

Basic assumptions of service employees:

Influence on employee job outcomes

by

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List of papers

PAPER 1: Gjerald, O., & Øgaard, T. (2008). Why should hospitality management focus more on the construct of basic assumptions? A review and research agenda. *Scandinavian Journal of Hospitality and Tourism*, 8(4), 294-316.

PAPER 2: Gjerald, O., & Øgaard, T. (2010). Eliciting and analysing the basic assumptions of hospitality employees about guests, co-workers and competitors. *International Journal of Hospitality Management*, 29(3), 476-487.

PAPER 3: Gjerald, O., & Øgaard, T. (in press). Exploring the measurement of basic assumptions about guests and co-workers in the hospitality industry. *International Journal of Contemporary Hospitality Management*.

PAPER 4: Gjerald, O., & Øgaard, T. Basic assumptions of service employees: Influence on employees' job performance and market-oriented behaviors. *Submitted to Journal of Business Research*.

Summary

The purpose of this thesis is to contribute to the understanding of employee basic assumptions in the service context, to gain a better knowledge of the dimensionality of the construct, its measurement, and its influence on service employee job performance. This thesis consists of one theoretical paper, three empirical papers, and an overview presenting the theoretical background of the studies, the aims and major findings of the conducted studies, as well as an overall discussion of the four papers presented.

The aims of the thesis are (1) to conduct a systematic review of the construct of basic assumptions and how it could be applied to service management; (2) to empirically explore the content of basic assumptions in the service context; (3) to empirically test the dimensionality of the basic assumptions construct in service settings; and, (4) to validate the dimensionality of the construct nomologically, and to investigate how basic assumptions of service employees relate to individual employee job outcomes. These aims are explored in the four papers which constitute the thesis. All papers are supported by data collected specifically for this thesis.

The results show that the construct of assumptions is a promising concept by which to approach the social cognition of service employees (Paper 1). Basic assumptions of service employees can be broadly described by seven categories (predictability, control, affect, responsibility, competence, communication, and ethics) elicited empirically by repertory grid and laddering techniques (Paper 2). Four dimensions of service employee basic assumptions (customer control, customer affect, co-worker competence and co-worker responsibility) are significantly related to several important individual employee outcomes: job satisfaction, organizational commitment, turnover intentions (Paper 3), job performance, and market-oriented behaviors (Paper 4). In summary, the findings point to the importance of conceptualizing this construct in relation to service management.

Part I

1. Introduction

An important element of many services is a person-to-person encounter between a customer and a firm's representative (Mattsson, 1994). Many times interaction *is* the service from the customer's point of view (Bitner, Booms, & Tetreault, 1990). The importance of employee-customer interaction has been acknowledged in different streams of research with concepts like service encounter (Bitner et al., 1990), "moment of truth" (Normann, 2000), service experience (Pine & Gilmore, 1999), "servuction" (Gummesson, 1991), and have become primary concepts in service management and marketing (Vargo & Lusch, 2008). Among recent developments in service research is the proposition of a service dominant (S-D) logic which attributes importance to employee-customer interaction as a part of the value-creating processes of service (Vargo & Lusch, 2004).

Because the delivery of many types of services occurs during person-to-person encounters between service employees and customers, the attitudes and behaviors of employees can influence customers' perceptions of the service (Hartline & Ferrell, 1996). As Carbone and Haeckel (1994) put it, all service interactions create customer experiences, good or bad. A main issue for managers is whether the company has the capability to systematically manage this experience, or whether it is simply left to chance (Grönroos, 2008).

Researchers have recognized the challenges service managers face in establishing standards when behavior and performance vary, not only among service workers but even between the same employee's interactions from one customer to another and from one day to another (Lovelock & Gummesson, 2004). Due to the importance of the service encounter, service managers still have to find ways to effectively manage their employees' performance to help ensure that their attitudes and behaviors are conducive to the delivery of quality service (Hartline & Ferrell, 1996). In order to accomplish this, service managers need knowledge about factors that influence employee behavior and performance during service encounters.

Basic assumptions people develop about the social world have been highlighted in the literature to play a pivotal role in affecting

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behavior, decision-making and motivation of individuals (e.g., Mikkelsen & Einarsen, 2002). Basic assumptions are a particular type of knowledge that people have about others, life, and the world in general (Hochwalder, 2000); implicit beliefs that influence employee information-processing (Lord & Maher, 1993). Basic assumptions about physical and social reality constitute a certain worldview, and are suggested to have powerful effects on one’s cognition and behavior in life as well as at work (Koltko-Rivera, Ganey, Dalton, & Hancock, 2004). Basic assumptions can be personal or shared; basic assumptions vary on a broad number of topics, including the nature of people (e.g., whether human nature is considered to be inherently good, inherently bad, or a mixture of both), the nature of human relationships (e.g., hierarchical or collinear), the nature of the outside world (e.g. benevolence or malevolence of the world). In relation to work, basic assumptions have been defined as “real, unspoken beliefs” held and shared by individuals within the organization (Mannion, Davies, & Marshall, 2005). Researchers have commented that some basic assumptions become so strongly held in a group or organization that organizational members will find behavior based on any other premise inconceivable (Schein, 1992).

Attempts to describe the content and explain the influence of basic assumptions on work-related behavior were made some time ago. For instance, McGregor (1960) was one of the first who described managers’ basic assumptions regarding the nature of man as determinant of their behavior toward employees, and their management of the entire organization. McGregor saw these managerial assumptions as two ends of a continuum, and labelled these Theory X and Theory Y. Theory X assumptions were McGregor’s interpretation of classical organization theory, while Theory Y refers to the human relation school. Theory X assumed that management is responsible for organizing the elements of productive enterprise, people in particular, in the interest of economic ends. Without an active intervention by management, people would be passive, even resistant, to organizational needs. They must therefore be persuaded, rewarded, punished, and controlled; that is, their activities must be directed. According to Theory X assumptions, the average person (i.e., employee) is by nature indolent, gullible, not very bright, inherently self-centered and indifferent to organizational needs; works as little as possible; lacks

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ambitions and dislikes responsibility; prefers to be led and is by nature resistant to change. Theory Y assumes that the motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior toward organizational goals are all, by nature, present in people; management does not put them there. It is a responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves. Hence, in this scenario the essential task of management is to arrange organizational conditions and methods of operation, so that people can achieve their own targeted goals by directing efforts toward the organizational objectives. Bolman and Deal (1984) built upon McGregor's ideas, and suggested that members of any organization develop some of these basic assumptions: (a) Organization exists to serve human needs; (b) Humans exist to serve organizational needs; (c) Poor matches between individuals and organization are detrimental to both; (d) Good matches benefit both. One of the first attempts to measure managers' basic assumptions was proposed by Morrison (1968), who pointed out that any managerial philosophy has its roots in basic assumptions that managers hold about the nature of work and leadership. In order to refine or re-evaluate managerial philosophy and thereby improve managerial practices, managers need to know the content and the extent of basic assumptions.

The interest in basic assumptions of employers as well as employees has remained strong over the years. Studies of basic assumptions in work settings have explored managers' assumptions about employees (e.g., Heslin & Vandewalle, 2008); the content of basic assumptions characteristic of some particular work method (e.g., Wendorff, 2002); congruence between initial basic assumptions an organization holds and the background assumptions that underpin particular management tools or approaches, (e.g., Kekäle & Kekäle, 1995); employees' assumptions about the nature of time at work (e.g., Schriber & Gutek, 1987), basic assumptions about how work should be done and what is considered good work (e.g., Perlow, 1995), basic assumptions and their influence on firm performance of small manufacturing firms (e.g., Yauch & Steudel, 2002). Research has also suggested that among general assumptions that are shared by all members of an organization (i.e., both managers and employees), there are basic assumptions about customers (see Yauch and Steudel, 2002).

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Despite the growing body of research on employees' basic assumptions and their influence on performance and behavior, there is a lack of knowledge about how basic assumptions apply to service management and what impact basic assumptions have on service employees' behavior and performance. At the same time, our need to understand service as a science and as an application field has never been greater (Lemon, 2010).

In this thesis, I attempt to conceptualize and identify what employee basic assumptions exist in the service context, and how basic assumptions of service employees are related to employee job outcomes. More specifically, I will first explore and discuss how basic assumptions have been conceptualized in previous research. In doing so, I will also provide a general overview of the categories and types of basic assumptions assessed previously. Then, I will investigate employee basic assumptions empirically in service settings.

The overall aim, research questions, and inquiry of this thesis have been influenced by several epistemological and theoretical choices. In the following section, I will briefly account for the choices of epistemology and theoretical perspective in the context of the basic assumptions of service employees.

