Doing the Right Thing Without Being Told: Joint Effects of Initiative Climate and General Self-Efficacy on Employee Proactive Customer Service Performance

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Abstract

We developed and tested a cross-level model of the antecedents and outcomes of proactive customer service performance. Results from a field study of 900 front-line service employees and their supervisors in 74 establishments of a multinational hotel chain located in Europe, the Middle East, Africa, and Asia demonstrated measurement equivalence and suggested that, after controlling for service climate, initiative climate at the establishment level and general self-efficacy at the individual level predicted employee proactive customer service performance and interacted in a synergistic way. Results also showed that at the establishment level, controlling for service climate and collective general service performance, initiative climate was positively and indirectly associated with customer service satisfaction through the mediation of aggregated proactive customer service performance. We discuss important theoretical and practical implications of these findings.

Keywords: Initiative Climate, Multilevel Modeling, Proactive Customer Service Performance, Service Sector
Service organizations, which now account for 60% of world GDP and dominate economies in most nations (The World Factbook, 2007), are facing a paradox. The performance of front-line service employees is essential for their success (Borucki & Burke, 1999; Johnson, 1996; Liao & Chuang, 2004; Solomon, Suprenant, Czepiel, & Gutman, 1985), but the uncertainty stemming from highly diverse and rapidly-changing customer needs and expectations (Sasser, Olsen, & Wyckoff, 1978), as well as customers’ involvement in coproducing the service delivery process (Larsson & Bowen, 1989; Lengnick-Hall, 1996), limit the possibilities of exerting managerial control through specifying a comprehensive set of formalized work roles (Bowen, 1990; Griffin, Neal, & Parker, 2007). Moreover, unprompted and unsolicited service employee behaviors play an important role for customers’ perceptions of service quality (Bitner, Booms, & Tetreault, 1990). Therefore, the ability of front-line service employees to take initiative (Frese & Fay, 2001) and engage in proactive behavior (Parker, Williams, & Turner, 2006) is critical for successful service delivery.

However, existing service research is still characterized by a strong focus on formalized work role performance (e.g., Borucki & Burke, 1999; Johnson, 1996; Liao & Chuang, 2004; Liao, 2007). Hardly any attention has been paid to employees’ proactive customer service performance (Rank, Carsten, Unger, & Spector, 2007). Proactive customer service performance (PCSP) is characterized by a self-starting, long-term oriented, and forward-thinking approach to service delivery. Proactive customer service employees rely on their own initiative, rather than waiting to be prompted by their supervisors, their coworkers, or their customers. They do the right thing without being told.

Drawing on the model of proactive motivation (Parker, Bindl, & Strauss, 2010), we suggest that individual engagement in PCSP is driven by two fundamental cognitive-
motivational processes: a “can do” motivation that reflects an individual’s perceived capability of engaging in proactive behaviors, and a “reason to” motivation that reflects the individual’s desire to be proactive. At the individual level, we propose that general self-efficacy, which reflects an individual’s perceived capability or “can do” motivation, should be positively associated with PCSP. At the establishment level, we hypothesize that initiative climate sends a signal that proactive behavior is expected and rewarded and thereby fosters the desire or “reason to” motivation to engage in proactive behavior. In addition, we propose that initiative climate moderates the relationship between general self-efficacy and PCSP.

Our research enhances the customer service literature in several ways. First, we provide a theoretical advancement by proposing establishment-level initiative climate as a specifically referenced organizational climate that reflects employees’ shared perceptions of the extent to which personal initiative is expected, supported, and rewarded. Second, we investigate the role of this construct as a predictor of PCSP and demonstrate that it explains variance beyond the effect of the commonly assessed general service climate (Schneider, White, & Paul, 1998). Third, we show that initiative climate reinforces the relationship between general self-efficacy and PCSP. Taken together, these efforts serve to test the recently developed model of proactive motivation (Parker et al., 2010) and to assess whether PCSP is jointly determined by perceived capability and willingness to be proactive. Finally, as an additional empirical advancement, we address the important “so what” issue of how the central variables of our model exert an impact on the performance of service organizations. We accomplish this by proposing that initiative climate is positively and indirectly associated with customer service satisfaction through the mediation of aggregated PCSP at the establishment level.

Theory and Hypotheses

Proactive Customer Service Performance
During the past four decades, the meaning of work role performance in organizational behavior research has undergone significant transformations, and researchers have argued that models of work role performance need to become more sensitive to features of dynamic organizational contexts (Ilgen & Hollenbeck, 1991). High contextual uncertainty, for instance, limits the extent to which work roles can be formalized and increases the likelihood that work roles evolve dynamically with environmental changes (Katz & Kahn, 1978). Given such environmental constraints, formalization by means of job descriptions and detailed standard operating procedures can capture only a fraction of the scope of behaviors that are necessary for employees to perform effectively.

More recently, research on work role performance and proactivity has converged to address the need for role flexibility in the face of environmental uncertainty (Griffin et al., 2007; Wall, Cordery, & Clegg, 2002). Proactivity refers to employees’ ability and willingness to approach their work roles in an active, forward-thinking way, to seek opportunities for improvement and have a discernible impact on their environment (Bindl & Parker, 2010; Crant, 2000; Grant & Ashford, 2008). Proactive behaviors can be directed at a variety of targets, including the self, other people, and the organization (Grant & Ashford, 2008; Parker & Collins, 2010).

The distinction between mere proficiency in a work role and more proactive forms of work performance can be extended to the field of customer service performance. General service performance refers to service behaviors that follow formalized job descriptions and service scripts, and consist of completing core service tasks using standard service procedures. It reflects service employees’ proficiency in carrying out the core parts of their service role through the conscientious application of service standards. General service performance is an important factor in influencing customer satisfaction, which is largely based on the experience of interacting with service employees and the extent to which service
encounters meet customers’ expectations (Liao & Chuang 2004; Liao & Chuang, 2007), and previous research has shown that general service performance contributes to enhanced customer satisfaction (Liao & Chuang, 2004).

However, service research has also suggested that proactive customer service performance should be important for customer satisfaction in a service context. Unexpected service “extras” that are neither prescribed by service standards nor triggered by service delivery failures are particularly salient in customers’ perceptions of service quality (Bitner et al., 1990). These unprompted and unsolicited elements in the service delivery process are the result of self-starting, proactive behaviors by service employees – they require that service employees take initiative. Moreover, high quality service requires forward-thinking, anticipatory actions that help prevent service delivery failures from happening. Such long-term oriented behaviors include anticipating future customer needs, following through with promises made towards customers in a persistent way, and establishing effective working relationships with other service employees to ensure seamless transitions in the interaction with customers.

The increasing interest in proactivity has sparked calls for more research on proactive work behaviors in the important domain of customer service (Rank et al., 2007). Proactive customer service performance (PCSP) has been defined as a particular form of “self-started, long-term-oriented, and persistent service behavior” (Rank et al., 2007: 366). Proactive customer service employees display self-started and long-term oriented service behaviors by anticipating customer needs or problems, by establishing partnerships with other service employees which could facilitate future service encounters with the customer and by proactively soliciting feedback from customers. They also seek to fulfill customer expectations by following through in the delivery of promised service “extras” in a persistent
In this research, drawing on the model of proactive motivation (Parker et al., 2010), we examine how contextual and individual characteristics jointly influence front-line employees’ PCSP.

**Initiative Climate as a Predictor of PCSP**

Proactivity research has suggested that investigations of situational antecedents of proactive behaviors should pay increased attention to the influence of organizational climate (Grant & Ashford, 2008). Organizational climate refers to the shared perceptions of employees regarding the work behaviors that are encouraged, supported and rewarded in a particular organizational setting (Schneider, 1990) and climate is best viewed as a construct focusing on a specific referent, or as a climate *for something* (Schneider, 1975; Schneider et al., 1998). During the past two decades, a range of climate constructs with different strategic foci have emerged, including service climate (Schneider, Parkington, & Buxton, 1980), safety climate (Hofmann & Stetzer, 1996), innovation climate (Anderson & West, 1998; Scott & Bruce, 1994), transfer of training climate (Holton, Bates, Seyler, & Carvalho, 1997; Tracey, 1991) and extra-role service behaviors (Bettencourt & Brown, 1997; Bettencourt et al., 2001) has attempted to extend the notion of work performance in the service domain beyond in-role service behaviors. These constructs share some elements with PCSP in that they capture the discretionary, organizationally beneficial elements of service performance that goes beyond the limits of formalized role expectations (Van Dyne, Cummings, & McLean Parks, 1995). However, we also see two major differences.

