The relationship of service orientation and employee engagement

Jukan, Emina

Undergraduate thesis / Završni rad

2019

Degree Grantor / Ustanova koja je dodijelila akademski / stručni stupanj: **RIT Croatia / RIT Croatia**

Permanent link / Trajna poveznica:

Rights / Prava:

Download date / Datum preuzimanja: **2024-05-25**

Repository / Repozitorij:

The relationship of service orientation and employee engagement

Senior Project

RIT Croatia

Dubrovnik, 2019

Prof. Besim Agušaj

Student: Emina Jukan

Abstract

The purpose of this study was to explore and understand the employee engagement and service orientation and the relationship between these 2 constructs. With the growing tourism industry, businesses strive to provide high quality levels of service to the customers but on the other hand there is a question if they are striving to provide service orientation to their employees. The studies that progressed in recent years showed the theory of relation between service orientation and engagement of employees. For the purpose of this study 3 dimensions of service orientation – leadership, service encounter and service systems were measured. A survey was conducted among employees of all levels within the hospitality and tourism organizations in Dubrovnik, Croatia. Survey results showed that relationship between employee engagement and service orientation do exist. This positive and meaningful relationship is of a crucial importance for businesses who are creating strong service orientation in order to engage their employees.

Key words: employee engagement, service orientation, leadership, service encounter, service systems

Introduction

In the age of experience economy, when companies strive to provide high-quality service, satisfy customers' needs and create memorable experiences, there is a need to explore and understand service orientation and employee engagement. According to (Schneider et al., 1992) service orientation is a "set of various policies, procedures and acts purposely designed for creation of excellent service". Additionally, service orientation is very important determinant in the creation process of service quality (Lytle et al., 1998). This research paper examines 3 crucial elements of service orientation; service leadership practices, service systems practices and service encounter practices with the exception of human resource management practices in this study. Another construct that we are trying to explore in this paper is employee engagement, and its relationship with service orientation. According to (Schaufeli et al., 2006) employee engagement is a "positive work related state that is characterized by vigor, dedication and absorption."

The purpose of this research is to examine how are service orientation and employee engagement related. JD-R model and social exchange theory, that will later be discussed in detail, will give us the context and will also help us understand the relationship of service orientation and employee engagement. The main question that will be addressed in this senior project is:

RQ1 What is the relationship of service orientation (quality service leadership, service encounter practices, service system practices) and employee engagement?

Hospitality companies are making efforts to develop strong service orientation as part of their corporate culture but the question here is whether that approach is in any way related to employee engagement. According to one study conducted by Johnson, Park, Bartlett (2018) a healthy firm's service orientation, accompanied with customer service training, sends a message to employees that an organization cares about service quality. By supporting this type of practices employees form perceptions about the level to which organizations value exceptional service. In line with Johnson, Park, Bartlett (2018) study we will try to examine this concept with the sample formed from Croatian hospitality and tourism companies.

Other studies (Gallup Organization; Wagner and Harter, 2006) have shown that engagement is positively related to customer satisfaction and loyalty as well as increased revenue, which suggest the linkage between service orientation and employee engagement, yet the level is unknown and requires further investigation.

Literature review

Employee engagement

The past decade was a booming period of research into employee engagement. According to Baumruk (2004); Saks (2006); Kim et al. (2009) employee engagement, due to growing interest is still unexplored area that lacks studies and research. More research on employee engagement would bring theoretical benefits but also practical ones to understand and implement tools that can boost employee engagement as well as its contribution to the organization.

Considering historical perspective, first management definition on employee engagement to appear was of author Kahn in 1990 in his article that dealt with personal engagement and disengagement. According to Kahn (1990) engagement brings physical, cognitive and emotional behaviors during work as well as active and complete performance. Kahn (1990) argues that in order for employees to be engaged, there needs to be psychological meaningfulness, safety and availability. He explains psychological meaningfulness as when people find the meaning from their work and when they feel valuable and useful. Further, psychological safety deals with presenting true self without feeling fear for showing the true self that can later have negative consequences. Finally, psychological availability is concerned with physical, emotional and psychological abilities for job performance. As Rich et al. (2010) stated, engaged individuals put their "head, heart and hands" in the work role.