2. Choice of perspective

First and foremost, why study basic assumptions in relation to service management? The study of employee basic assumption has special relevance for so-called high contact services (Chase, 1978; Cunningham, Young, & Gerlach, 2009; Lovelock, 1983). High contact service systems are characterized by a comparatively high percentage of time the customer must be in the system relative to the total time it takes to serve that customer (Chase, 1978). The greater the percentage of contact time between the service employees and the customer, the greater the degree of interaction between the two during the production process. In high contact systems, such as hotels, restaurants, health centers, branch offices of banks, the behavior of service employees can affect the customer's view of the service provided. In fact, any interaction with the customer makes the direct worker's performance part of the product. Therefore, expanding the existing knowledge about employee basic assumptions and their relation to behavior and performance of service employees is of primary importance for managers of high contact service operations.

Next, how do we conceptualize the construct of basic assumptions in relation to service work? The answer to this question is related to the choice of theoretical framework or perspective for studying basic assumptions in the service context. According to Kaplan (1964), the interpretation of what a construct stands for depends on the theory in which the construct is embedded (the construct's systematic meaning). Theory specifies what empirical relationships are worth investigating, and determines whether empirical results support or invalidate the measure (Peter, 1981). In social sciences, researchers have applied several theoretical perspectives to study people's implicit assumptions. Individuals' general beliefs about the world, "assumptive worlds" or worldviews are usually investigated within the framework of psychology (e.g., Giesen-Bloo & Arntz, 2005). The construct of human orientations (Kluckhohn, 1968) is studied within the anthropological framework. Deep group assumptions (Bion, 1961; Miller, 1998) have been investigated within social psychology. Work-related basic assumptions, on the other hand, have been studied within

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the framework of business and administrative sciences, management and marketing, cf. ideas of Drucker (2006) on business and management assumptions, Schein's (1985a) work on how organizational assumptions develop and change. As the inquiries of employee basic assumptions have long traditions in the field of business and administrative sciences, it seemed reasonable to study *basic assumptions* of service employees as opposite to constructs which are grounded in other traditions, such as "assumptive worlds", worldviews, beliefs, human orientations, or deep group assumptions.

Another set of decisions is concerned with the choice of theoretical model. According to Peter (1981), a basic goal of social science is to provide theoretical explanations for behavior. In relation to service management and marketing, this goal includes attempts to explain the behavior of service employees, consumers and others involved in discipline-related activities. The theoretical model chosen for the studies of the thesis reflects the need of service management to identify factors that influence behavior of service personnel in interaction with customers, and translates into an empirical investigation of what basic assumptions are in the service context (construct's empirical content) and how they relate to behavior and performance of service employees (consequences). It is important to notice that antecedents to employee basic assumptions in service (e.g., personality, individual differences in cognitive abilities, cultural contexts) or managerial influence on basic assumptions formation (e.g., through employee recruiting or motivating) are not addressed in the studies of the thesis although they constitute an important part of the construct's nomological network and merit a thorough future investigation.

Then, with this in mind, how do we investigate both the *content* of basic assumptions and their *relation* to behavior of service employees? This question refers to the choice of epistemological perspectives. In philosophical terms, the concept of basic assumptions proceeds from an inherently postmodern, interpretive, social constructionist point of view (cf. Koltko-Rivera, 2000). That is, the construct of basic assumptions implies that people's ideas about reality are not necessarily a direct representation of the existing reality. Rather, knowledge and meaning are interpretations of reality. Although there

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are numerous interpretivist perspectives, they tend to focus on subjective meanings regarding how individuals or members of groups and societies apprehend, understand, and make sense of events and settings (Schwandt, 1994). One form of interpretive research is social constructivism, which seeks to understand the social construction of objective, intersubjective, and subjective knowledge (Gephart, 1999). In this thesis, the interpretivist perspective was applied to the investigation of the empirical content of basic assumptions in service settings. However, interpretive approaches tend to be unclear concerning explanations of behavior and relationships between variables (Slife & Williams, 1995). As Shadish (1995) pointed out, there is an inevitable limitation in any single philosophical or methodological approach to science. An epistemological perspective that seeks out facts in terms of relationships among variables is positivism (Deshpande, 1983). A positivistic approach often assumes quantitative measurement including multivariate or parametric statistical analysis, and applies hypothetico-deductive methodology (Deshpande, 1983). In order to study the relationships between basic assumptions and job outcomes of service employees, a positivistic perspective was chosen. Following the experience and advice of Arndt (1985), combining different perspectives helps to avoid overemphasis on formal representations of knowledge unconnected to the main problems of the field (i.e., explanation of behavior).

The structure of the thesis is as follows. In Part I of the thesis I present theoretical foundation, aims of the thesis, overall design and methodology, which are followed by an overview description of the conducted studies. Then, an overall discussion of main findings and their implications for research and practice are presented. Full versions of the papers constituting the thesis are featured in Part II of the thesis.

3. Theory

Contributions to the literature on basic assumptions have come from psychology, social psychology, sociology and anthropology, and different theoretical contributions have studied the topic from the level of individual, group and society. In the following sections, I will address the main theoretical perspective on the construct of basic assumptions and discuss their interrelations.

3.1. The construct of basic assumptions and its characteristics

What are basic assumptions? The available literature defines basic assumptions as taken-for-granted perspectives of viewing the world that guide an individual's behavior (Lord & Maher, 1993; Schein, 2004). Basic assumptions can be seen as knowledge structures that exist in long-term memory and guide information-processing in several domains, such as problem-solving, and are used to generate behavior, form social perceptions, and guide social interactions (Lord & Maher, 1993). The study of basic assumptions during the past four decades has evolved via a series of different research paradigms such as human nature orientation theory (Kluckhohn & Strodtbeck, 1961), world view theory (Koltko-Rivera, 2004), schema theory (Fiske, 1993), implicit personality theory (Hochwalder, 1995), and social representations theory (Moscovici, 2000). A common denominator in these traditions has been the centrality of basic assumptions regarding the psyche of individuals. Koltko-Rivera (2000, p. 8) points out that basic assumptions about a reality are required for "any sort of human logic or rational processes to function". In his description of organizational basic assumptions, Schein (1985b) explained that basic assumptions are similar to what Argyris and Schon identify as "theories-in-use", the implicit theories that actually guide behavior, that tell members how to perceive, think about, and feel about things (Argyris, 1976; Argyris & Schon, 1978). In Argyris and Schon's opinion, the difference occurs between "espoused theory" and "theories-in-use". Basic assumptions, like theories-in-use, tend to be those beliefs organizational members neither confront nor debate. Sathe (1985) specified that basic

assumptions are not what people *say* their assumptions (beliefs or values) are, or those they comply with because of the demands of others, but those beliefs people consider as being their own, and those they have internalized.

Several researchers refer to beliefs in their definitions of basic assumptions. Like beliefs, basic assumptions are simple propositions, conscious or unconscious, about the world (cf. Rokeach, 1972). Much like beliefs, basic assumptions can be divided into three groups based on the character of their content: descriptive, evaluative and prescriptive. A descriptive or existential assumption describes the object or the event as true or false, correct or incorrect (Things happen this way). An evaluative assumption evaluates the object or the event as good or bad (I think ... is good), and a prescriptive or exhortatory assumption advocates a certain course of action or a certain state of existence as desirable or undesirable (It is desirable that X does something). However, assumptions are a certain type of belief, that is, not all beliefs can be defined as assumptions. Koltko-Rivera (2000) explains that it is assumptions, not common beliefs, that constitute world views. This is because basic assumptions deal with matters which involve the nature of reality (what can exist, what is possible to occur), fundamental guidelines for interpersonal relating, or the limits of human capacities. For instance, Ott (1989) specified that common beliefs can be identified without too much difficulty by individuals themselves, while basic assumptions are likely to command less immediate attention for most people.

Another concept that basic assumptions are compared to in the literature, is the concept of schema. A schema is conceptualized as a mental knowledge structure used to select and process incoming information from the social environment (Fiske, 1993). Schema contains general knowledge about a domain, including specification of the relationships among its attributes, as well as specific examples or instances of the domain (Taylor & Crocker, 1981). In Lord and Maher's view, basic assumptions are schemas. Basic assumptions, just like schemas, are automatic and serve to guide behavior in the limited-capacity mode of information processing (Lord & Maher, 1993). Research has described and applied four main content areas of schema: person schemata, self-schemata, role schemata and event schemata (Fiske & Taylor, 1984). Some researchers (e.g., Koltko-Rivera, 2000)

argue that basic assumptions are a superior concept to schemata, mainly because they are considered to focus largely on abstractions, and because assumptions can be transmitted culturally, as new members are socialized into the group or organization. Finally, assumptions are supposedly much harder to disconfirm than a single schema. Although basic assumptions differ from schemata, there are certain points of convergence between basic assumptions and person schemata the way they are described in the literature. Person schemata research has studied abstracted conceptual structures of personality traits or person prototypes that enable a person to categorize and make inferences from the experience of interactions with other people (e.g., Hochwalder, 2000).

