approved by resubmission of the project to the Committee for approval. Also, the principal investigator must promptly report, in writing, any unexpected problems causing risks to research subjects or others.

By copy of this memorandum, the chairman of your department and/or your major professor is reminded that he/she is responsible for being informed concerning research projects involving human subjects in the department, and should review protocols of such investigations as often as needed to insure that the project is being conducted in compliance with our institution and with DHHS regulations.

This institution has an Assurance on file with the Office for Protection from Research Risks. The Assurance Number is IRB00000446.

Cc: Aubrey Kent
HSC No. 2003.048
APPENDIX J

Summary of Hypotheses Testing Results

<table>
<thead>
<tr>
<th>No.</th>
<th>Hypothesis</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1A</td>
<td>Employees’ self-efficacy will account for a unique variance of “In-role” job performance (IRJP).</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1B</td>
<td>Employees’ self-efficacy will account for a unique variance of Organizational Citizenship Behavior-Individual (OCBI).</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1C</td>
<td>Employees’ self-efficacy will account for a unique variance of Organizational Citizenship Behavior-Organization (OCBO).</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1D</td>
<td>Employees’ organizational commitment will account for a unique variance of IRJP.</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H1E</td>
<td>Employees’ organizational commitment will account for a unique variance of OCBI.</td>
<td>Partially Accepted</td>
</tr>
<tr>
<td>H1F</td>
<td>Employees’ organizational commitment will account for a unique variance of OCBO.</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H1G</td>
<td>Employees’ job satisfaction will account for a unique variance of IRJP.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H1H</td>
<td>Employees’ job satisfaction will be account for a unique variance of OCBI.</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H1I</td>
<td>Employees’ job satisfaction will account for a unique variance of OCBO.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Perceived service quality will be a significant predictor of customer satisfaction.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3</td>
<td>Customer satisfaction will be a significant predictor of customer loyalty.</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4A</td>
<td>Employees’ IRJP will be a significant predictor of perceived service quality.</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H4B</td>
<td>Employees’ OCBI will be a significant predictor of perceived service quality.</td>
<td>Not accepted</td>
</tr>
<tr>
<td>H4C</td>
<td>Employees’ OCBO will be a significant predictor of perceived service quality.</td>
<td>Not accepted</td>
</tr>
</tbody>
</table>
REFERENCES


BIOGRAPHICAL SKETCH

Bosmat Makover was born and raised in Holon, Israel. For more than 16 years, she played basketball professionally for the Israeli National Team and several first and second women’s league teams. During that time, Bosmat earned her Bachelor degree in physical education from Wingate College for Physical Education and Sports and her Master’s degree in public administration from Clark University in Worcester, MA.

After seven years of teaching, mentoring and holding administrative positions in Wingate College, as well as management positions in the Israeli Basketball Federation and the Israeli Basketball Coaches Association, Bosmat began her doctoral program at Florida State University. The main focus of her research efforts is on attitudes and behaviors of employees and customers in the sport industry and professional women’s sports. Bosmat presented her research at the 17th Annual North American Society for Sport Management (NASSM) Conference in Canmore, CA, and at the Florida State University Sport Management Conference.