Still to this day, there is no agreement about the official definition of employee engagement nor agreement between researches on the official name of this construct. Employee engagement in various research studies may be referred as job engagement (Rich et al., 2010), organization engagement (Saks, 2006), work engagement (Schaufeli & Salanova, 2011), job involvement (May et al., 1994), organizational commitment and citizenship (Robinson et al., 2004) due to the lack of agreement between researchers.

Development Dimensions International Inc (2005) states that engagement means that employees enjoy the work, find meaningfulness in it, and feel valued. According to Perrin (2003) engagement means going an extra mile to successfully complete the job. Shuck and Wollard (2010) described employee engagement as the organizational process of motivating employees in order to achieve organizational goal. Bakker & Demerouti (2008) state that energy and enthusiasm are the most important constructs of engaged employees, and there is also a perception that time flies when employee is highly engaged during the work. The other very similar definition presented by Schaufeli, Salanova, Gonzalez-Roma, and Bakker (2002) says that engagement is constructed of high levels of energy, involvement alongside with enthusiasm, and close work attention.

According to Meere (2005) there are 3 levels of engagement; engaged, not engaged and disengaged employees. He states that engaged employees are enthusiastic, creative, and have emotional attachment with the organization. Not engaged employees work without energy and enthusiasm. Disengaged employees are actually those who are unhappy at work and consequently they reduce the level of productivity of engaged employees.

According to Saks & Gruman (2014) there are 3 major types of employee engagement and those are task engagement, organization engagement and team engagement. They believe that certain roles that employee performs may have more engagement and others less. Schaufeli & Salanova (2011) claim that task engagement is present because employees perform various different tasks at work with which they can be more or less engaged. Employees dedicating themselves as members of organization stands for organization engagement, and how employees engage with their work team stands for team engagement.

Further, another definition of employee engagement has the connection with job burnout (Maslach et al., 2001). Engagement is the complete opposite of burnout (Gonzalez-Roma, Schaufeli, Bakker & Lloret, 2006) and is described as a person's energetic, productive and participatory state (Maslach & Leiter, 2008). On the other hand, burnout as being the opposite of engagement is characterized with exhaustion. According to Maslach et al. (2001), there are six categories that play an important role in connection between engagement and burnout, and those are: workload, control, rewards and recognition, community and social support, fairness and values. The explanation behind is that as long as there is a gap between an employee and those six categories the burnout is present. On the other hand, as long as there is a match between an employee and those six categories the engagement is greater.

Besides being connected to burnout, engagement is also connected to 3 specific job attitudes, and they are job satisfaction, organizational commitment and job involvement. Christian et al. (2011) described job satisfaction as an attitude towards person's job, organizational commitment as person's emotional relationship with the company, and job involvement as the connection between person's job and personality. They conducted a research and found that the connection between engagement and these three job attitudes is moderate, so they concluded that engagement since is broader, is different and specific construct.

Researchers found out that employee engagement has significant employee and organizational consequences. Halbesleben (2010) while researching engagement found that it has low turnover and high performance outcomes. Harter et al. (2002) investigated that engagement has strong connectivity with customer satisfaction, profitability and turnover. According to Slatten & Mehmetoglu (2011) employee engagement connected with positive emotions create work creativity and also boost service-oriented behavior. As Bono and Judge (2003) state employees are more engaged when their work role matches their personal principles and morals.

According to Alfes et al. (2010) and Rich et al. (2010) employees are highly engaged when specific practices at work are established and used which shows that employees are valuable assets. These specific practices will be later discussed in detail. Employee engagement is viewed as the most important component of the company's success and

competitive advantage (Macey, Schneider, Barbera, & Young, 2009; Rich, LePine, & Crawford, 2010) and this research paper is going to explore that.

Service Orientation

In order to create higher levels of employee engagement, hospitality and service organizations are trying to create excellent service orientation. According to Schneider et al. (1992) service orientation is translated as a collection of different methods and operations that organization purposely establishes for creation of excellent service. Service orientation may sometimes be referred as customer orientation but what makes the difference is customer orientation being the current state of employee meeting customer needs during sales encounter, while service orientation means meeting customer needs after the sales as well (Keillor et al., 1999, p. 103).

The organizations trying to create excellent service orientation at the same time are creating competitive advantage and delivering higher quality of service (Bowen and Schneider, 2014). Service orientation can be seen in the performance of employees (Popli and Rizvi, 2015), so in order to create high quality service, organizations need to establish and manage service orientation (Lytle et al., 1998).