How, then, do basic assumptions relate to values? Values are also beliefs, but they represent only one particular type of beliefs, that is, proscriptive or prescriptive beliefs (Koltko-Rivera, 2004). Moreover, values can be articulated without much difficulty, while basic assumptions are seldom questioned or explicitly discussed (Koltko-Rivera, 2004). Lord and Maher (1993) argue that values provide justification for behavior, while assumptions actually drive behavior. Values reflect the organization members' sense of what should be, while assumptions reflect their view of what is.

All definitions treat assumptions as implicit constructs which refer to the way people view the world around them. However, holders of basic assumptions are not necessarily individuals but may also be collectivities, such as people belonging to a certain occupational group, a firm, a subculture, a community, a nation, or a country (Lord & Maher, 1993). In the literature, it is most common to specify holders of basic assumptions at the following levels: individuals (e.g., Giesen-Bloo & Arntz, 2005), groups (e.g., Lion & Gruenfeld, 1993), organizations (e.g., Schein, 2004), and societies (e.g., Kluckhohn & Strodtbeck, 1961). In relation to work life, basic assumptions can be defined as a socially constructed understanding of the world (or its particular parts) derived from social exchanges and interactions among multiple individuals in a group or organization (cf. Lord & Brown, 2001). In work settings, basic assumptions represent imperfectly shared knowledge or meaning within a social system of a workplace. Because it is imperfectly shared, individual variation within a unit exists and should always be considered.

The construct of basic assumptions should not be discussed in isolation from several important bodies of research which are of relevance to the studies of this thesis. These research perspectives are (a) "implicit personality theory", which pertains to people's implicit assumptions about the types of personality attributes that tend to co-occur (e.g., conscientiousness and friendliness); (b) "implicit person theories" research, which studies two distinct types of implicit person theories in people (entity and incremental implicit theories); (c) "implicit leadership theories", which deal with the types of traits and behaviors that different people or cultures assume define "leadership"; and, (d) "social representation theory", which addresses formation and functioning of social representations, or cognitive systems which people use to organize information about the social world. I will briefly present these research perspectives in the following section.

3.2. Basic assumptions and related knowledge structure approaches to social cognition

Research on basic assumptions has to be considered in relation to several other knowledge structure approaches to social cognition. Implicit personality theory (IPT) can be defined as a person's assumptions about how the traits of another person are related to each other (Hochwalder, 1995). The IPT is called a theory because it consists of a set of concepts (the content of IPT) and a set of relations that link the concepts together (the structure of IPT). It is an implicit personality theory because the concepts are usually the personality traits and the relations are relations between traits (Hochwalder, 1995). IPT research has focused primarily on the dimensions underlying the pattern of perceived trait associations (e.g., evaluative versus descriptive or semantic dimensions) (Vonk, 1993). Many different properties of IPT have been studied, some of them are briefly mentioned below. The research on IPT can be seen from three different standpoints according to the three major elements involved in person perception: the perceiver, the person perceived and the situation in which the person to be perceived is embedded (Hochwalder, 1995). Concerning the first element, the perceiver, research has shown that individuals have somewhat different IPTs. Results also seem to indicate that the person to be perceived has an effect on the perceiver's

assumptions about the strength of the relationships between the traits. Hochwalder's studies have shown that an IPT structure is stable across different situations. For example, the average perceiver's assumptions concerning trait implication do not change as a function of a change in the situation in which the perceived person is embedded. Most importantly, research on IPT has demonstrated that assumptions about relationships among traits and behaviors play a decisive role in shaping trait-attribution about others (e.g., Borkenau & Ostendorf, 1987).

Similar to implicit personality theory, implicit person theories are the particular assumptions that individuals hold about the rigidity or malleability of personal attributes such as abilities, intelligence, and personality (Dweck, 1986; Dweck, 2006). They are usually divided into two main subsets: entity implicit theory and incremental implicit theory (Heslin & Vandewalle, 2008). A prototypical entity implicit theory, also called a fixed mindset, assumes that personal attributes constitute a largely stable entity that tends to not change much over time (Wentzel, Henkel, & Tomczak, 2010). In contrast, an incremental implicit theory, also referred to as growth mindsets, assumes that personal attributes are relatively malleable, and that people can change and develop their behavior over time. Usually people tend to hold mindsets that lie somewhere along the continuum between the incremental and entity prototypes (Dweck, 2006). Dweck and Leggett (1988) theorized that implicit theories create an analytical framework for interpreting and responding to the events an individual experiences. Specifically, Dweck et al. (1995) proposed that implicit theories influence how one perceives and relates to others and thus have important behavioral and motivational implications.

The ideas of implicit personality theory have also been applied to the leadership field. Current leadership research has emphasized the role of employees' cognitive prototypes on the leadership process (Lord & Maher, 1993). It has been suggested that work group members, through socialization and past experiences with leaders, develop Implicit Leadership Theories (ILTs), that is, personal assumptions about the traits and abilities that characterize an ideal business leader (Epitropaki & Martin, 2004). ILTs represent cognitive structures specifying traits and behaviors that followers expect from leaders. They are stored in memory and are activated when followers interact with a person in a leadership position (Kenney, Schwartz Kenney, &

Blascovich, 1996). These leadership schemas provide organizational members with a cognitive basis for understanding and responding to managerial behavior, and they are described as essential elements of organizational “sensemaking” (Epitropaki & Martin, 2004; Weick, 1995). Lord and Maher (1993) argued that people use ILTs as both a basis for interpreting the behavior of their partner (in the case of followers) and as a foundation for generating their own behavior (in the case of leaders). ILT has been viewed from an information processing perspective (Lord & Maher, 1993), and as a specific example of a general cognitive categorization process applied to social stimuli (Phillips & Lord, 1986). Cognitive simplifications are quite useful for employees, because categorizations based on ILTs help them to organize perceptions, permit reasonable predictions, and may even specify appropriate reactions to others.

The theory of social representation is also based upon the concept of internalized social knowledge. Social representation theory takes on Durkheim’s concept of “collective representation” (cf. Bauer & Gaskell, 2008). According to Augoustinos and Innes (1990), social representations refer to the ideas, thoughts, images and knowledge which members of a collectivity share. Social representations are “the stock of common knowledge and information which people share in the form of common-sense theories about the social world” (p. 215). In Moscovici’s (2000) view, social representation can range from hegemonic structures that are shared homogeneously by a society, to differentiated knowledge structures that are shared by subgroups within a collectivity. Moscovici’s concept of social representations is differentiated from Durkheim’s collective representations, as it emphasizes the dynamic and changing nature of representations (“social life in the making”) and also takes into account the array of differentiated knowledge shared by subgroups within contemporary (Augoustinos & Innes, 1990). The role of representations is to conventionalize the objects, persons and events, to locate them within a familiar categorical context. Representations are also defined as prescriptive in nature; they are determined by tradition and convention and impose themselves on cognitive activity (Augoustinos & Innes, 1990).

There are several points of convergence between these research perspectives and research on basic assumptions. Essentially, all theories

are knowledge structure approaches to social cognition. All are conceptualized as existing knowledge structures which guide and facilitate the processing of social information. Moreover, they also emphasize the use of cognitive short-cuts or heuristics in the processing of social information. Furthermore, they are all conceptualized as implicit constructs with an internal organizational structure. Also, all theories describe a range of structures, from those that are widely shared by a large group of individuals to differentiated structures that are shared by minor subgroups of individuals. Finally, and most importantly, they all describe knowledge structures that guide decision-making and influence social behavior (Augoustinos & Innes, 1990; Bauer & Gaskell, 2008; Fiske, 1993; Lord & Maher, 1993; Moscovici, 2000). In the following section, I will review the available evidence on how basic assumptions, implicit theories, and social representations relate to behavior. Also, I will take a closer look at the existing knowledge and theories about how basic assumptions influence employee behavior at work.

3.3. Basic assumptions and their influence on behavior

Research on basic assumptions along with research on implicit personality theory, implicit person theory, implicit leadership theory and social representation theory, have all pointed out the impact implicit cognitive knowledge structures may have on behavior.

Research on implicit person theories has demonstrated that implicit theories affect self-regulation and performance. An incremental implicit theory is associated with such self-regulatory activities as adopting learning goals (Robins & Pals, 2002), maintaining self-efficacy, and exhibiting high performance on complex decision-making tasks (Taberner & Wood, 1999). Dweck et al. (1995) suggested that implicit theories are also likely to influence interpersonal judgements and reaction to others. Recent studies in marketing have also demonstrated that employees with different implicit theories of ability react differently to ad models, that is, models of preferred behavior patterns presented through ad campaigns (Wentzel et al., 2010). Employees who believe that their abilities are fixed (i.e., entity-focused) are more motivated to imitate an ad model if the model's behavior is moderately challenging rather than strongly challenging. In contrast, employees who believe that their abilities are malleable (i.e.,

incremental-focused) are not affected by how challenging the model's behavior is (Wentzel et al., 2010). Moreover, research has also found that employees with an entity focus react more negatively to difficult challenges than employees with an incremental focus (Wentzel et al., 2010).