First, OCB and extra-role behaviors do not necessarily entail a self-starting element. Instead, they are frequently reactive in nature (Grant & Ashford, 2008). They may be prompted by the recognition of a problem, as when an employee helps a colleague who is visibly overloaded with work and seeks assistance, or may be limited to the conscientious application of established service guidelines and a courteous and effective response to customer requests. However, customer evaluations of service quality do not exclusively rely on service employees’ conscientious application of service standards and their performance in service recovery (Liao, 2007). Unprompted service “extras” are particularly salient in customers’ perceptions of service quality (Bitner et al., 1990). These unexpected and unsolicited elements in the service delivery process are the result of self-starting, proactive behaviors by service employees, i.e. they require a demonstration of initiative that is not specified as a requirement for service-oriented OCBs but is clearly encapsulated in the PCSP construct.

Second, service-related OCBs and extra-role behaviors are not necessarily long-term oriented, anticipatory behaviors. They could very well focus on finding immediate solutions to specific concerns, paying little attention to the more forward-thinking actions that may prevent service delivery failures from happening. Long-term oriented behaviors include anticipating future customer needs, following through with promises made towards customers in a persistent way, and establishing partnerships with other service employees to ensure seamless transitions in the interaction with customers. Again, these behaviors fall clearly within the construct domain of PCSP, while not necessarily being encompassed by the definition of service-related OCBs or extra-role behaviors.
Climate research in the service sector has been dominated by the service climate construct which encompasses “employee perceptions of the practices, procedures, and behaviors that get rewarded, supported, and expected with regard to customer service and customer service quality” (Schneider et al. 1998: 151). Service climate represents the extent to which employees experience that the internal functioning of the organization is focused on attaining high service quality (Schneider & White, 2004). A favorable service climate has been shown to stimulate service employees’ engagement in role-prescribed service behaviors (e.g., Schneider, 1990; Liao & Chuang, 2004). However, the unique characteristics of PCSP, including self-starting, long-term oriented and persistent behavior, imply that a climate which is specifically targeted towards supporting and rewarding this particular type of performance will possess a stronger theoretical linkage to proactive service performance than general service climate does.

In the current study, consistent with our focus on the PCSP of front-line service employees, we propose a new climate construct, namely, initiative climate, which is an organizational climate with a specific referent for employee initiative (Baer & Frese, 2003; Fay, Lührmann, & Kohl, 2004). Our conceptualization of initiative climate focuses on employee shared perceptions of the extent to which self-starting, change-oriented, long-term oriented and persistent behavior is encouraged and rewarded by management. Initiative climate differs from service climate in two important ways. First, it has a proactive component in that it refers to self-starting, change-oriented, long-term oriented and persistent behavior. Second, whereas service climate refers specifically to customer service and customer service quality, initiative climate addresses the proactive execution of work behaviors in general. Initiative climate also differs from innovation climate (Anderson &
West, 1998), which is characterized by a narrower focus on the generation of new ideas, processes, products or procedures, and implementation climate (Klein et al., 2001), which refers specifically to the extent to which the effective, consistent and committed use of adopted innovations is encouraged and supported by management in an organization.

We extend the work of Baer and Frese (2003) and Fay et al. (2004) by developing a new construct of initiative climate building on Frese’s personal initiative construct. Personal initiative is characterized by a self-starting, change-oriented, long-term oriented approach, and persistence in the face of obstacles (Frese & Fay, 2001; Frese, Kring, Soose, & Zempel, 1996). The self-starting facet of personal initiative implies that an individual engages in a particular behavior without specifically being instructed by a supervisor or being guided by an explicit role requirement (Frese & Fay, 2001; Griffin et al., 2007). Personal initiative is change-oriented in that it involves the desire to find solutions that have a discernible impact on the environment (Frese et al., 1996, Grant & Ashford, 2008). Another facet of personal initiative involves long-term orientation, which includes anticipatory action (Grant & Ashford, 2008), that is, considering future problems or opportunities and doing something about them in a proactive fashion, rather than waiting until a response to some environmental demand becomes inevitable. Finally, personal initiative requires persistence in the face of the inevitable setbacks, problems, and failures that proactive, long-term oriented behaviors necessarily entail (Frese & Fay, 2001).

We posit that initiative climate is positively related to individual PCSP in the service sector. The model of proactive motivation (Parker et al., 2010) argues that proactive behavior is motivated, conscious, and goal-directed behavior; individuals anticipate desired future outcomes and develop strategies to obtain these outcomes (goal-generation), and then mobilize and behave in a way to attain these outcomes (goal striving). Initiative climate provides this “reason to” motivation and answers employees’ questions such as “Do I want to
be proactive in serving customers?” and “Why should I be proactive in serving customers?” Therefore, initiative climate will help employees purposely set the goal of being proactive and consciously monitor their strategies and actions to reach the goal of being proactive in customer service. To the extent that service employees perceive a high initiative climate in the establishment, they have come to recognize that personal initiative in serving customers is highly expected, desired and rewarded by management to achieve organizational goals of high quality service. Such perceptions thus provide a strong “reason to” motivation for employees to take initiative and engage in PCSP in order to comply with these behavioral expectations and reap the corresponding rewards. Further, while the more general service climate construct is related to role-prescribed service behaviors, we argue that initiative climate will contribute to PCSP beyond the effects of general service climate, since initiative climate is more specifically aligned with this type of behavioral outcome than is general service climate. Therefore, we propose:

Hypothesis 1: Establishment-level initiative climate is positively related to the average level of supervisor-rated employee PCSP, after controlling for general service climate.

General Self-efficacy as a Predictor of PCSP

As we have argued, initiative climate can influence individual PCSP by providing employees with information about expected and rewarded behaviors and thereby creating a strong “reason to” motivation and desire to engage in proactive behavior. The model of proactive motivation (Parker et al., 2010) further suggests that in addition to the “reason to” motivational factor of proactivity, another important motivational factor that can directly affect an individual’s proactivity is the “can do” attitude, or the individual’s perceived capability of succeeding. Bandura (1986, 1997) argued that fundamental to such a “can do” attitude is self efficacy, or people’s beliefs in their capabilities to exercise some measure of
control over their own functioning. Such subjective assessments will be particularly important in the context of PCSP. In the case of role-prescribed service behaviors, individuals possess information about their own past performance and the rewards they received. In the case of PCSP, however, both the likelihood of success and the potential benefits or costs are more uncertain. As Bandura (2001: 10) pointed out, “unless people believe they can produce desired results and forestall detrimental ones by their actions, they have little incentive to act or to persevere in the face of difficulties. Whatever other factors may operate as guides and motivators, they are rooted in the core belief that one has the power to produce effects by one’s actions.” Therefore, individuals with high self-efficacy are more likely to arrive at a positive assessment of the likelihood that they will be able to cope successfully with the demands of PCSP, which requires the individual’s confident and persistent investment of personal effort in situations full of uncertainty and potential obstacles.

Bandura (1986) noted that self-efficacy varies in generality, and that people may judge themselves efficacious only in certain domains (specific self-efficacy) or across a wide range of activities and situations (general self-efficacy). We chose to examine general self-efficacy in the current research due the nature of the performance criterion we try to predict, that is, proactive customer service performance. PCSP requires employees to take initiative and behave in a self-starting manner, rather than just “do things by the book”. In other words, to be proactive, employees need to demonstrate flexibility and go beyond following predefined scripts in approaching work problems. They also need to have a high tolerance for ambiguous and unfamiliar situations (Speier & Frese, 1997), and come up with their own ideas on how to best address customer needs (Rank et al., 2007). As a result, employees’ behaviors and thinking cannot be restricted to a specific task or situation, but need to enable them to deal with a broad range of different tasks and situations. Therefore, in our study it is appropriate to measure general self-efficacy at work, which “enables individuals to adapt
effectively to novel and adverse environments” and “can predict motivational reactions and behaviors across a variety of work domains” (Chen, Gully, & Eden, 2001, p. 77).