Service orientation can be presented on 2 levels; individual and organizational. Individual service orientation is presented as the part of person's personality (Hogan et al., 1984; McBride et al., 1997) and as a process of employees' actions during service delivery (Dienhart et al., 1992; Johnson 1996; Keillor et al., 1990, 2000; Wilson and Frimpong, 2004; Jayawardhena and Farrell, 2011; Frimpong and Wilson, 2012). Hogan et al. (1984)

states that service orientation stands for the action when employee is helpful and cooperative. Goleman (1998) says that service orientation means taking care of customer needs. Johnson (1996) states that service orientation is employee solving customer problems while providing excellent service.

Organizational service orientation is part of organizational philosophy and organizational culture (Schneider et al. 1980; Garg and Chan, 1997; Wright et al., 1997; Lytle et al., 1998; Lynn et al., 2000; Lytle and Timmerman, 2006; Chen, 2007; Gebauer et al., 2010). Service orientation as being part of corporate culture is expressed in terms of values and acts of an organization in order to influence the work performance of employees (Popli & Rizvi, 2015).

In the research of Lytle et al. (1998) there are 4 major areas of service orientation employed by organizations, and those are service leadership practices, human resource management practices, service encounter practices and service systems practices. This research paper is focusing on the first 3 practices of service orientation that will later be discussed in detail.

Experiment was conducted by Petrilose, Shanklin and Downey (1998) that measured service orientation among hotel employees and after the research the results showed that higher education and work experience are not related to individual or employee service orientation. It was observed that employees with college education were less service oriented than those with lower education. The explanation behind is that employees with college education perceive their jobs as temporary, easy to change because they are more

confident, have degree and skills while employees with lower education perceive their job as lucky chance they want to keep.

Leadership

As mentioned earlier, 3 areas of service orientation are going to be explored, which are believed to be employee engagement influencers. This research paper will start with leadership practices as one of the 3 main influencers. Leadership is very important in hospitality and service industries since the relationship between leaders and employees may directly influence the performance outcomes (Gerstner and Day, 1997; Graen and Uhl-Bien, 1995). The relationship between employees and leaders is very special and is comprised of respect and honesty, and at the same time there is employee's perception of how they will be treated and if reward for achieving the expectation of a leader (Wang et al., 2005). Leadership can be defined as behavior of leaders for purpose of influencing their followers in order to achieve organizational goal (Hunt, 1996; Northouse, 2004; Shaw, 2007). Singh and Bhandarker (1990) argue that the top management leadership style is what actually influences the success of the organization, its corporate culture and employee engagement.

According to Bakker et al., (2011); Macey & Schneider, (2008); there are 3 types of leadership that influence employee engagement, and those are transformational leadership, leader-member exchange and empowering leadership. Building up on previous research, the study of Christian et al. (2011) shows that first 2 styles are found to be positively related to employee engagement. As Popli & Rizvi (2015) stated, beside

transformational leadership, there are 2 other styles that are very important in engagement and performance, and those are transactional leadership and passive-avoidant. Transformational leadership, as all researchers agree upon, is very powerful and important style. Transformational leadership is constructed of values such as importance of relationships, creativity and innovation, empathy, understanding and care (Jin, 2010). Those leaders influence their followers with emotions and abilities, such as presenting something inspirational that will motivate others, by intellectual ability, individualization (Avolio et al., 1999). Leaders with transformational style are focused on future success and they are creating inspirational mission, vision and goal for the future (Bass and Avolio, 1997). In the experiment conducted by Popli and Rizvi (2015) it was confirmed that leaders who perform transformational leadership style have more impact on their followers, they have greater level of engagement and are more service oriented.

In various researches conducted by Humphreys et al., (2003); MacKenzie et al., (2001); Stock and Hoyer, (2002); Rizvi, (2000); it was found that leadership practices have positive impact on customer satisfaction, employee engagement, performance outcome, profitability. Research conducted by Wang and Walumbwa (2007), Macey and Schneider (2008) claim that leadership is investigated to be the biggest contributing element to engagement. Another confirm for this statement gives Robinson et al. (2004) with claim that leadership is the main component of employee engagement.