Implicit personality theory studies have demonstrated that implicit personality theories affect peoples' social judgment about both familiar and unfamiliar persons (Vonk & Heiser, 1991). Studies employing social representation theory have shown that socially constructed representations of chance and nature for example are related to exploitive behavior and self-esteem (Wagner et al., 1999). In the implicit leadership theory literature, it has been suggested that personal assumptions about the traits and abilities that characterize an ideal business leader provide organizational members with a cognitive basis for understanding and responding to managerial behavior (Epitropaki & Martin, 2004). Lord and Maher (1993) argued that basic assumptions of employees have an effect on the types of relationships that develop between leader and subordinate. Basic assumptions determine the prototypes held by managers. Through behavioral confirmation processes, then, these assumptions become ingrained in the relationship between leaders and subordinates. In this way, basic assumptions form a basis for interpreting the behavior of partners (in the case of followers) and a foundation for generating their own behavior (in the case of leaders).

In the literature, it is suggested that basic assumptions can influence employee behavior through fulfilling several important functions. First, basic assumptions provide a foundation for the two organizational processes which – according to Brownell (2009) – are most essential to service work: one involving the sharing of knowledge, and the other facilitating the development of strong relationships. Basic assumptions allow employees to develop a perspective, a way of looking at work life phenomena that can be shared with others. Basic assumptions organize experiences and allow employees to generalize about the meaning and purpose of service work, the nature of service and hospitableness, the host-guest interaction. Basic assumptions permit employees to lift idiosyncratic experiences to the level of consensual meaning (i.e., intersubjectivity). Thus, basic assumptions provide the common grounds for communication. Basic assumptions

serve as a set of agreed-upon concepts (or their dimensions and content), which gives employees opportunity to communicate freely and makes communication based on the intersubjective sharing of knowledge and understanding possible. According to Lord and Maher (1993), basic assumptions reflect automatic processing of information, that is, they serve as cognitive filters, or primers, that predispose people to think and act in certain ways. Also, basic assumptions serve explanations for work life phenomena and give predictions of their outcomes.

Basic assumptions are cognitions, fundamental elements of a person's cognitive functioning. In the literature, basic assumptions are often defined as the source of other cognitive components such as attitudes, values, and perceptions (e.g., Schein, 1992; Lord & Maher, 1993). Although research on employee basic assumptions in service has been limited, there is growing empirical knowledge about categories of employee cognitions which are considered subordinate to basic assumptions. In the next section, I take a brief look at the current state of research on service employees' cognitions.

3.4. Previous research on service employee cognitions

The overview presented in this section is not exhaustive. However, this brief review provides a useful insight into recent research on different types of employee cognitions conducted within the field of service management.

Research on employee cognitions in service management has developed in several streams. First, there is a considerable effort in research on employee attitudes and how these attitudes affect individual and organizational performance (for review see e.g., Kusluvan, 2003b). Research on employee work-related attitudes has been especially comprehensive in the area of linking attitudes to organizational outcomes such as service quality, customer satisfaction and loyalty, positive word of mouth (Kusluvan, 2003a). Studies have documented a positive impact of employee attitudes on customers' experiences (Brown & Lam, 2008). Customer orientation, defined as a general employee attitude toward acquisition, satisfaction and retention of customers, has proven to be a viable predictor of strategic organizational performance (Dev, Zhou, Brown, & Agarwal, 2009). Kim and Ok (2010) specified that customer orientation is an attitude

which refers to the extent to which a salesperson seeks to increase long-term customer satisfaction. Their study has demonstrated that service employees' customer orientation level is a critical driver of customer satisfaction, and ultimately in customer retention. The study by Donovan et al. (2004) also confirms that customer orientation positively influences job satisfaction, commitment, and the performance of organizational citizenship behavior of service employees.

Another stream of research is concerned with employee perceptions of service work and different aspects of organizational life. Central to this research direction are studies of perceptions of psychological climate conducted by Schneider and colleagues (Schneider & Bowen, 1985; Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Service climate is defined as organizational members' perceptions of the practices and procedures that are rewarded, supported, and expected by the organization with regard to customer service (Schneider, 1990). Research has shown that service climate has a positive effect on performance. Studies have also documented a positive relationship between employees' ratings of service climate and customer satisfaction (e.g., Johnson, 1996). Some studies have supported a causal relationship from a favorable service climate to customer satisfaction (Schneider et al., 2005). In addition, research has also shown that perceptions of service climate predict group task performance (Sturman & Way, 2008). In brief, service research has examined employee perceptions of different organizational characteristics such as structure (e.g., Øgaard, Marnburg, & Larsen, 2008), and job characteristics such as job autonomy and job support (e.g., Wong & Lin, 2007). Previous studies have also revealed that employee perceptions about distributive and procedural justice are related to turnover intentions, job satisfaction and organizational citizenship behavior (Nadiri & Tanova, 2010). Investigations of employee perceptions of service quality suggest that internal service quality is influenced by employee service orientation attitude along with organizational policy to adopt and change service roles (Vella, Gountas, & Walker, 2009). Research on destructive behavior of service employees has revealed that employee perceptions of the extent of surveillance and perceptions of the fluidity of the labor market are significantly linked to service sabotage (Harris & Ogbonna, 2006).

An emerging stream of research delves into a more broad area of employee models of service, and includes studies on how service employees conceptualize service encounters, service work, and service quality. A recent study shows that front-line employees do not necessarily operate with a unified understanding of what customer service is, but have different service models which in turn are related to different types of acting toward customers and customer orientation (Di Mascio, 2010).

Although the available evidence suggests that different kinds of employee cognitions (perception, attitudes, and cognitive models) are of major importance to both individual performance of service employees and aggregated performance of service organizations, there is still insufficient research effort that focuses on such fundamental structure as employee basic assumptions. It is still not well understood how basic assumptions of service employees are related to employee job outcomes. Outside of the service management field, a number of attempts have been made to assess basic assumptions. In the next section, I will give a brief overview of the measurement approaches to basic assumptions, and present some assessment instruments available to investigate different types of individual basic assumptions.

3.5. Previous assessment of basic assumptions

In the literature, implicit assumptions and implicit theories are conceptualized as relatively stable beliefs (Lord & Brown, 2001). Therefore, it has been generally acknowledged that basic assumptions can be assessed by using standardized measurement scales (Wentzel et al., 2010). Implicit assumptions have also been assessed by experimental methodologies. However, several studies have shown that self-reported implicit theories and experimentally induced implicit theories operate in the same manner and have the same effects on other variables (Cury, Elliot, Zahn, & Fonseca, 2008).

The variety of questionnaires designed to access basic assumptions has grown over the past decades. Table 1 displays several assessment instruments which represent a certain interest for this research for at least two reasons: dimensions of basic assumptions they assess (i.e., number of factors comprising the model of basic assumptions, and reliability of subscales), and how these dimensions relate to other variables (i.e., evidence for criterion validity).

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Table 1. Basic assumptions assessment instruments

Author(s)	Assessment instrument	Sample (N)	N of scales/items	Reliability (α)	Criterion validity
Berzonsky (1994)	Constructivist Epistemological Assumptions (CAS)	199	1/12	.55-.61	Information-oriented self-identity style
Germer et al. (1982)	Organicism-Mechanism Paradigm Inventory (OMPI)	203	2/26	M (.78) O (.85)	Gender role, personality traits, counsellor preference
Harris et al. (1977)	World Hypothesis Scale (WHS)	554	4/12	F (.76) C (.83) M (.79) O (.77)	Orientation of preferred occupation, group treatment modalities
Hinrichsen et al. (2006)	Testable Assumptions Questionnaire – Eating Disorders (TAQ-ED)	79	3/12	DAF (.55) DAB (.71) DAW (.83)	Eating behavior, social anxiety
Holt et al. (1984)	World View Inventory (WVI)	203	3/60	AN (.88) M (.77) ST (.84)	Other world view scales (e.g., OMPI)
Janoff-Bulman (1989)	World Assumptions Scale (WAS)	1,710	8/32	BP (.48) BW (.74) CA (.62) L (.82) J (.52) R (.54) SC (.66) SW (.77)	Trauma severity
Kramer et al. (1992)	Social Paradigm Belief Inventory (SPBI)	409	3/27	ABS (.60) DIA (.84) REL (.83)	Paradigm belief scales (WHS and OMPI)

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Koltko-Rivera (2000)	Worldview Assessment Instrument (WAI)	291	6/54	AG (.81) LR (.80) ME(.91) MU (.65) RA(.71) RG (.77)	Suggestions for future validation of the WAI scales are presented
Montgomery et al. (1990)	Belief System Analysis Scale (BSAS)	140	1/31	.80	Dogmatism, social interest, global severity
Royce & Mos (1980)	Psycho-Epistemological Profile (PEP)	203	3/90	EMP (.77) MET (.88) RAT (.77)	Some validation evidence (meaningful differences between different occupational groups)
Unger et al. (1986)	Attitudes About Reality Scale (AAR)	307	1/40	.72	Social attitudes and personality

Note. Abbreviations: ABS = absolute assumptions; ACT = activity; AG = agency; AN = animism; BP = benevolence of people; BW = benevolence of the world; C = contextualism; CA = controllability; CR = constructivism; DIA = dialectical assumptions; EMP = empirical assumptions; J = justice; F = formism; HN = human nature; HR = human relationships; L = luck; LR = locus of responsibility; M = mechanism; ME = metaphysics; MET = metaphorical; MU = mutability; N = nature; O = organicism; R = randomness; RA = relation to authority; RAT = rational assumptions; REL = relativistic assumptions; RG = relation to group; SC = self-controllability; SW = self-worth; ST = systems theory; T = time.