Indeed, general self-efficacy has been shown to predict personal initiative in work situations (Speier & Frese, 1997), which is required for proactive customer service performance. In addition, although no study has examined both general self-efficacy and specific self-efficacy in predicting proactive behavior, there has been some research in the creativity literature, demonstrating the value of general self-efficacy in predicting creativity, which also requires employees to handle ambiguous situations in order to come up with new ideas. For example, Tierney and Farmer (2002) showed that general self-efficacy has a significant, positive, and unique impact on creativity when considered together with creative self-efficacy, a specific form of self-efficacy. In addition, Liao, Liu and Loi (2010) demonstrated that general self-efficacy predicted employee creativity. These results from the creativity literature provide indirect empirical justification for the use of general self-efficacy to predict proactive performance.

Based on the above theoretical arguments and empirical evidence, we argue that service employees with high general self-efficacy are more likely to arrive at a positive assessment of the likelihood that they will be able to cope successfully with the demands of emergent, proactive work roles. With this “can do” motivation, efficacious employees are more likely to engage in proactive customer service performance. Therefore, we propose:

Hypothesis 2: General self-efficacy is positively related to proactive customer service performance.

Synergistic Interaction between Initiative Climate and General Self-efficacy

In addition to the separate main effects of initiative climate and general self-efficacy, we propose that they interact synergistically such that establishment level initiative climate strengthens the relationship between individual general self-efficacy and PCSP. As implied
by the theoretical framework of proactive motivation (Parker et al., 2010), general self-efficacy is fundamental to an individual’s “can do” motivation whereas initiative climate provides the “reason to” motivation for being proactive. The “reason to” motivational factor can interact with and reinforce the motivational effect of the “can do” factor. Even if an individual believes that he or she is capable of coming up with and executing their own ideas of how to best serve customers, when the “reason to” cues provided by initiative climate (which signal that proactive behaviors are expected, encouraged, and rewarded by the company) are missing, the individual may not see the value or rewards for engaging in this type of behavior. Therefore the effects of general self-efficacy on proactivity will be significantly weakened in establishments with an unfavorable initiative climate. On the contrary, under a favorable initiative climate, self-efficacious individuals will be more willing to translate their confidence in their own abilities into proactive customer service behaviors.

Similarly, person-situation theory (Pervin, 1989) argues that person and situation factors interact to jointly affect individual behavior because individuals are driven to accomplish various goals and the surrounding environment offers reinforcement or barriers to the accomplishment of these goals. Under a favorable initiative climate, the environment signals that proactive behavior is expected, encouraged, and rewarded. These signals are consistent with the sense of mastery and command of broad, ambiguous situations of an efficacious individual, thereby reinforcing the individual’s tendency to proactively carry out their own ideas of how to best serve customers instead of just following the book. In addition, general self-efficacy makes individuals “accept the prompt” provided by initiative climate more easily. More efficacious individuals are more confident that they would be able to handle uncertain situations; therefore they are more likely to answer the call of the initiative climate to come up and execute their own ideas for better customer service. Conversely, when initiative climate is low, the environment signals that proactive behavior is discouraged.
or unappreciated, thereby constraining the performance of proactive behavior. As a result, the inconsistency between environmental cues and the behavioral tendency of efficacious individuals reduces the effect of general self-efficacy on proactive customer service performance.

This line of argument has been termed as synergistic person-situation interaction, in that the environment (i.e. initiative climate) magnifies the effect of an individual characteristic (i.e., general self-efficacy) on individual behavior (i.e., proactive customer service performance). Previous empirical work has documented similar synergistic person-situation interactions (e.g., see Schmitt, Eid, & Maes, 2003; Vansteenkiste, Simons, Lens, Sheldon, & Deci, 2004). In service research, Grizzle and colleagues found that unit customer orientation climate strengthened the positive relationship between service employees’ customer orientation and their performance of customer-oriented behavior (Grizzle, Zablah, Brown, Mowen, & Lee, 2009). Therefore, based on these theoretical arguments and empirical findings, we propose:

*Hypothesis 3: Initiative climate moderates the relationship between general self-efficacy and individual PCSP such that the positive influence of general self-efficacy on PCSP is stronger when initiative climate is high than when initiative climate is low.*

**Aggregated PCSP as a Predictor of Customer Satisfaction**

Service “linkage research” (Wiley, 1996) has shown that the service performance of front-line employees directly affects customer satisfaction with service quality (Liao & Chuang, 2004; Liao, Toya, Lepak, & Hong, 2009), customer intention to maintain a long-term service relationship (Liao & Chuang, 2007), and customer satisfaction with service recovery (Liao, 2007). However, to the best of our knowledge, no study has directly examined the role of front line employees’ PCSP on customer outcomes. In the current research we extend the literature by addressing this oversight.
As we have argued earlier, due to the heterogeneous and idiosyncratic nature of customer needs and demands, the uncertainty and volatility involved in customer service require front-line employees to take personal initiative to anticipate customer needs, prevent and remove potential obstacles in service delivery before a problem “hits the surface,” address the root cause of a service problem so the problem does not re-occur, follow through in a persistent manner on issues that may affect customer service, challenge “tried and tested” ways of delivering service, and continuously identify new opportunities for improving service quality. To the extent that employees successfully engage in PCSP, they are more likely to “do it right the first time,” rather than having to remedy customer dissatisfaction after service problems and failures have occurred (Liao, 2007). We argue that such forward-looking behaviors, which emphasize incessant and unrelenting improvement in service quality, should contribute to customer satisfaction beyond the impact of general service performance that typically aims at fulfilling basic, prescribed role behaviors.

In addition, a customer’s service experience is often determined by the customer’s repeated encounters with multiple service employees in the service establishment (Liao & Chuang, 2004; Liao et al., 2009). For example, a hotel guest may interact with the bell person and the employees at the front-desk, concierge, restaurants, fitness facility, and so on. Consequently, we argue that PCSP aggregated across front-line employees at the establishment level may affect customer satisfaction with the overall experience of staying in the hotel. Moreover, our focus on aggregated PCSP at the establishment level when assessing its practical significance is consistent with extant service research, which, due to similar considerations, has largely focused on investigating establishment-level relationships between collective service behaviors and important organizational outcomes (e.g., Borucki & Burke, 1999; Liao & Chuang 2004; Schneider et al., 2005). Therefore, we propose:
Hypothesis 4: Aggregated PCSP at the establishment level is positively related to customer satisfaction with service quality after controlling for general service performance at the establishment level.

Earlier we introduced initiative climate as employees’ shared perceptions of the extent to which self-starting, change-oriented, long-term oriented and persistent behavior is encouraged and rewarded by management. In Hypothesis 1 we suggested that initiative climate is positively related to average supervisor-rated PCSP at the establishment level and in Hypothesis 4 we proposed that PCSP at the establishment level is positively related to customer satisfaction with service quality. Taken together, these two hypotheses suggest an indirect positive relationship between initiative climate and customer service satisfaction via service employees’ aggregated PCSP at the establishment level. Such an indirect relationship would be logically consistent with the notion that customers may find it difficult to form a direct opinion about the initiative climate in an establishment. However, their evaluation of service quality will be directly influenced by the proactive behaviors displayed by service employees with whom they interact. To the extent that initiative climate should be positively associated with service employees’ aggregated PCSP at the establishment level, it should therefore have an indirect positive effect on customers’ satisfaction with service quality. Based on the preceding rationale, we conclude by proposing:

Hypothesis 5: Establishment-level initiative climate is positively related to customer satisfaction with service quality via the aggregated PCSP of service employees at the establishment level.

Methods

Figure 1 summarizes our hypothesized model.
Sample and Procedures

Survey data for this study were collected with the collaboration of an international hotel chain headquartered in Europe. The company’s portfolio includes five different hotel brands ranging from the mid-market to the up-market and luxury segments. It manages establishments in Europe, the Middle-East, Africa and Asia. The company provided access to establishments of a three-star (mid-market) and a four-star (up-market) brand. A total of 83 establishments were invited to participate in the survey. Five of them refused to participate for reasons of work overload, and four establishments did not return any usable questionnaires, leading to a final usable sample of 74 establishments. Table 1 provides an overview of the geographic locations of these establishments.