Service encounter

Service encounter practices, another important area of service orientation, in simple words mean the process when organization communicates with the clients (Lytle and Timmerman, 2006). According to Lytle et al. (1998) there are 2 important elements in service encounter practices, and those are how organization and employees treat their customers and second, how and if employees are empowered. In order to successfully meet service encounters, organization and employees need to satisfy customers' needs for the purpose of customer treatment (Gonzalez and Garazo, 2006) and employees need to have authority for their own decision-making while satisfying customers' needs for purpose of employee empowerment (Wilder et al., 2014). If employees practice these 2 elements of service encounter practices, according to study by Johnson, Park and Bartlett (2018) it was found that it is directly linked with employee engagement on the very high level.

Human Resource management

It is researched that HRM practices, beside leadership practices as mentioned earlier, constitute the main drivers of employee engagement (Alfes et al., 2013). HRM practices are used to boost employees and organizational performance (Schneider et al., 1992). HRM practices are used to improve employee's performance in order to achieve the common goal (Mathis and Jackson 2000, 4). The current situation of HRM practices in the world of tourism industry is not satisfactory, and the only positive result of usage of these practices comes from very small number of large international chains (Hoque, 1999; ILO, 2001; Lucas, 1996, 2002; McGummigle and Jameson, 2000; Price, 1994;

Worsfold, 1999) as in case of hospitality and tourism industry is Marriott International, Four Seasons, Starbucks (Hinkin and Tracey, 2010). To provide an example and give an explanation behind, as Sittig (2016) explained is that Marriott International constantly monitor and improve work conditions, corporate culture and employee engagement. Marriott International conducted a survey and a study in 2015 for Marriott International hotels in U.S. and the results showed that engaged employees provide 11% more of productivity, 16% less guest complaints and 28% lower turnover. There is a question what Marriott International is doing to strengthen employee engagement, which these results showed. They base their corporate culture on human wellbeing and happiness, and they also have movement that deals with employees' wellbeing and caring for them. In this program, leaders empower employees to initiate ideas based on their values and turn them into practice. Every hotel and area improve some aspect that is meaningful to them. For example, Marriott employees in one of their hotel raised the movement to change F&B options in their restaurant and café into healthier offer and to organize frequent marathon races, to put the accent on healthy lifestyle.

According to some studies (Wright and Kehoe, 2008; Petrillose, Shanklin and Downey, 1998) it was found that HRM practices are positively connected to employee engagement but poor usage of these practices have negative outcome for employee engagement. According to some studies (Bitner, Booms, and Tetrault 1990; Nickson et al. 2002; Schneider 2003) it is researched that company's employees and how they are organized and treated has the ultimate result on quality of service, customer satisfaction, employee engagement, competitive advantage, and overall success of the firm.

The major HRM practices according to Tremblay (2007) and Yang (2012) are employee empowerment, recognition, reward, employee development, information. Employee empowerment means organization giving employees freedom in momentary decision-making while providing service to guests, and them bearing responsibility but in return being more motivated and engaged. Recognition is characterized as nonmonetary appreciation of organization towards employee for good performance (Pare and Tremblay, 2007, p. 330). Rewards are connected with how employees perceive the fairness of compensation, appraisals, and other monetary and nonmonetary rewards (Pare and Tramblay, 2007, p. 330). Employee development means the investment in employee's career in terms of training, mentoring, rotation (Yang, 2012). Information simply means that organization and the employees have information on services, businesses, quality, customer feedback (Wood and Wall, 2007). Other HRM practices include recruitment and selection, health and safety, job security, termination (Biswas and Cassell, 1996; Boella, 2000; Dessler, 2000; Jerris, 1999; Mathis and Jackson, 2000; Tanke, 2001).

In order for companies to achieve higher levels of employee performance and engagement in hospitality and tourism industry, they need to incorporate following HRM practices, as suggested by Kusluvan, Kusluvan, Ilhan and Buyruk (2010). Those HRM practices include training of employees, fair compensation taking into consideration other industries as well, adapting management style to be more friendly, be flexible with job tasks, boost employee empowerment, recognize and reward, work on reducing work

stress, create corporate culture, establish leadership, include HR as a major component of the organization and business.