Table 1 shows that many inventories from several disciplinary fields are available to researchers and practitioners. Would these instruments be able to fully account for the contextual specifics of service management? Service work has often been described in the literature as “performative work” (Bærenholdt & Jensen, 2009), “emotional labour” (Hochschild, 1983), or “working under the gaze” of customers (Urry, 1990). These descriptions put emphasis on the interactional nature of service performance, where customers, co-workers, and competitors are involved in the production of services. None of the measurement instruments presented above address the importance of these interactions for service employees. Moreover, previous research has revealed that borrowing scales which have been developed in a different context at a different time, with no regard for the current context may pose problems (Gilmore & McMullan, 2009). At the same time, there is an urgent need to expand the existing knowledge base about the underlying factors that influence service employees’ behavior during service interactions. In the next section, I will explain my motivation for conducting the studies that constitute this thesis.

3.6. Motivation for the studies included in the thesis

The review of the literature shows that the construct of basic assumptions has been studied within different theoretical frameworks and from different perspectives. The literature also contains theoretical contributions explaining how basic assumptions influence behavior in several domains, including work behavior. In service management, expanding the knowledge about factors that drive behavior of service employees has been important (Hartline & Ferrell, 1996). However, the available literature on basic assumptions lacks empirical research on basic assumptions from the standpoint of service management. Several aspects require more thorough investigation. First, there is a lack of knowledge about how basic assumptions as a theoretical construct applies to the context of service management. Several taxonomies and dimensionalities of basic assumptions are proposed in psychology, anthropology, other disciplines, but is it useful to employ them in a study of basic assumptions in service management? Furthermore, there is a lack of research on empirical content of basic assumptions in the context of service management. Which dimensions can basic assumptions of service employees be described with? Third, our

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knowledge about how basic assumptions relate to individual service employee job outcomes is very limited. How do different dimensions of service employees' basic assumptions relate to job performance, job satisfaction, turnover intentions, and market orientation of service employees? Altogether, what are basic assumptions in the service management context? And what impact do they have on service employees' behavior and performance?

In the following chapter, I present the aims of the thesis and briefly explain how the gaps in the literature are addressed by the studies of the thesis.

4. Aims of the thesis

The overarching aim of this thesis is to contribute to the extension of knowledge on employee basic assumptions in service enterprises. Four research aims address some of the limitations of existing knowledge about basic assumptions and highlight the intended contribution of the thesis.

Research Aim 1: To develop a research framework for conceptualizing and assessing basic assumptions in the service context. While several theories and studies of basic assumptions exist in social sciences (i.e., psychology, anthropology, sociology), a review of this literature has not yet been conducted from the standpoint of service management. The aim of the thesis is therefore to investigate the construct of basic assumptions in theoretical and empirical research, identify gaps in existing theoretical conceptualizations of basic assumptions, and propose criteria the concept has to meet in order to be applied in service management and practice. Research aim 1 was explored in Paper 1 of the thesis, where a theoretical review is provided. The framework suggested in Paper 1 was subsequently exploited in Paper 2, 3 and 4.

Research Aim 2: To empirically elicit the content of basic assumptions in service enterprises. The majority of existing theoretical conceptualizations of basic assumptions in organizations come from general sciences, while most industry-related operationalizations have their origins in manufacturing rather than service contexts. There is a great uncertainty whether the existing models could fit the service context. Therefore, the second aim of this thesis was to empirically elicit employee basic assumptions in the service context. The choice of framework for research operationalization was suggested by the outcome of Paper 1. Research aim 2 was explored in Paper 2 of the thesis.

Research Aim 3: To empirically test the dimensionality of basic assumptions in the service context and preliminarily validate the measurement of the construct. There is a lack of knowledge about

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dimensionality of basic assumptions in the service context, and how different dimensions relate to each other and the outcome variables. The aim of the thesis was therefore to investigate dimensionality of basic assumptions of service employees. Research aim 3 was explored in Paper 3 of the thesis. Paper 3 builds on the research framework of Paper 1, and elaborates on the empirical findings of Paper 2.

Research Aim 4: To establish nomological validity of the basic assumptions construct by conducting a survey of full-time service employees. There is a lack of knowledge about how basic assumptions of service employees relate to individual employee job outcomes. The aim of the thesis is therefore to investigate the influence of different basic assumptions dimensions on service employees' job performance and market-oriented behaviors. Research aim 4 was explored in Paper 4.

5. Design and methodology

Research on basic assumptions in the service context seems to represent what Kwortnik (2003) identifies as a “fuzzy” research problem. Fuzzy research problems are marked by limited or evolving understanding of the phenomenon of interest (e.g., what are basic assumptions?), question about construct validity (e.g., what exactly are basic assumptions in this context?), and a host of measurement challenges (e.g., can employees express their basic assumptions directly and if they can, will they?). Because of such issues, fuzzy problems can hardly be studied by only relying on a single method (e.g., survey, or experimental research methods). Therefore, Kwortnik recommends incorporating both qualitative and quantitative research methods into the overall research design of a “fuzzy” construct. This will allow researchers to generate a better understanding of the phenomenon, which in turn will give researchers the opportunity to develop theories that can be tested by quantitative research methods. In the following sections, I will describe and account for my choice of design and methodologies to study basic assumptions in service settings.

5.1. Overall design: Combining qualitative and quantitative methods to study basic assumptions

Because of the lack of a prior knowledge identifying basic assumptions of service employees, a research design that employs multi-trait, multi-method approaches was chosen. Study 1 and 2 (Paper 1 and Paper 2, respectively) relied on qualitative methods mainly, while study 3 and 4 (Paper 3 and Paper 4, respectively) applied quantitative methodology. Several reasons determined the choice of multi-methods in studying basic assumptions of service employees in this thesis. First, combined methods can simultaneously answer exploratory and confirmatory questions (Teddle & Tashakkori, 2003). Qualitative research is typically exploratory and involves theory generation, while quantitative research is confirmatory, and involves theory verification. Therefore, in the studies of the thesis, the qualitative and quantitative approaches were purposefully combined in order to first generate greater understanding of the phenomenon in a partially new territory (basic

assumptions of service employees), and then to increase validity of a new measure through triangulation (cf. Edmondson & McManus, 2007).

Second, using methods that overlap each other or confirm or complement each other can lead to either multiple inferences or to stronger inferences (Erzberger & Kelle, 2003). While findings of Paper 2 report on specific (emic) elements, the findings of Papers 3 and 4 incorporate these specific elements into a universal (etic) framework. The results of Paper 2 are empirically tested in Paper 3, and the results of both Paper 2 and 3 are further explored in Paper 4.

Third, mixed methods provide the opportunity for presenting a greater diversity of divergent views (Tashakkori & Teddlie, 2003). Qualitative approaches employed in Paper 2 were intended to generate a broader understanding of basic assumptions as a complex construct without any attempt to test it as a predictor. In this way, qualitative techniques were applied to elicit employee basic assumptions and, respectively, identify a wide categorization of basic assumptions in the service context. However, qualitative methods were not able to tell how different dimensions of basic assumptions related to job outcomes of employees. Such questions were better answered by quantitative research methodologies, employed in Paper 3 and 4.

The overall design of the thesis incorporates both emic and etic considerations of the basic assumptions construct. As Triandis (1993) explained, emics are concepts that are context specific; etics are concepts that can be considered context general, that is, universal. More formally, emics are studied within the system of one or few contexts, and their structure is discovered within the system. Etics are studied outside the system in many similar contexts, and their structure is theoretical. As Dansereau et al. (1984) observed, there are problems with employing either the emic or etic perspective alone as the sole basis of a research strategy. An insider's (emic) perspective can produce data that are so rich and so detailed they cannot be effectively analyzed, and from which appropriate inferences may not be extracted. On the other hand, an outsider's (etic) perspective can produce data that are far removed from any insider's perspective. The authors therefore encourage theory generation and testing based on both approaches. Earley and Mosakowski (2002) argued that in order to develop scientific generalizations about relationships among variables,

researchers need to use etics. However, in order to understand cultural phenomena, researchers also need to employ emics (Earley & Mosakowski, 2002).