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Insert Table 1 about here
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Two separate survey questionnaires were prepared with a view of minimizing single source of data bias. The first was distributed to all employees at the lowest hierarchical level of the establishment and included measures of demographic and individual difference variables, initiative climate, service climate and collective general service performance. In addition, the direct supervisors of all front-line service employees received a second questionnaire in which they were asked to assess their subordinates on individual PCSP.

All questionnaires were prepared in English. One establishment in China and two establishments in Russia requested a translation of the questionnaire into their local language, which was carried out by professional translators and followed the generally accepted back-translation procedure described by Brislin (1980). The help of HRM managers in the establishments was enlisted to support data collection. Questionnaires were sent electronically to the HRM managers who printed and distributed them. All respondents were given time to complete the survey during working hours and were assured full confidentiality.
They were asked to return completed questionnaires in sealed envelopes to a sealed drop-in box. HRM managers then returned the unopened envelopes to the first author.

A total of 2,358 employees returned usable questionnaires for an overall response rate of 83%. This number constitutes the sample size for establishment-level variables assessed by employees (i.e. initiative climate, service climate and general service performance). The average age of all employees was 32.1 years (s.d. 11.1) and their average tenure in their establishment was 4.2 years (s.d. 6.0 years). 46% were female and 93% reported full-time work status.

Of the usable questionnaires received, 1,301 were from front-line service employees of which a total of 900 could be matched with a corresponding supervisor questionnaire. This number constitutes the final sample size for individual-level variables assessed by front-line service employees and their supervisors (i.e. general self-efficacy and individual PCSP). The average age for front-line service employees was 29.9 years (s.d. 10.4) and their average tenure in their establishment was 3.8 years (s.d. 5.8 years). 45% were female and 92% reported full-time work status.

**Employee-level Measures**

**General self-efficacy.** General self-efficacy was measured with the 8-item general self-efficacy scale developed by Chen, Gully, & Eden (2001). Sample items are “I am confident that I can perform effectively on many different tasks” and “I will be able to successfully overcome many challenges” ($\alpha = .89$).

**Individual PCSP.** We used the 7-item measure developed by Rank et al. (2007) to measure individual PCSP. Sample items include “Takes ownership by following through with the customer interaction and ensures a smooth transition to other service employees” and “Uses own judgment and understanding of risk to determine when to make exceptions or improvise solutions.” Some minor adjustments were made to the original item wording (e.g.
replacing “service representatives” by “service employees”) to render them suitable for the hospitality industry context of our study ($\alpha = .95$).

Rating scales for the employee-level measures were anchored at 1, “strongly disagree”, and 7, “strongly agree”,

**Individual-level control variables.** Proactive customer service performance is a discretionary form of work behavior and, as such, may be related to demographic variables including age, gender and work status (Kidder & McLean Parks, 1993; Stamper & Van Dyne, 2001). In addition, engagement in proactive behavior implies the ability to detect a need for proactiveness and the willingness to take action without explicitly being instructed by a supervisor. Employees with lower levels of tenure may be less capable of detecting situations in which proactiveness is needed and/or less willing to challenge the authority of a supervisor by engaging in proactive behavior. Therefore, we controlled for age, gender, work status (full-time vs. part-time) and organizational tenure of the individual front-line service employee.

**Establishment-level Measures**

**Initiative climate.** We developed a 16-item measure of initiative climate. The scale includes four subscales which were designed to capture the construct domain of Frese et al.’s (1996) personal initiative construct, namely self-starting behavior, change orientation, long-term focus and persistence. For each sub-scale, items were designed to measure the extent to which respondents perceive that these behaviors are emphasized, expected, encouraged and recognized by the organization. Sample items include “Employees in this hotel are encouraged to tackle service-related problems without being explicitly told by their supervisor,” “Employees in this hotel are expected to challenge tried and tested ways of doing things in guest service,” “When a service-related problem emerges in this hotel, employees are expected to address its root cause in such a way that the problem does not re-occur,” and “Employees in this hotel are encouraged to solve service-related problems in a
To assess the dimensionality of this newly developed measure, we collected pilot data from 275 employees of a multinational hotel chain, which was unrelated to the one from which we obtained the sample for our main study. Employees were asked to evaluate the initiative climate of the individual establishment they were working for. Results of a confirmatory factor analysis (CFA) are reported in Table 2. The results from both the pilot study and the main study revealed that the hypothesized four-factor model fit the data reasonably well (Pilot Study: CFI = .97, IFI = .97, SRMR = .049; Main Study: CFI = .97, IFI = .97, SRMR = .042) and significantly better than the one-factor model ($\Delta \chi^2 = 357.93, df = 6, p < .001$ in the pilot study; $\Delta \chi^2 = 1476.93, df = 6, p < .001$ in the main study). However, inspection of the phi-matrices indicated that the four initiative climate dimensions were highly correlated with each other, with correlations ranging from .83 to .97 (average correlation of .92) in the pilot study and ranging from .86 to .95 (average correlation of .90) in the main study. These results suggest that initiative climate can be modeled as a higher-order latent variable. Indeed a second-order CFA of the initiate climate items revealed that factor loadings for both the second-order overall initiative climate factor and the lower-order dimensions were high and statistically significant, and the four dimensions had factor loadings of .93, .96, .99, and .92, respectively, on the second-order factor in the pilot study and .93, .95, .96, and .97 in the main study. In addition, the second-order model fit the data well (pilot study: CFI = .96, IFI = .96, SRMR = .052; main study: CFI = .97, IFI = .97, SRMR = .044). Therefore, we followed the subscale aggregation approach (Drasgow & Kanfer, 1985) to calculate the initiative climate score by averaging across the four dimension scores.

Aggregated PCSP. Aggregated PCSP was computed by taking the average of the
supervisor-assessed individual PCSP for employees of the same establishment using the 7-item measure developed by Rank et al. (2007).

**Customer service satisfaction.** Customer service satisfaction at the establishment level was assessed with data from the company’s customer satisfaction survey. We used the global customer service satisfaction score reported in the survey, which represents the arithmetic mean of five sub-scores related to satisfaction with the welcome received at the hotel, check-in, check-out, food and beverage services and delivery of special benefits related to the company’s loyalty program.

Rating scales for the establishment-level measures were anchored at 1, “strongly disagree,” and 7, “strongly agree,” with the exception of customer service satisfaction, which was assessed on a rating scale anchored at 1, “highly dissatisfied,” and 5, “highly satisfied.” We report the statistics that support aggregating these measures to the establishment level in the Results section.

**Establishment-level control variables.** Given the broad international scope of our data, we decided to control for *cultural values* in order to capture the potential influences of country-level cultural differences. We used Hofstede’s (1980) well-established framework, which includes the four primary dimensions of power distance, individualism, masculinity, and uncertainty avoidance. Cultural value scores for the 28 countries in our sample were obtained from Hofstede’s original empirical work and subsequent country estimates (1980, and at http://www.geert-hofstede.com/). Scores for four of the countries in our data were unavailable, so values were estimated using culturally similar countries (i.e., “Russia” scores were used for Azerbaijan and the Ukraine, Iceland was given the “Denmark” scores, and Jersey was given the “UK” scores). We assigned country-level cultural value scores to each facility and used these scores as controls for our cross-level and establishment-level analyses.
Our sample also included establishments from two different brands. A higher star rating indicates that a hotel brand competes to a larger extent on service quality (Sun, Aryee, & Law, 2007) and is likely to be related to customer service satisfaction. In addition, some of the establishments catered predominantly towards a business clientele, while others served mostly leisure travelers. Business and leisure travelers can be expected to differ in their perceptions of service quality (Jones, 2002). Therefore, we added controls for hotel brand (3-star vs. 4-star) and hotel type (business hotel vs. leisure hotel).