Service Systems Practices

Service system is a special system comprised of different practices and procedures created for delivery of high quality service (Ltyle et a., 1998). Service system deals with both creation and delivery of high quality service that needs to be consistent in order to achieve that quality. It is also argued that service systems are in charge of service quality and that service systems make mistakes in service delivery (Lytle et al. 1998). Service systems include 3 different areas: failure prevention and recovery, communication and technology (Lytle et al. 1998). First area is important because it deals with service failures and customer problems. Practices need to be developed that will prevent or resolve customer complaints. All practices and standards in an organization need to be well known and understood by all employees and that is the core focus of communication. Technology is used to create higher levels of service for customers and is expressed through various forms such as toll-free telephone number, loyalty data base, high speed Internet.

JD-R model

In order to determine the relationship between service orientation and employee engagement, there are 2 perspectives to consider; JD-R model and social exchange theory. JD-R model contains job resources and demands that have an influence on employee engagement (Bakker and Demerouti, 2007). In other words, the model

describes which forces influence employee engagement (Crawford et al., 2010; Christian et al., 2011; Hakanen and Roodt, 2010).

Job resources have direct influence on employee engagement with their presence and those job resources represent compensation, support at work, feedback regarding job performance, decision making opportunities, empowerment (Bakker and Demerouti, 2007, 2008). Job resources have power to motivate employees to be engaged with either organizational policies and procedures that are service oriented or individual learning and development (Bakker and Demerouti, 2008). Job resources are found to have positive impact on employee engagement while job demands are found to have negative impact on employee engagement (Johnson, Park and Bartlett, 2018) since demands stand for role stress, time pressure, role ambiguity, work overload, job insecurity (Xanthopoulou et al., 2007) and these demands later have negative outcomes such as lower levels of energy and health concerns. What leads to employee disengagement is high level of job demands and low level of job resources, so organizations need to strive to reduce job demands and increase job resources.

Social exchange theory

Social exchange theory explains the direct linkage between organization and employees or organizational HR practices and overall service orientation in return for employee engagement (Blau, 1964; Eisenberger et al. 1986, 2002). Reciprocity is the main characteristic of this theory because when organization values employees, care for their well-being, reward them with both monetary and nonmonetary benefits then employees feel obligated to provide good job performance in return resulting in high level

engagement (Eisenberger et al. 1986; Alfes et al., 2013; Yang, 2012). Social exchange theory is based on the employer-employee relationship (Blau, 1964; Saks, 2006) and fairness in the treatment in this relationship (Masterton et al., 2000). If organization treats employees fairly then employees feel obligated to be engaged in return, which will bring benefit to the organization and vice versa for unfair treatment (Masterton et al., 2000). When organization invests in employees it cause perception that the organization and the relationship with that organization is meaningful and supportive, and the employees engage in achieving the organizational goals.

Primary research

Survey

According to Scheuren (2009, p. 9) survey is a research method designed to acquire quantitative information or data collection from a broader sample or group of people that is of interest to the research topic. Survey means obtaining information from people using paper-based questionnaire or distributing it with e-mail, social media, SMS, website (Bhat, n.d.). This means that beside traditional paper surveys there are also online surveys, face-to-face and telephone surveys. The steps to be undertaken in this process are development of the research objective and purpose, selection of sample population including the size, and then developing survey questions including the number, language, and types or scales.

As (de Leeuw, Hox, & Dillman, 2008) explained, survey actually consists of investigating what is the objective of certain research, then formulating research questions and finally developing survey questions that are connected to research questions. The gap between these 3 constructs is called specification error, which in other words mean that survey questions failed to measure what was intended to do in research questions and overall objective of the research. There are various causes that affect the quality of survey and errors such as certain cultural environment, ethics, privacy issues, resources, time, costs, technology.

According to research objective expressed in research questions in this paper, survey as a method is the one that is the most applicable because the paper investigates the relation of 2 constructs (service orientation and employee engagement) in hospitality and tourism industry. Tourism industry, the largest industry in Croatia, needs more investigation on

organizational service practices and employee engagement. Survey will be distributed as a paper-based questionnaire to the employees of hospitality firms in Dubrovnik, Croatia.

Sample

Sample population of this research consists of hospitality businesses in Dubrovnik, Croatia. Hospitality businesses are a matching sample population for this research due to their constant contact with customers and their requests. International chains are excluded from the sample population, and the ones that participated in the survey are hotels, restaurants & bars and various types of travel agencies. Participants of the survey were employees of all levels, both operational and managerial, excluding owners and CEOs as being irrelevant sample population. Table 1 shows socio-demographic characteristics of survey respondents in terms of their gender, age and level of education.