In this thesis, emic considerations reflect an understanding of basic assumptions from an insider's or single employee's view, whereas etic considerations look at the extent to which some dimensions of basic assumptions are universally held across different types of employees or different types of organizations in the service industry. The research questions in the empirical papers of this thesis vary regarding how they focus upon idiosyncratic issues particular to the persons under study (e.g., Paper 2), or address the same issues more broadly in an attempt to generalize phenomena across people and organizations (e.g., Paper 3 and 4).

The overall design of the thesis reflects two phases, inductive and deductive. In the inductive phase, the main goals were to examine how the concept has been applied in previous research, as well as to develop a research framework (study 1); and, to elicit empirical data to describe basic assumptions in the service context (study 2). Consequently, the output of the inductive phase was an inventory of descriptors (items) based on empirical data. In the subsequent deductive phase, the main goal was to reduce the number of descriptors (items) in order to remain with the most fundamental ones (study 3), and to test their relation to criterion variables (study 3 and 4). In the following section, I will describe the two phases of the research process, and address the main methodological choices related to the inductive and deductive parts of the research process.

5.2. Inductive phase: Expanding theoretical and empirical knowledge about the concept

The objective of the inductive phase was to generate conceptual and empirical knowledge about main content domains of basic assumptions salient to the service context. This process is reflected in study 1 and study 2 of the thesis. To access available conceptual knowledge, a theoretical review of previous research on the construct of basic assumptions was conducted (study 1). Several conceptualizations of basic assumptions and the construct's dimensionality were identified in previous literature. At the same time, the review of literature on basic

assumptions revealed a general lack of empirical research on basic assumptions in the service context. In order to advance empirical research in this area, a number of requirements that the service context imposes on researchers investigating basic assumptions were proposed in study 1. The outcome of study 1 was a framework for assessment of basic assumptions in the service context.

Study 2 of the thesis builds on the model proposed in study 1, and adds to the understanding of basic assumptions by incorporating an exploratory empirical investigation into the overall framework. Because the prior empirical research on basic assumptions in a service context was limited, a qualitative study employing elicitation techniques of repertory grid and laddering was conducted. The main objective of the study was to elicit empirical content of service employees' basic assumptions about customers, co-workers, and competitors in the service context. Study 2 approached basic assumptions of service workers from an emic stance. That is, it was important to create a framework that would reflect the individual's mental models in an unfiltered fashion, unconstrained by any preconceived notions of the researcher. One of the main advantages of using the repertory grid and laddering method is that it allows and encourages participants to propose their own terms and constructs. The variety of constructs describing basic assumptions were generated by the informants themselves, and permitted the capture of the unfiltered perspective of individuals. Qualitative assessment provided basis for relatively rich description that was useful in understanding how concepts were linked to each other.

The conceptual and empirical data collected in study 1 and 2 of the thesis were used to design an inventory of descriptors (items) which was subsequently put to test in the deductive phase of the research process.

5.3. Deductive phase: Testing the dimensionality of the concept and its influence on employee job outcomes

The objective of the deductive phase was two-fold. First, this phase of the research process was designed to reduce the number of empirical descriptors of the construct (items) created in the inductive phase. This process is reflected in study 3. Second, it was necessary to test the most

reliable indicators in relation to employee job performance and market-oriented behaviors. This process is reflected in study 4 of the thesis.

Study 3 was designed to test the dimensionality of basic assumptions in the service context from an etic stance. Etic research includes any study in which the conceptual categories are imposed by the researcher rather than initiated by the cultural member who is being studied in that same study (Martin, 2002). According to Martin, an etic stance assumes that a researcher decides what categories and questions are appropriate for investigating a particular context or set of theoretical questions. Categories and questions are deduced from prior theory and research, not from material gathered during the study. The researcher who chooses the categories does so while maintaining an outsider position with regard to the culture being studied.

Quantitative methods using questionnaires were chosen to test the dimensionality of the basic assumptions construct, as this is one of the best ways to compare and contrast sets of dimensions (Schein, 2004). In study 3 (Paper 3) of the thesis, dimensions chosen for the test originated from prior qualitative investigation, and were properly grounded in the service context as well as theory of the field. Items were designed based on informants' spontaneously elicited responses to stimuli (the outcomes of study 2), as opposed to an a priori categorization.

Study 4 (Paper 4) of the thesis was designed to validate the identified dimensions of basic assumptions nomologically, and to test their relative impact on subjective employee job performance and market-oriented behaviors. The two studies included in the deductive phase of the research process have been designed to contain elements of both theory test application and effects applications, in line with Calder et al. (1981). Theory testing (in this case, testing of dimensionality and preliminary validation of the construct of basic assumptions in service settings) requires maximally homogenous units of analysis to improve control. On the other hand, effects applications (in this case, investigating the relationships between basic assumptions dimensions and outcome variables) require samples with real-world-like variance for external validity. This was achieved by sequential sampling of participants for the studies. In the next section, I will give a brief description of the samples and procedures employed in the studies of the thesis.

5.4. Samples and procedures

All four studies of the thesis were conducted using data collected specifically for the purpose of this thesis.

The aim of study 1 was to analyze the existing knowledge about the construct of basic assumptions in conceptual and empirical research. In study 1, the literature review method described by Cooper (1998) was chosen to investigate how the construct of basic assumptions has been conceptualized in previous research. In line with suggestions of Durlak and Lipsey (1991) a combination of four literature search strategies was applied: manual journal searches, examination of reference lists from reviews and identified studies, computer searches of databases, and contact with persons who have produced or were likely to know of any relevant literature on the subject. Search words as “basic assumptions”, “cultural”, “collective”, “shared”, “organizational” assumptions; “organizational culture”, “shared, collective cognition”, alone or in combination with “hospitality”, “tourism”, were entered into the ISI Web of Science, FirstSearch, HTI, ScienceDirect, and the PsycInfo databases. An additional internet search was performed to find other available articles, reports, conference proceedings. At last, citations in the collected publications were inspected. In the situation where necessary information was not available in a paper, the authors were contacted by e-mail. To be included in the analysis, studies had to be published in English, approach the construct of basic assumptions from theoretical or empirical perspective, address the definition of the construct with a reference to corresponding constructs and content, and describe basic assumptions at either individual or aggregated level of analysis. Psychometrical measures which were considered for the review, had to assess basic assumptions, be available for research as well as management, and had to be described in an international refereed journal. To identify relevant contributions, guidelines developed by Cooper (1998) and Durlak and Lipsey (1991) were applied. The final sample of studies for the literature review included 63 sources, whereby 38 offered a theoretical approach to the construct of basic assumptions; 13 offered an empirical investigation of the construct; and, the remaining 12 reported on psychometric measurement issues of the construct.

The aim of study 2 was to elicit empirical content of basic assumptions in the service context. To avoid asking informants directly about their basic assumptions during the data collection, the data were collected using repertory grid and laddering interviews. The repertory grid method (Kelly, 1955) is developed from personal construct theory and implies that subjects elicit constructs, mental representations, concerning elements in their environment. Laddering technique has origins in common with repertory grid technique, and is used in conjunction with it in order to expand on either the constructs or the elements in the grid (Gruber, Szmigin, & Voss, 2009). The laddering method is derived from means-end theory, which is premised on the belief that individual behavior is driven by personal values (Gutman, 1982; Phillips & Reynolds, 2009). The objective of laddering interviews is to obtain a hierarchical network of meanings (i.e., ladders and/or means-end chains (MEC) consisting of attributes, consequences, and values) using a bottom-up process of questioning that begins with questions about lower-level attributes and ends with questions to uncover the higher-level constructs. “Why” questions are asked by the researcher to reveal superordinate connections between constructs, while “how” and “what” questions are used to discover subordinate connections. To expand the graph at a single level, informants can be asked to generate alternative examples from those already given. The result of this technique represents taxonomy of domain constructs. To access the widest domains of content as possible, the variance in the sample was maximized by purposeful sampling of different types of employees (occupations and professional backgrounds, degree of customer contact, managerial responsibilities, and service work experience). The decision about how many informants were needed for repertory grid and laddering interviews was based on theoretical saturation (Creswell, 1998). The new interviews were conducted to the point where redundancy or theoretical saturation was achieved, and no new insights emerged from the analysis of an additional case (Kwortnik, 2003). The final sample consisted of 20 informants.