In order to assess the effects of initiative climate on individual proactive service performance beyond the effects of general service climate, we controlled for service climate as measured with Schneider et al.’s (1998) well-established 7-item general service climate scale. Sample items include “How would you rate the recognition and rewards employees receive for the delivery of superior work and service in your area?” and “How would you rate the leadership shown by management in your area in supporting the service quality effort?” We used the response format suggested by Schneider et al. (1998) which was anchored at 1, “poor,” and 5, “excellent” (α = .87).

In addition, with a view of assessing the unique contribution of aggregated proactive customer service performance on customer satisfaction, we controlled for general service performance at the establishment level as assessed with Griffin et al.’s (2007) 3-item task proficiency scale. An introductory paragraph before the measure asked employees to “focus on the behavior of employees in general.” We adapted the wording of the original measure to focus on employees in the plural. Items include “Carry out the core parts of their job well”, “Complete their core tasks well using the standard procedures”, and “Ensure their tasks were completed properly” (α = .87).

Results
Tables 3 and 4 report correlations and scale reliabilities for the individual-level measures and establishment-level measures used in this study.

Confirmatory Factor Analysis (CFA)

To assess the discriminant validity of our key constructs, we conducted a series of confirmatory factor analyses. Results of these CFAs are reported in Table 5. We compared our focal 5-factor model with three alternative plausible models, including a 1-factor model, a 2-factor model separating employee-assessed and supervisor-assessed constructs, and a 4-factor model in which the items for the two climate constructs and the items for the two organizational performance constructs, respectively, were collapsed into a single factor. Our results reveal that the 5-factor model fit the data well (CFI = .95, IFI = .95, SRMR = .047) and also fit the data significantly better than the alternative models.

Assessing Measurement Equivalence

The heterogeneity of our sample might raise legitimate concerns over measurement equivalence. Measurement equivalence implies that items for a given construct are interpreted in the same way and response scales used in the same fashion across different samples (Drasgow, 1984; Vandenberg & Lance, 2000) and threats to measurement equivalence can stem from differences across samples in terms of culture, language, organization, and research context (Robert, Lee, & Chan, 2006). We proceeded to test for measurement equivalence with regard to culture, language and organizational context,
following a procedure\textsuperscript{2} outlined by Robert et al. (2006) and based on earlier suggestions by Vandenberg & Lance (2000), Chan (2000), and Little (1997).

Comparisons for six cultural subgroups and for the two different brands represented in our sample did not reveal any problematic evidence with regard to measurement equivalence. For the Russian translation of the questionnaire, a single problematic item in the service climate scale was identified. However, we found evidence for measurement equivalence when this item was removed from the scale. As the reduced scale exhibited a virtually identical pattern of correlations with all other variables in our study, we concluded that non-equivalence would most likely have only a negligible impact on our results.

**Aggregation of Variables to the Establishment Level**

In this study we examine the impact of establishment-level initiative climate on individual-level PCSP beyond the impact of service climate, and the impact of aggregated PCSP on customer service satisfaction beyond the impact of general service performance. Given this objective, we needed to investigate whether employee assessments of initiative climate, service climate and general service performance, supervisor assessments of PCSP, as well as customer assessments of service satisfaction, can be aggregated to the establishment level. We computed $r_{wg(j)}$ values and estimated their statistical significance using Bliese’s (2006) “multilevel 2.2” package in the R software environment. Intraclass correlations, including ICC(1) and ICC(2), were computed with the same package.

For initiative climate, the median $r_{wg(j)}$ value was .97 and we obtained ICC(1) and ICC(2) values of .28 ($p < .001$) and .93, respectively. For service climate, the median $r_{wg(j)}$ value was .92 and the ICC(1) and ICC(2) values were .20 ($p < .001$) and .89. For general service performance, the corresponding values were .93 for the median $r_{wg(j)}$, and .12 ($p < .001$) and .82 for the ICC(1) and ICC(2), while for PCSP we obtained .96 for the median

\textsuperscript{2} Full details on the procedure can be obtained from the first author upon request.
\( r_{wg(j)} \), and .14 \((p < .001)\) and .71 for the ICC(1) and ICC(2). These values compare favorably to the conventionally accepted \( r_{wg(j)} \) and ICC(2) cutoff values (Schneider et al., 1998) and led us to the conclusion that aggregation of employee assessments of service climate, initiative climate, general service performance and PCSP to the establishment level was warranted.

For customer service satisfaction we computed \( r_{wg} \) and ICC values for each of the five sub-scores entering the customer satisfaction index. The median \( r_{wg} \) values ranged from .71 to .89. ICC(1) values ranged from .06 to .08 (all significant at \( p < .001 \)) and ICC(2) values from .55 to .84. The ICC(2) value of .55, which was obtained for scores related to the delivery of special benefits for members of the company’s loyalty program, is somewhat on the low side. Given that this score is only applicable to guests who are members of the loyalty program, median group sizes for this variable were less than a third of those of the remaining four scores. As ICC(2) values are a function of ICC(1) values and group size (Bliese, 1998), smaller group sizes resulted in slightly less reliable group means for this variable. However, ICC(2) values for the remaining four sub-scores were in a comfortable range (from .80 to .84). Again, taking all the evidence on \( r_{wg} \), ICC(1) and ICC(2) values into account, we came to the conclusion that aggregation of guest assessments of customer service satisfaction to the establishment level was warranted.

**Results of Cross-Level RCM Analyses**

The front-line service employees in our sample were “nested” in supervisors who assessed more than one subordinate and were themselves “nested” in establishments. To reflect this hierarchical structure of our data we specified three levels (i.e. individual level, supervisor level, and establishment level) in our RCM analyses. All our analyses were carried out with the base module of R (version 2.7.0) in combination with the “nlme” multilevel package (Pinheiro et al., 2008).
Null model. We began by estimating a null model for individual PCSP in which no predictors were included at any level. The purpose of this analysis was to test the significance of the establishment-level (level-3) residual variance of the intercept ($\tau$). Variance estimates for the three levels suggest that 36% of the variance in individual PCSP was at the leader level (level 2) and 8% of the variance was at the establishment level (level 3). We estimated the significance of the intercept variance ($\tau$) by comparing the -2 Log likelihood values between a model in which the intercept was allowed to vary across leaders and a model in which the intercept was allowed to vary across leaders and across establishments and found intercept variance was significant at the establishment level ($L$-ratio = 15.62, $p < .001$).

Direct effects of initiative climate and general self-efficacy. Hypothesis 1 predicted that establishment-level initiative climate would be positively associated with the establishment-level means of individual PCSP. Hypothesis 2 predicted that general self-efficacy would be positively associated with individual PCSP. We tested these hypotheses jointly by estimating a model with general self-efficacy as an individual-level predictor (including age, gender, tenure and work status as individual-level control variables) and initiative climate as an establishment-level predictor (including cultural values and service climate as establishment-level control variables). The results (cf. Model 2 in Table 6) indicate that general self-efficacy is positively associated with individual PCSP ($\gamma = .07, p < .05$), explaining 0.5% additional individual-level variance in PCSP. Further, as shown in Model 4 of Table 6, initiative climate is positively associated with between-establishment variance in PCSP ($\gamma = .20, p < .05$), explaining 24.8% additional establishment-level variance in PCSP. Therefore, both Hypotheses 1 and 2 are supported.

Cross-level interaction. As a preliminary step before testing the cross-level interaction hypothesis we established that there was significant variance in the slope between general self-efficacy and individual PCSP across establishments. A comparison of the -2 Log
likelihood values between a model in which the slope was allowed to vary across leaders and a model in which the slope was allowed to vary across leaders and across establishments yielded evidence for significant slope variance across establishments ($L$-ratio = 12.97, $p < .01$). Hypothesis 3 predicted that initiative climate positively moderates the relationship between general self-efficacy and individual PCSP. Results of the cross-level moderation analysis are summarized in Model 6 (cf. Table 6). The significant positive parameter estimate for initiative climate x general self efficacy ($\gamma = .13$, $p < .05$) provides evidence for a cross-level interaction and thereby support for Hypothesis 3. This cross-level interaction explained 4% additional overall variance in PCSP. We used the method outlined by Bauer and Curran (2005) for testing the significance of simple slopes in multilevel regression and made use of the web utility developed for this purpose by Preacher, Curran, and Bauer (2006). The simple slope for general self-efficacy was statistically significant at one standard deviation above the mean for initiative climate ($\gamma = .19$, $p < .01$), while at one standard deviation below the mean it was not statistically significant ($\gamma = -.06$, $p > .10$).