Table 1:Socio-demographic Characteristics of Respondents

Socio-demographic data	N=54	%
Gender		
Male	23	42.59%
Female	31	57.41%
Age		
Up to 30 years	33	61.11%
31-50	21	38.89%
Level of education		
High school	13	24.07%
BA	28	51.85%
MA	13	24.07%

Source: Author

Instrument

For the purpose of this research, an already existing, properly validated and tested instruments were used. Survey questions were adjusted from SERV*or and UWES, and measured using Likert-type scale. SERV*or scale or tool was developed by Lytle et al. (1998) to measure service orientation or levels of service orientation in organizations, more specifically 4 areas of it which are leadership, HRM, service encounter and service systems. For the purpose of this research, HRM practices were not included in survey questions as assumed that people will not feel comfortable revealing their for example salary details. Another tool that was used is UWES scale, developed by Schaufeli et al. (2006) that measure employee engagement. Original tool is UWES-17 containing 17 items that is later reduced to UWES-9 with 9 items and then UWES-3 with 3 items that are taken for the purpose of this study. Survey questions were measured using five-point Likert-type scale that ranged from 1 being "strongly disagree" to 5 being "strongly agree" for service orientation, and 1 representing "never" to 5 representing "always" for statements in the range of employee engagement. In the original SERV*or by Lytle et al. (1998) 35 items were measured regarding service orientation. In the research of Johnson, Park and Bartlett (2018) that served as a model to this specific research paper, 35 items of service orientation were taken and adjusted from Lytle et al. (1998) and extra 9 items from UWES for employee engagement were added. For the purpose of this study, the total number of 10 items were included from Lytle et al. (1998). This study contains 3 items measuring leadership, 3 items for service encounter, and 4 items for service systems in the area of service orientation. Employee engagement was measured using

Ultra Short Work Engagement Scale with only 3 items, developed by Schaufeli et al. (2006).

13 statements in the survey were grouped into 5 variables mentioned above. Employee engagement was measured as a sum of 3 statements and using the same principle leadership, service encounter and service systems are measured too. Leadership is a sum of its 3 statements. Service encounter is a sum of its 3 statements. Service systems is sum of its 4 statements and finally service orientation was calculated as a sum of leadership, service encounter and service systems scores. The higher the score participants chose, the more engaged employees are. The higher the score of service orientation, the better leadership, service encounter and service systems practices of participants are.

As stated earlier, the key research question is the relationship of service orientation (quality service leadership, service encounter practices, service system practices) and employee engagement. The above explanation behind the research question follows with the results presented in the next section.

Results

The results that came from 54 valid survey answers showed an inclination of scores leaning towards "agree" statements that represent agreements with the survey statements and higher scores. Statistics (minimum, maximum, averages and standard deviation) and correlations of all measured variables are presented in Table 2 and 3. Table 3 shows relations between employee engagement and overall service orientation, including

individual elements of service orientation - leadership, service encounter and service systems (coefficients in the range from .20 to .44). The results show meaningful relationship between employee engagement and service orientation along with employee engagement and leadership. The relationship between employee engagement and service systems along with relationship between employee engagement and service encounter does not exist. There is no relation between these variables. The purpose of this study was to measure the relationship between employee engagement and service orientation. The results show positive significant correlation between these 2 variables and confirm the hypothesis that was set. As one variable is growing so is the other confirming the relationship and not causality.

Table 2: Min, Max, Averages, Standard Deviation

Statistics				
	Min	Max	Average	SD
Employee engagement	5	15	12.03	2.5
Service orientation	30	50	41.85	5.06
Leadership	6	15	12.48	2.2
Service encounter	8	15	12.03	1.8
Service systems	9	20	17.33	1.9

Source: Author

Table 3: Correlations of All Variables

	1.Employee enagement	2.Service orientation	3.Leadership	4.Service encounter	5.Service systems
Correlations					
Employee engagement	–	.36**	.44**	.25	.20

Source: Author

Each of the above variables have significant and meaningful dimension result that is further explained:

Service systems: service systems as a dimension have the highest average score, consequently survey participants chose higher score that represent agreement with the statements on service systems. In this dimension individual statement in the survey regarding technology being used in order to provide better service quality had the highest average score (4.4 out of 5). Technology statement average score was the same for younger and older employees as well as for males and females.