The aim of study 3 was to explore the measurement of basic assumptions and to test the dimensionality of the construct. The categories elicited by empirical investigation in study 2 along with theoretical considerations were used to develop descriptors (items). In order to test these descriptors, a study employing survey methods was

conducted (study 3). Two different samples were collected for study 2. The first sample was comprised of 203 participants recruited among undergraduates of Norwegian School of Hotel Management. Approximately 250 pen-and-pencil questionnaires were distributed to students in class during the spring semester of 2008, and 203 of these were usable (estimate response rate of 81%). Of the 203 participants, 99% were currently employed with approximately 2 years of work experience, reporting an average of 20 hours of work per week, and the remaining 1% had been recently employed. In terms of participant employment, 34% were employed in hotels, 30% were employed in the catering business, 21% were employed in service (department and grocery stores, banking), 9% were employed in tourist offices, tourist attractions, travel agencies, or airlines; and 4% did not specify. The sample was 70% female and the average age of participants was 25 years old. The second sample of study 3 consisted of 124 bank employees. Around 250 employees of the same bank received questionnaires at work, and returned it to researcher upon completion (estimated response rate of 49.6%). The sample was 60% female and the average age of participants was 34 years old. A total of 73% of the respondents reported that they held full-time positions, while the mean duration of the current employment was 5 years. Job titles included front-line personnel (counsellors and call-center employees), as well as financial analysts and operation managers.

The aim of study 4 was to establish nomological validity of the construct and investigate how basic assumptions of service employees relate to job performance and market-oriented behaviors. The hospitality industry was chosen as an empirical setting for the study because of the high-contact nature of service work in hospitality, and a high level of customer-employee interaction (Lovelock & Wirtz, 2007). Cluster sampling was used to recruit participants for the study. General managers of 183 hotels from 7 major hotel chains in Norway received the invitation, and 41 managers agreed to participate in the study. Two versions of the questionnaire were developed: one electronic and one pen-and-paper based. 35 managers chose the electronic version and 5 the pen-and-paper version. The final sample consisted of 241 hotel employees. The respondent's mean age was 32.3 years, 62% were women. On average, the respondents had worked for their current employer for 4.7 years, and reported an average of 9.8 years of work

experience in the hospitality or tourism industry. 84% of the respondents reported having full-time positions. About 35% of the sample consisted of middle-level managers, and 14% of the respondents were in top manager positions. In terms of their main occupation at work, 12% were in sales, 6% in revenue and finance department, 10% in housekeeping, 7% in restaurant, 6% in kitchen, 42% in reception, 8% in convention and conference department, 5% in booking, and remaining 4% were employed in ancillary services.

5.5. Instruments

In studies 3 and 4 of the thesis a number of measurement instruments were employed. All items of all measures were scored on a 7-point Likert-format scale.

Basic assumptions about customers and co-workers were assessed by an original pool of items in study 3, and a 31-item refined instrument in study 4.

Job satisfaction was measured using two items adapted from the Michigan Organizational Assessment Questionnaire (Cammann, Fichman, Jenkins, & Klesh, 1983): "All in all, I am satisfied with my job", and, "I would recommend a good friend to apply for work at this hospitality venue".

Organizational commitment was measured using the short form of the Organizational Commitment Questionnaire, which measures affective or attitudinal commitment (Mowday, Steers, & Porter, 1979). In line with Mathieu (1991), nine positively worded items were used.

Job performance was measured with two items adapted from Singh et al. (1996), where each employee was asked to self-evaluate performance in comparison to co-workers and to hospitality industry employees in general.

The intention to stay with the organization was assessed with one item from the Michigan Organizational Assessment Questionnaire (Cammann et al., 1983): "I do not consider leaving my present job".

Market-oriented behaviors were measured using the MARKOR instrument developed by Kohli et al. (1993). The measure assesses three types of market-oriented behavior: 6 items represent customer-related information generation; 5 items represent information dissemination between co-workers; and, 9 items capture responsiveness to generated information about customers.

5.6. Analyses and statistics

The studies of the thesis applied different types of analysis to the data. Analytical techniques and procedures were determined by the research question of the particular study, the sort of investigation conducted, and the type of data collected.

The objective of study 1 was to conduct a literature review in order to identify gaps in the present knowledge about basic assumptions in relation to service management. The data collected for the review consisted of theoretical as well as empirical contributions. The content analysis of sampled studies followed the logic of analyzing qualitative data and building theory from different types of research evidence as described by Eisenhardt (1989). In study 1 (Paper 1), several techniques were used to derive meaningful conclusions from the data. Within-case analysis was used to become familiar with each contribution as a stand-alone entity. Searching for cross-case patterns was necessary to compare different studies included in the analysis. Systematical comparison of the emergent frame with the evidence from each study was used to check how well or poorly it fit with the data. Specifically, sharpening the understanding of the construct was achieved by refining the definition of the construct and building evidence which measures or describes the construct in each case or study. Miles and Huberman's (1984) recommendations to use the tools of tabular display were also followed to illustrate the emerging discussion and build evidence. An essential feature of analyzing data for theory building is comparison of the emergent theory with the extant literature (Eisenhardt, 1989). The framework emerging in study 1 was contrasted to how the construct of basic assumptions has been treated in previous research and how it can apply to the service management context.

The objective of study 2 was to elicit the empirical content of basic assumptions in the service context by means of repertory grid and laddering interviews. The outcome of the interview process was a database of elicited constructs. Two types of analysis were conducted in study 2 (Paper 2): qualitative content analysis of elicited constructs and a frequency count. The goal of content analysis was to break down or divide a complex whole (i.e., database of all elicited constructs) into its constituent parts (i.e., content categories). Content analysis of qualitative data required some combination of analysis and

interpretation to create accurate representations of data. Both analysis and interpretation refer to the process of arriving at conclusions, as well as the final product – the output of these conclusions (Spiggle, 1994). Following the framework for analysis and interpretation of qualitative data suggested by Spiggle (1994) several analytical operations – categorization, abstraction, comparison, dimensionalization, integration, iteration, refutation – were used to reduce, sort, and reconstitute data. Categorization was applied to classify or label elicited constructs, and group them into clusters and sub-groups. Abstraction was used to collapse more empirically-grounded construct clusters and sub-groups into higher-order conceptual categories. Comparison was engaged to explore differences and similarities across topics within the collected data. Dimensionalization was used to identify properties of categories and constructs. During the whole process of data collection and data analysis, iteration was applied to move through data analysis in such a way that preceding operations shaped subsequent ones. These analytic operations provided a means for managing a large amount of data for the purpose of interpretation. Combining analysis and interpretation allowed for discovery of the higher-order, more abstract conceptual layers of meaning imposed from data, and also to assess the intentions and inferences of those who were studied, making sense of their experience and behavior. Upon the completion of the content analysis, constructs were counted to check for frequency of occurrence in different categories and across the topics. This analysis was done manually, by registering and counting all elicited constructs into a spreadsheet.

In study 3 and 4, the data were coded and processed using the Statistical Package for the Social Science (SPSS) version 15.0 (SPSS, 2006). In study 3 (Paper 3), factor analysis was applied to the data to find the underlying structure among the variables measured by multiple items. The factor-analytically derived dimensions then served as subscales for respective instruments. Exploratory factor analysis was conducted to explore the underlying dimensionality of basic assumptions of service employees by means of principal component analysis with varimax rotation. To examine the internal consistency of dimensions, Cronbach's alpha was determined for each scale. Intercorrelations (Pearson's r) among concepts were conducted to investigate discriminant validity. Confirmatory factor analysis (CFA)

using Lisrel (Jöreskog & Sörbom, 2005) was then applied to the data in order to investigate the fit of the proposed factor structure. In study 4 (Paper 4), confirmatory factor analysis was used to evaluate if a pre-specified factor model provides a good fit to the data. To determine if factor scales yielded acceptable alpha coefficients and internal consistency, Cronbach's alpha was estimated. Regression analysis was then executed to test the relationships between the basic assumptions dimensions, and the outcome variables included in the study.

5.7. Validity and reliability

The four studies of the thesis follow the logic suggested by Churchill (1979), Peter (1981), and Peter and Churchill (1986) for development and validation of constructs in marketing and management sciences. According to Peter and Churchill, there are three types of evidence that can be used for making judgements about the validity of the construct. First, there are the procedures employed in the creation and development of the measure, including non-empirical analysis of content. Second, there are the theoretical relationships and empirical estimates of trait validity which includes reliability, convergent validity, and discriminant validity. Third, there are the theoretical relationships and empirical estimates of nomological validity. In addition to these three criteria, Rossiter's (2002) advice was to conceptually define construct in terms of the object, the attribute, and the rater entity was taken into account. Finally, Messick's (1995) six criteria for a unified validity framework (content, substantive, structural, generalizability, external, and consequential aspects) were considered.