To facilitate interpretation of our moderation results, we plotted simple slopes for the relationship between general self-efficacy and individual PCSP (cf. Figure 2) at one standard deviation above and one standard deviation below the mean for initiative climate (Aiken & West, 1991). The plots illustrate that general self-efficacy is more strongly associated with individual PCSP for higher levels of establishment-level initiative climate.

Establishment-Level Analyses

At the establishment level, Hypothesis 4 suggested that aggregated PCSP would be
positively related to customer service satisfaction, controlling for general service performance. Hypothesis 5 suggested that initiative climate would have an indirect positive effect on customer service satisfaction via aggregated PCSP. We tested these hypotheses using OLS regression and report the results in Tables 7 and 8. The results displayed in Model 5 of Table 8 illustrate that aggregated PCSP was significantly positively related to customer service satisfaction ($\beta = .24, p < .05$) after controlling for general service performance, thereby providing support for Hypothesis 4. Aggregated PCSP accounted for 3% of variance in customer satisfaction. Moreover, the results from Model 3 in Table 7 show that initiative climate was positively associated with aggregated PCSP at the establishment level ($\beta = .27, p < .05$). To test the significance of the indirect effect of initiative climate on customer service satisfaction via aggregated PCSP, we followed the procedures outlined by Preacher & Hayes (2004, 2008) and constructed a 95% bias-corrected confidence interval based on 10,000 bootstrap samples. The 95% confidence interval [0.03, 0.46] did not include zero, providing evidence for a significant indirect effect and, therefore, support for Hypothesis 5.

Discussion

In our study, we developed and tested a multilevel model of PCSP. Taken together, our results suggest five main conclusions. First, establishment-level initiative climate, a new organizational climate construct conceptualized and validated in the current study, predicts average levels of supervisor-rated PCSP among establishments above and beyond the influence of the service climate construct, which is dominant in the service literature. We also demonstrated measurement equivalence for the initiative climate measure across different cultural and organizational contexts. Second, general self-efficacy is positively associated with individual-level PCSP. Third, there is evidence for a synergistic cross-level interaction
between general self-efficacy and initiative climate in predicting employee PCSP such that the relationship between general self-efficacy and PCSP is magnified in establishments with high initiative climate. Fourth, aggregated PCSP contributes to customer satisfaction at the establishment level above and beyond the influence of general service performance. Fifth, establishment-level initiative climate is positively and indirectly related to customer service satisfaction via the aggregated PCSP of service employees. These findings offer a number of important theoretical and practical implications.

Theoretical Implications

First, our study expands the literature on service performance by investigating an important behavioral outcome that has been largely neglected in past studies. Existing research on service performance has almost exclusively focused on formalized work role performance (e.g., Borucki & Burke, 1999; Johnson, 1996; Liao & Chuang, 2004; Liao, 2007), and little effort has been made to investigate the antecedents of emergent work role performance such as PCSP (Griffin et al., 2007; Rank et al., 2007). Our research therefore fills an important void by shedding light on how organizational-level and individual-level factors jointly affect PCSP – a particularly relevant facet of emergent work role performance in the highly uncertain service sector.

Second, our findings add to the service literature by broadening our understanding of the relationship between organizational climate, service performance and customer service satisfaction. Service researchers (Schneider & Bowen, 1993; Schneider et al., 1998, Schneider et al., 2005) have argued that an organizational climate for service leads to increased service quality and customer service satisfaction. Implicit in this research is the assumption that a service climate enables and encourages service employees to excel in their formalized work roles and/or stimulates them to “go beyond the call of duty” in delivering outstanding customer service (Bettencourt & Brown, 1997; Bettencourt et al., 2001;
Schneider et al., 2005). Extant research has provided a convincing theoretical rationale and empirical evidence to support the notion that service climate predicts in-role service-oriented behaviors (Podsakoff & MacKenzie, 1997) and customer service satisfaction (Schneider et al., 1998, Schneider et al., 2005). Moreover, Liao and Chuang (2004) have provided comprehensive empirical support for the existence of a pathway from service climate through general service performance to customer service satisfaction.

Our focus on initiative climate and PCSP highlights a second, parallel pathway through which organizational climate can contribute to service outcomes. Indeed, climate researchers have suggested that multiple organizational climates often exist simultaneously within a single organization and should therefore be regarded as specific constructs with a particular referent (Schneider et al., 1998). Following this line of thought, we proposed initiative climate as a new climate construct with a specific referent for employee initiative and proactivity in customer service. Our theory suggests that an initiative climate at the establishment level sends very specific signals to service employees, indicating that personal initiative in serving customers is highly desired and rewarded, and that this perception provides the necessary “reason to” motivation for employees to engage in PCSP (Parker et al., 2010). Using a new measure that was specifically developed and validated for this study and represents an improvement over existing measures (Baer & Frese, 2003; Fay et al., 2004), we show that initiative climate contributes to the extent to which service employees engage in PCSP beyond the influence of the established service climate construct. In fact, initiative climate predicted PCSP when controlling for the effect of general service climate, whereas at the same time general service climate was not significantly related to PCSP. Providing evidence for the existence of this second, additional pathway through which organizational climate can ultimately contribute to customer service satisfaction constitutes an essential contribution of our research.
Third, we advance the general proactivity literature, as well as the relatively sparse literature on PCSP, by heeding Grant & Ashford’s (2008: 22) call for a “more systematic, focused attention to the situational antecedents of proactive behavior,” as well as by putting a particular emphasis on organizational climate. Theoretical models describing the antecedents of proactive behavior generally encompass both individual and contextual antecedents (Frese & Fay, 2001), including organizational climate, culture and norms (Bindl & Parker, 2010; Crant, 2000). However, empirical investigations have put a stronger emphasis on individual-level antecedents, and investigations of contextual antecedents have been limited to different types of work characteristics (Frese et al. 2007; Ohly, Sonnentag, & Pluntke, 2006; Speier & Frese, 1997), or combined assessments of work characteristics and leadership variables (Parker et al., 2006; Rank et al., 2007). Therefore, antecedents of proactive behavior at the organizational level are generally under-investigated. Filling this void in the literature, this study breaks new ground in examining organizational climate as an antecedent of employee proactive behavior. Drawing on the model of proactive motivation (Parker et al., 2010), we suggested that initiative climate helps service employees recognize that personal initiative in serving customers is encouraged and rewarded, and thereby provides a strong “reason to” motivation to engage in PCSP as a way of complying with the behavioral expectations of the organization’s management and to ultimately reap the corresponding rewards. Our results show that initiative climate at the establishment-level does indeed predict individual PCSP above and beyond the impact of individual difference predictors.

Fourth, guided by the model of proactive motivation (Parker et al., 2010), we also examined the “can do” motivational factor of proactivity. In support of the theory, we found that employee general self-efficacy explained significant between-individual variance in PCSP. This finding suggests that efficacious employees were likely more confident in setting and obtaining proactive goals, and better at coping with the psychological risks associated
with being proactive, such as overcoming the inertia of status quo as well as the resistance and skepticism of others (Parker et al., 2010).

And lastly, our multilevel approach allowed us to examine the interaction of establishment-level and individual-level predictors of PCSP, which represents a further advancement of existing proactivity research. Extant research has focused on the main effects of general self-efficacy on employee proactive behavior (for a review, see Bindl & Parker, 2010). We show that general self-efficacy positively interacted with initiative climate in predicting PCSP. Our findings also provide empirical support to the theoretical model of proactive motivation (Parker et al., 2010), which suggests that greater proactivity will result if individuals both feel capable of engaging in proactive action (i.e., a “can do” motivation) and have some sense that they want to be proactive (i.e., a “reason to” motivation). The results suggest that when initiative climate is unfavorable, the effect of general self efficacy became insignificant. Therefore, without the “reason to” motivation as fueled by initiative climate, the effect on employee PCSP of “can do” motivation as fueled by general self efficacy became diminished.