Service encounter: the lowest individual statement average score was in the service encounter dimension and belongs to the statement of employee's freedom and authority in a workplace (average 3.8 out of 5). Significant individual statement difference between males and females was on the statement of their genuine care for customers also in the service encounter section. The answers presented that male employees care less (average 3.8 out of 5) while female employees care more for their customers (average 4.3 out of 5).

Leadership: the highest correlation coefficient is between employee engagement and leadership (presented in Table 3).

Employee engagement: another significant difference was between younger and older employees for the survey statements in the employee engagement dimension. The groups were presented as younger employees up to 30 years old, while older employees belong to the group of 31 to 50 years old. As presented in Table 4 (individual statement averages), older employees had higher average scores of employee engagement compared to younger colleagues, which means from the results that older employees have higher levels of energy, enthusiasm and are more immersed in work then their younger colleagues.

Table 4: Employee engagement averages for older and younger employees

Employee engagement averages	Energy	Enthusiasm	Being immersed
Older	4.1	4.4	4.6
Younger	3.6	3.8	3.8

Source: Author

Discussion

The purpose of this research paper was to explore service orientation and employee engagement and measure the relationship between them. The results from the conducted survey confirm the hypothesis or research question that relationship between employee engagement and service orientation do exist. The result of this study showed consistency with previous studies and their results of positive and meaningful relations between measured variables. In the role model research study by (Johnson, Park and Bartlett, 2018) relationship between employee engagement and service orientation did exist which shows consistency with this research paper. It was measured including one more dimension of service orientation - HRM practices and the sample included only large upscale hotels in Jamaica. Consistent results were acquired with even different sample since the sample of this specific research included small to middle hospitality and tourism organizations in only one city with a reduced set of survey questions.

This positive relationship is crucial for tourism industry since it gives the end result to the businesses of their role towards its employees and consequently the behavior of the employees towards the work and customers. Since the end goal is to provide higher level of service quality to customers, employees need to be engaged and to acquire it, service orientation should be provided to them. This business cycle is of a great importance for tourism industry. Businesses still today do not create and implement effective and efficient service orientation and that is one of the main reasons why their employees are not fully engaged. Without engaged employees, the level of service quality provided to customers is at question and might harm the businesses if not provided as expected.

Important points from the results of this study are the results regarding the relationship between the measured variables. Based on the literature review and the role model research by (Johnson, Park and Bartlett, 2018), it was expected that all variables would have high correlation coefficient. However, it was confirmed that the main variables – employee engagement and service orientation do have meaningful relationship as well as leadership while there is absolutely no relation between employee engagement and service systems and service encounter practices. The explanation behind these results would explain that the survey participants rated freedom and authority in service encounter dimension with the lowest scores and the lower the score, the lower the connection with employee engagement. Surprisingly, the technology statement in the service systems dimension acquired the highest average score yet the relationship does not exist.

In addition to this statement, hospitality businesses are using technology in daily operations and employees have skills to use it based on the participants' results. Since both younger and older employees as well as males and females agreed equally on this statement it suggests that there is no generation gap and in order to be competent in a work place employees need to be able to handle technology, keep with currents trends and practice them. Beside the highest average score, the lowest average score belongs to the statement of freedom and authority in a workplace from the group of service encounter practices. Hospitality and tourism organizations do not practice this component which obviously matters to employees. Employees do not have freedom and authority in a work place but this could be acquired through the training process and empowerment.

Another interesting result was regarding older and younger employees. How come that older employees are more engaged than younger employees? This result was unexpected as one would think that younger employees are full of energy, enthusiasm and are more immersed in their work in comparison with the older colleagues who are tired after years of work life and multitasking between work and family life. This research showed that Millennials do not prioritize work life and even when they are on the spot they do not put their heart and soul in the work they do.

In the role model research by (Johnson, Park and Bartlett, 2018) the results were quiet different in terms that all variables measured had meaningful correlation between each other. Employee engagement had meaningful correlation with service orientation, leadership, service encounter and service systems practices. The similarity between the 2 research studies is that the relationship between employee engagement and service orientation exists.

The limitations of this method in this research paper are presented for the purpose of future research studies. Sample to whom the survey is given, present one of the limitations because the surveys were conducted only in one city - Dubrovnik. For future research it should be taken into consideration that data collection comes from more areas within a country. Future research should also focus on specific occupational roles of employees within hospitality and tourism organizations in order to receive results for a specific group of employees for example only front liners. With such approach future

research can show how certain type of employees either front-liners or management are engaged within certain organizations such as hotel, restaurant, or agency. Future researchers might broaden the scope of all the variables that drive employee engagement in order to have more details in that field since human resource management practices were not included in this research study yet they belong to service orientation.

Literature list

Bhat, A. (n.d.). What is a Survey? Retrieved February 24, 2019.

Chia-Dai, Yen, and Doresses Liu. "Does Service Orientation Matter to Employees Performance in the Hospitality Industry: The Mediating Role of LMX." Johar 8.2 (2013)Pro Quest. Web. 14 Jan. 2019.

De Leeuw, E. D., Hox, J. J., & Dillman, D. A. (2008). International Handbook of Survey Methodology (1st ed., European Association for Methodology Series). Routledge.

Karen R. Johnson, Sunyoung Park, Kenneth R. Bartlett, (2018) "Perceptions of customer service orientation, training, and employee engagement in Jamaica's hospitality sector", European Journal of Training and Development, Vol. 42 Issue: ¾, pp.191-209

Kehoe, R. R., & Wright, P. M. (2013). The Impact of High-Performance Human Resource Practices on Employees' Attitudes and Behaviors. Journal of Management, 39(2), 366-391

Kusluvan, S., Kusluvan, Z., Ilhan, I., & Buyruk, L. (2010). The Human Dimension: A Review of Human Resources Management Issues in the Tourism and Hospitality Industry. Cornell Hospitality Quarterly, 51(2), 171-214

Lytle, R.S., Hom, P.W. and Mokwa, M.P. (1998). "SERV*or: a managerial measure of organizational service orientation", Journal of Retailing, Vol. 74 No. 4

Maden, Ceyda. "Linking High Involvement Human Resource Practices to Employee Proactivity." Personnel Review 44.5 (2015): 720-38. ProQuest. Web. 24 Jan. 2019.

"Miracle" Qi, J., Ellinger, A. E., Franke, G. R. (2018). Work design and frontline employee engagement. Journal of Service Theory and Practice. 28(5). 636-660. doi:10.1108/JSTP-04-2017-0061

Petrillose, M. J., Shanklin, C. W., & Downey, R. G. (1998). An Empirical Analysis of Service Orientation and its Impact on Employee Job Performance in Upscale Hotels. Journal of Hospitality & Tourism Research, 22(1), 39-55

Popli, Sapna, and Irfan A. Rizvi. "Exploring the Relationship between Service Orientation, Employee Engagement and Perceived Leadership Style: A Study of Managers in the Private Service Sector Organizations in India." The Journal of Services Marketing 29.1 (2015): 59-70. ProQuest. Web. 14 Jan. 2019

Popli, Sapna, and Irfan A. Rizvi. "Leadership Style and Service Orientation: The Catalytic Role of Employee Engagement. "Journal of Service Theory and Practice 27.1 (2017): 292-310. ProQuest. Web. 14 Jan. 2019

Saks, A. M. and Gruman, J. A. (2014), What Do We Really Know About Employee Engagement? Human Resource Development Quarterly, 25: 155-182. doi:10.1002/hrdq.21187

Sittig, A. (2016, August 18). Marriott International Shares Its Secret to Driving Employee Engagement (Web log post). Retrieved February 21, 2019.

Terje Slatten, Mehmet Mehmetoglu, (2011) "Antecedents and effects of engaged frontline employees: A study from the hospitality industry", Managing Service Quality: An International Journal, Vol. 21 Issue: 1, pp.88-107

Appendix A

Survey Questions

Leadership

- Employees care for customers, as they would like to be cared for.

- We are noticeably more courteous than our competitors.

- Employees have freedom and authority to act independently in order to provide excellent service to guests.

Service Systems

- Technology is used to build and develop higher levels of service quality.

- We actively listen to our customers.

- We provide every customer with an explicit service guarantee.

- Service performance measures are communicated openly with all employees regardless of position or function.

Service encounter

- Management regularly communicate and work with customers and employees.

- In order to improve the level of service, management secure all necessary resources.

- My organization understands that they exist to serve the customers.

Employee engagement

- At my work, I feel bursting with energy.

- I am enthusiastic about my job.

- I am immersed in my work.