**Limitations and Future Research**

We acknowledge a number of limitations to this study. Our measures of organizational climate and individual difference variables were obtained from front-line service employees, inviting possible concerns of common method bias. Common method bias, however, should not be the explanation for the significant interactions we observed between initiative climate and individual differences on employee PCSP, which was assessed by a different source (i.e., employee supervisors). In addition, concerns about common method bias as a possible alternative explanation for our results regarding customer satisfaction are mitigated by the fact that we obtained measures of the key variables in our model from three different sources, namely employees for the climate variables, supervisors
for aggregated PCSP, and guests for the customer service satisfaction outcome variable. Furthermore, our sample of employees from establishments of a single organization operating in selected segments of the hospitality industry limits the generalizability of our results, and the cross-sectional design of our study prevents us from drawing causal inferences. Therefore, we hope for future replications and extensions of this research which investigate different environmental contexts and incorporate a longitudinal approach.

Another promising avenue for future research is to examine the antecedents of initiative climate. We have demonstrated in this research that a positive initiative climate encourages employees to engage in PCSP, which taken together at the establishment level in turn contributes to customer satisfaction. It is then important for both theoretical and practical purposes to understand what organizational practices and procedures may help cultivate a positive initiative climate. For example, researchers may examine whether high performance work systems (Huselid, 1995), particularly those systems with a specific focus towards improving service quality (Chuang & Liao, 2010; Liao et al., 2009), may play a role in shaping initiative climate. We suspect that to the extent organizations implement HR practices to screen, train, develop, evaluate, and reward employees’ personal initiative in approaching their work role, a positive initiative climate will emerge.

An additional direction for future research is to examine the role of specific self-efficacy in proactivity. In this study, we examined general self-efficacy and our finding is consistent with prior findings that general self-efficacy is positively associated with proactive behavioral constructs such as personal initiative (Frese et al., 2007; Speier & Frese, 1997) and taking charge (Morrison & Phelps, 1999). It could be the case that specific self-efficacy constructs, such as role-breadth self-efficacy (Parker, 1998) and proactive self-efficacy, would be stronger predictors of PCSP than general self-efficacy, due to their more proximal relationship and better alignment with the behavioral outcome. The rationale is similar to why
initiative climate is a better predictor of PCSP than general service climate. Given that general self-efficacy is a strong predictor of specific self-efficacy (e.g., Chen et al. (2001) reported a .68 correlation between general and specific self-efficacy), our study serves as a conservative measure of the importance of the "can do" motivation in proactivity. We encourage future research to extend this study by examining more specific self-efficacy in addition to general self-efficacy in predicting proactivity in service or other contexts.

Last but not least, future research may also examine the boundary conditions for the effect of employee proactivity on customer satisfaction. Depending on the specific service context, important differences may exist with regard to environmental uncertainty and the extent to which service employees can engage in proactive service behaviors may vary greatly. For instance, employees of highly standardized fast food restaurants or personnel at a library check-out desk are not likely to face much uncertainty in serving their customers. In such a context, a focus on providing formalized, general service performance is likely to translate into customer service satisfaction. Conversely, financial advisors, personal trainers, or barkeepers in a celebrity club often interact with customers who have diverse and unique needs, and therefore will have more frequent opportunities and greater needs to be proactive in their jobs. Future research may examine whether customer outcomes are more positively associated with employee proactivity when there is greater uncertainty in service demands.

Managerial Implications

Our study also has a number of important implications for managers. We show that collective PCSP at the establishment level is positively associated with customer satisfaction with service quality, and that this relationship extends beyond the effect of general service performance. As noted in Liao and Subramony (2008), marketing research has shown that a 1% increase in the American Customer Satisfaction Index (ACSI) score (Fornell, Johnson, Anderson, Cha, & Bryant, 1996) increases a medium-sized firm’s (e.g., with $54 billion in
assets) future cash flow by $55 million, and reduces the variability of the firm’s cash flows by more than 4% (Gruca & Rego, 2005). Our findings suggest that a key factor related to customer satisfaction is proactive customer service; the two variables have a correlation of .28, with a 95% confidence interval ranging from .06 to .48, indicating that hotel employee proactive customer service performance accounts for between 4% and 23% of the variance in customer satisfaction. Therefore, hotel management may achieve desirable customer and organizational financial outcomes by providing proactive customer service.

This finding implies that managers of service organizations should try to promote PCSP in their employees. Our study suggests that in order to achieve this objective, service organizations should strive to create an organizational climate for initiative. A climate for initiative sends a signal to service employees that active involvement in PCSP is encouraged and that being receptive with regard to changes in their work roles and taking the initiative to anticipate or initiate changes to their work roles in a self-directed way are expected and rewarded by the organization.

Given that long-term orientation is one of its defining characteristics, PCSP may be particularly important for customer satisfaction when the interaction between the service organization and its customers takes the form a service relationship, rather than that of a simple service encounter (Gutek, Bhappu, Liao-Troth, & Cherry, 1999). A service relationship implies that customers have repeated contacts with the same service provider, as opposed to a single interaction (Liao & Chuang, 2007). In the hospitality context of our study, such a pattern of repeated interaction between front-line service employees and customers is certainly dominant.

Moreover, displays of proactivity by service employees may also have positive effects on the sustainability of service quality. While general service performance undoubtedly contributes to service quality in the short run, service employees also need to respond to,
anticipate and initiate more long-term, permanent changes in their work systems and work roles (Griffin et al., 2007). Dysfunctional policies and procedures tend to affect customer satisfaction negatively and make successful service recovery performance more difficult (Liao, 2007). With a climate for initiative, service employees are more likely to bring about changes to their work role in a self-starting, proactive way when they observe that formalized role prescriptions are misaligned with customer requirements. Such a proactive approach to service can have important positive consequences for sustainable service quality and, ultimately, customer satisfaction.

Last but not least, the positive impact of general self-efficacy and its synergy with a business establishment’s initiative climate in boosting PCSP, suggests that it pays for organizations to attract, select, and retain individuals whose personal characteristics are consistent with what the organization values. Towards the goal of motivating PCSP, organizations can reap the most benefits by not only nurturing a positive initiative climate, but also by hiring and retaining employees who tend to be more confident in their capabilities, because these employees are more confident in engaging in PCSP, and their responses to an initiative climate are more positive.

Conclusion

In closing, it is our hope that the theory and findings outlined in this paper will stimulate additional research to link both organizational and individual factors to PCSP of service employees, and to better understand how the “reason to” and “can do” motivational factors as well as other potential motivational factors simultaneously and synergistically influence employee proactivity, with the ultimate goal of achieving improved service quality, customer satisfaction and organizational performance.
References


Table 1

*Country Locations of Surveyed Establishments and Sample Sizes*

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>Country Locations</th>
<th>Number of Establishments</th>
<th>Number of Usable Employee Questionnaires</th>
<th>Number of Matched Supervisor - FSE Questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Europe</td>
<td>Denmark, Finland, Iceland, Norway, Sweden</td>
<td>14</td>
<td>253</td>
<td>112</td>
</tr>
<tr>
<td>Western Europe</td>
<td>Belgium, France, Germany, Ireland, Jersey, Malta, The Netherlands, Switzerland, Turkey, UK</td>
<td>39</td>
<td>807</td>
<td>359</td>
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<tr>
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<td>Czech Republic, Hungary, Poland, Russia, Slovakia, Ukraine</td>
<td>10</td>
<td>344</td>
<td>74</td>
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<td>698</td>
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<tr>
<td>Asia</td>
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<tr>
<td>Total</td>
<td></td>
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Table 2
*Comparison of Alternative Measurement Models for Initiative Climate*

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<th>$X^2$</th>
<th>CFI</th>
<th>IFI</th>
<th>SRMR</th>
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<td><strong>Pilot Study (N = 275)</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>1 factor</td>
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<td>.95</td>
<td>.055</td>
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<td>4 factor</td>
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<td>552.29</td>
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<td>667.94</td>
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<tr>
<td><strong>Main Study (N = 2,358)</strong></td>
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<td>5,723.53</td>
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Table 3
Means, Standard Deviations, Scale Reliabilities and Correlations among Study Variables at the Individual Level

<table>
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<tr>
<th>Variables</th>
<th>Mean</th>
<th>s.d.</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<tbody>
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<td>1. Age</td>
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<td></td>
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<td>2. Gender</td>
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<td>.50</td>
<td>-18**</td>
<td>-</td>
<td></td>
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<td>5.78</td>
<td>.63**</td>
<td>-.07*</td>
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<td>-.07</td>
<td>-.08*</td>
<td>-.08*</td>
<td>-</td>
<td></td>
<td></td>
</tr>
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<td>5. General Self-Efficacy</td>
<td>5.94</td>
<td>.76</td>
<td>.10**</td>
<td>-.12**</td>
<td>.08*</td>
<td>.05</td>
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<td>6. Individual PCSP</td>
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<td>-.01</td>
<td>-.04</td>
<td>.00</td>
<td>.11**</td>
<td>.95</td>
</tr>
</tbody>
</table>

Bold numbers on diagonal are Cronbach's alphas. Age and tenure indicated in years. Gender: 0 = male, 1 = female; Work Status: 0 = part-time, 1 = full-time. Hotel Brand: 0 = 3-star, 1 = 4-star; Hotel Type: 0 = business hotel, 1 = leisure hotel.
### Table 4

*Means, Standard Deviations, Scale Reliabilities and Correlations among Study Variables at the Establishment Level*

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>s.d.</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>
<th>9</th>
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<th>11</th>
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<tbody>
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<td>-</td>
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<td></td>
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<td>3. Power Distance</td>
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<td>-.01</td>
<td>-.11</td>
<td>-</td>
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</tr>
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<td>4. Individualism</td>
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<td>-.12</td>
<td>.14</td>
<td>-.75**</td>
<td>-</td>
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<td>5. Masculinity</td>
<td>48.26</td>
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<td>-.20</td>
<td>.12</td>
<td>.14</td>
<td>.11</td>
<td>-</td>
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<tr>
<td>6. Uncertainty Avoidance</td>
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<td>7. Service Climate</td>
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<td>.43**</td>
<td>-.50**</td>
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<td>8. Initiative Climate</td>
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<td>.25*</td>
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<td>.57**</td>
<td>.66**</td>
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<td>.26*</td>
<td>.37**</td>
<td>.14*</td>
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<td>11. Customer Service Satisfaction</td>
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<td>.18</td>
<td>.19</td>
<td>.37**</td>
<td>.23*</td>
<td>.19</td>
<td>.28**</td>
<td>-</td>
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</table>

Bold numbers on diagonal are Cronbach's alphas. Hotel Brand: 0 = 3-star, 1 = 4-star; Hotel Type: 0 = business hotel, 1 = leisure hotel.
Table 5

Comparison of Alternative Measurement Models for All Constructs

<table>
<thead>
<tr>
<th>Model</th>
<th>df</th>
<th>X²</th>
<th>CFI</th>
<th>IFI</th>
<th>SRMR</th>
<th>ΔX²</th>
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<tbody>
<tr>
<td>Model 1: 1 factor</td>
<td>377</td>
<td>74,060.09</td>
<td>.73</td>
<td>.73</td>
<td>.210</td>
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<tr>
<td>Model 2: 2 factor (1 employee assessment, 1 supervisor assessment)</td>
<td>376</td>
<td>39,396.50</td>
<td>.86</td>
<td>.86</td>
<td>.120</td>
<td>ΔΧ²(1) = 34,663.59; p &lt; .001</td>
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<tr>
<td>Model 3: 4 factor (general self-efficacy, organizational climate, individual PCSP, general service performance)</td>
<td>371</td>
<td>14,616.17</td>
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<td>.93</td>
<td>.058</td>
<td>ΔΧ²(5) = 24,780.33; p &lt; .001</td>
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<tr>
<td>Model 4: 5 factor (general self-efficacy, service climate, initiative climate, individual PCSP, general service performance)</td>
<td>367</td>
<td>8,416.47</td>
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<td>.95</td>
<td>.047</td>
<td>ΔΧ²(9) = 6,950.30; p &lt; .001</td>
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<td>Model 2</td>
<td>Model 3</td>
<td>Model 4</td>
<td>Model 5</td>
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<td>.06†</td>
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<td>Service Climate</td>
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<td>.08</td>
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<td>Initiative Climate</td>
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<td>Service Climate x General Self-efficacy</td>
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<td>.20*</td>
<td>.19*</td>
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<td>Initiative Climate x General Self-efficacy</td>
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<td>-.06</td>
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<tr>
<td>Individual-level variance ((\sigma^2))</td>
<td>.5661</td>
<td>.5226</td>
<td>.5199</td>
<td>.5195</td>
<td>.5194</td>
<td>.5144</td>
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<tr>
<td>Proportion of individual-level variance explained</td>
<td>7.7%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>8.2%</td>
<td>9.1%</td>
<td>11.6%</td>
</tr>
<tr>
<td>Leader-level variance ((\tau))</td>
<td>.3725</td>
<td>.3549</td>
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<td>.3700</td>
<td>.3555</td>
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<tr>
<td>Proportion of leader-level variance explained</td>
<td>4.7%</td>
<td>3.9%</td>
<td>.6%</td>
<td>.7%</td>
<td>4.6%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Establishment-level variance ((\tau))</td>
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<td>.0533</td>
<td>.0368</td>
<td>.0152</td>
<td>.0148</td>
</tr>
<tr>
<td>Proportion of establishment-level variance explained</td>
<td>38.4%</td>
<td>38.7%</td>
<td>57.7%</td>
<td>82.5%</td>
<td>83.0%</td>
<td>85.0%</td>
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<tr>
<td>R²</td>
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<td>.09</td>
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<td>.12</td>
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<td>.18</td>
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</table>

Level 1: N = 900, Level 2: N = 238, Level 3: N = 74. Dependent variable: Individual PCSP. Entries are fixed effects (\(\gamma\) coefficients). † p<.10, * p <.05, ** p <.01
Table 7
Results of Establishment-Level Analyses Predicting Aggregated PCSP

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
<td>SE</td>
<td>B</td>
</tr>
<tr>
<td>Hotel Brand</td>
<td>-.36</td>
<td>.31</td>
<td>-.16</td>
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<tr>
<td>Hotel Type</td>
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<td>.28</td>
<td>.18</td>
</tr>
<tr>
<td>Power Distance</td>
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<td>.01</td>
<td>-.29</td>
</tr>
<tr>
<td>Individualism</td>
<td>-.03</td>
<td>.01</td>
<td>-.45*</td>
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<tr>
<td>Masculinity</td>
<td>-.01</td>
<td>.01</td>
<td>-.13</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
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<tr>
<td>Service Climate</td>
<td>.05</td>
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<td>.05</td>
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<tr>
<td>Initiative Climate</td>
<td>.28</td>
<td>.16</td>
<td>.27*</td>
</tr>
</tbody>
</table>

N = 74. Dependent variable: Aggregated PCSP.
* p < .05; ** p < .01. One-tailed tests.
Table 8

Results of Establishment-Level Analyses Predicting Customer Service Satisfaction

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
<td>SE</td>
<td>B</td>
<td>b</td>
<td>SE</td>
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<td>.85</td>
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<td>.00</td>
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<td>Masculinity</td>
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<td>.08</td>
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<td>.13</td>
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</tbody>
</table>

N = 74. Dependent variable: Customer service satisfaction.  
* p < .05; ** p < .01. One-tailed tests.
Figure 1
*Hypothesized Multilevel Model of Antecedents and Outcomes of Proactive Customer Service Performance*

**Establishment Level**

- Initiative Climate → Aggregated Proactive Customer Service Performance → Customer Service Satisfaction
  - H4

**Employee Level**

- General Self-Efficacy → Individual Proactive Customer Service Performance
  - H2
  - H3

- Initiative Climate → H5

Data sources:
- Employees
- Supervisors
- Customers
Figure 2

Moderating Effect of Initiative Climate on the Relationship between General Self-Efficacy and Individual Proactive Customer Service Performance