Matters of theoretical and empirical analysis of the construct's content and substance are approached in Paper 1 and Paper 2 of the thesis. A key issue of the content aspect of construct validity is the specification of the boundaries of the construct domain to be assessed – that is, determining the knowledge to be revealed by the assessment. The substantive aspect adds to the content aspect of construct validity with the need for empirical evidence reflective of conceptual domains. In Paper 1, a non-empirical analysis of the construct identified different conceptual definitions and previous content conceptualization. Then, the construct of basic assumptions in service was conceptualized in relation to three specific content domains represented by customers, co-

workers and competitors. In line with Rossiter (2002), the construct was conceptually described in terms of 1) the object (customer, co-worker or competitor); 2) the attribute (basic assumptions); and, 3) the rater entity (employee). The framework also outlined an approach for assessment of basic assumptions which was followed in subsequent studies of the thesis. Paper 2 reports on the empirical investigation of the conceptual construct domains outlined in Paper 1. A frequency count of empirically elicited constructs made it possible to distinguish categories that were most proximal in relation to the three conceptual domains.

The issues of reliability and generalizability apply to all empirical studies of the thesis (i.e., study 2, 3 and 4), and are addressed in papers reporting empirical findings (i.e., Paper 2, 3 and 4). In study 2, statistical generalizability was not the objective of the study, although the findings could be generally applied to other contexts following the validity and reliability guidelines for qualitative research (cf. Johnson, 1997). In paper 2, reliability and validity was reported by means available to researchers conducting qualitative research (Johnson, 1997). First, to ensure validity and reliability of the data, different types of interviews – both individual and focus group interviews - were conducted. Second, several types of stimuli were applied to elicit constructs for the grid. Third, two types of data analysis were performed – content analysis and frequency count. Following the guidelines provided by Spiggle (1994), refutation was applied throughout the whole process of data collection and data analysis to deliberately subject all emerging inferences – constructs, propositions, categories, conceptual framework – to empirical scrutiny. This was done by searching for negative cases, that is intentionally seeking subjects who disconfirm emerging data or analysis. Emerging interpretations were also examined at different sites (enterprises) using succeeding data as empirical checks on ideas developed in preceding ones.

The analysis and estimates of trait validity (convergent and discriminant validity), and reliability of constructed measurement scales were largely addressed in Paper 3 and Paper 4 of the thesis. The generalizability aspect of construct validity examines the degree to which the test scores can be generalized beyond the sampled test items, to the theoretical definition of the construct (Messick, 1995). The

generalizability aspect of construct validity addresses the issue of measurement scale reliability. Reliability of constructed measures is the degree to which measures are free from random error (Messick, 1995). Reliability coefficients (Cronbach's alpha) estimate the amount of systematic variance in a measure (Nunnally & Bernstein, 1994). In study 3 and 4, reliability analysis was conducted to ensure that all scales had satisfactory reliability before they could be used in further analysis. Reliability of all scales was assessed by Cronbach's alpha.

Convergent validity of constructs typically is defined at an operational level and pertains to the correlation between two different measures purporting to measure the same construct (Knutson, Beck, Kim, & Cha, 2009). An unambiguous requirement for discriminant validity to be established among the sub-dimensions of the scale is needed in order to insure the multi-dimensionality of the scale (Shiu, Pervan, Bove, & Beatty, in press). A minimum condition in assessing the psychometric properties of such a scale requires that the dimensions are all unique (i.e., not perfectly correlated). Convergent and discriminant validity of the basic assumptions dimensions was investigated in study 3 and 4 of the thesis by means of confirmatory factor analysis facilitated by Lisrel and SPSS, respectively (Jöreskog & Sörbom, 2005; SPSS, 2006).

The structural aspect of construct validity appraises that scoring models should be consistent with the structural relations between the behavioral manifestations of the construct, as they are postulated by the substantive theory (Messick, 1995). The theory of the construct domain should guide not only the selection or construction of relevant assessment tasks, but also the rational development of construct-based scoring criteria. In study 3, items generation followed the structure of the basic assumptions construct based on conceptual consideration and empirically identified categories within the domains of interest. The structural aspect of construct validity in this thesis is also addressed by means of exploratory factor analysis (EFA) and confirmatory factor analysis (CFA). EFA was applied in study 3 to determine the grouping of a set of items measuring basic assumptions into an underlying structure or a number of dimensions, and to reduce the large set of items within each factor. CFA was applied to test different factor solutions for basic assumptions about guests and co-workers in study 3,

and to test an a priori defined model of construct dimensionality based on theory and preceding studies in study 4.

The analysis and estimates of external, consequential and nomological validity are addressed in Paper 3 and Paper 4 of the thesis. The external aspect of construct validity refers to the extent to which the empirical relationships of test item scores with other measures are consistent with the theoretical hypothesis (Messick, 1995). Nomological validity addresses the issue of whether the measure behaves as expected (Podsakoff & Mackenzie, 1994). Nomological validity is based on the explicit investigation of constructs and measures in terms of formal hypotheses derived from theory. The consequential aspect of construct validity refers to implications resulting from test score interpretations as these may serve as a bias for potential and actual social consequences of the testing (Messick, 1995). Of relevance for the present thesis is the criterion evidence of validity; the relationship between item scores and criterion measures. Criterion-related validity was investigated using correlation analysis in study 3, where basic assumptions scales demonstrated significant correlations with some important outcome variables in the service context (job satisfaction, organizational commitment, job performance, and turnover intentions). In study 4, regression analysis was applied to test several hypotheses concerning the proposed relationships between dimensions of basic assumptions, employee job performance, and market-oriented behaviors.

In summary, validity and reliability issues are emphasized through different foci and are explicitly addressed in each of the four papers of the thesis.

5.8. Strengths and weaknesses of the design

The overall design of this thesis has its strengths and weaknesses, where both aspects have to be taken into account. The research process represents a series of interlocking choices, in which researchers try to simultaneously maximize several conflicting desiderata (McGrath, 1982). As such, the research process is to be regarded more as a set of dilemmas to be “lived with”, rather than as a set of problems to be “solved” (McGrath, 1982, p. 69).

The studies of the thesis are designed to gain information about basic assumptions by multiple means and several methodological

probes that are supposed to compensate for one another's weaknesses. A more thorough analysis of each study's limitations is presented in the respective papers. Main limitations of the thesis as a whole are addressed in section 6.5. With reference to the overall design, one of its major strengths is the combination of qualitative and quantitative methods into a sequential exploratory framework. The exploratory design of the thesis incorporates several sequences of data collection, first gathering qualitative data to explore the phenomenon, then collecting quantitative data to describe issues found in the qualitative data (Creswell, Clark, Gutmann, & Hanson, 2003). This sequential layout of the design permitted collection of data from independent samples, and from different service contexts. One trade-off of this sequential design is that sample sizes tended to be small.

Another trade-off of the employed design is choosing between scope (the amount of potential information in the problem) and precision (the amount of reduction of noise) (McGrath, 1982). In other words, the trade-off is the amount of information or relationships that can be followed up in the subsequent studies. For instance, basic assumptions about competitors had to be omitted from study 3 and 4 due to limited time and resources of the researcher. On the one hand, it was always desirable to maximize standardization of elicitation methods or stimuli applied to participants, because such standardization would gain more precision by reducing noise. On the other hand, it was equally desirable to maximize the range of conditions over which a phenomenon had been tested, which is maximizing variance in samples, elicitation methods, stimuli applied because such heterogeneity would hopefully gain increased generalizability with regard to those varying properties. In each of the studies of the thesis this dilemma had to be approached individually, which is described in each respective paper.

A Table presented in the next chapter of the thesis encapsulates and depicts the state of theory and prior empirical research at the time the studies were conducted, the individual design for each study, and the studies' main contribution. In the next chapter, I will also briefly report on the results of each of the four studies.

6. Results

The overall aim of the thesis was to explore existing knowledge about basic assumptions in service management: to investigate employee basic assumptions in the service context; and, to study their influence on individual employee job outcomes. The aims of the thesis were explored by four studies. The results presented in this section are a summary of the results presented in the four papers which constitute the thesis. A more detailed presentation of the results can be found in the four papers. A short overview of the main theoretical and methodological contributions and relationships between the articles of the thesis are presented in Table 2.

Table 2. Theoretical and methodological relationships between the articles of the thesis.

	Thesis research on employee basic assumptions in service			
	Paper 1	Paper 2	Paper 3	Paper 4
State of theory and prior empirical research	Nascent	Nascent	Intermediate	Moderate
Type of study	Theoretical investigation	Qualitative empirical inquiry	Investigation of empirical relationships between new constructs and established constructs	Hypotheses testing, and relating existing constructs
Research questions	How can research on the construct of basic assumptions contribute to service management?	What are the main content domains of employee basic assumptions about customers, co-workers	What is the dimensionality of service employees' basic assumptions about customers and co-workers	Influence of assumptions about customers and co-workers on job performance and market-

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		and competitors in service enterprises?	and how do they relate to individual job outcomes?	oriented behaviors
Type of data collected	Qualitative, theoretical	Qualitative, empirical	Quantitative, empirical	Quantitative, empirical
Methods for collecting data	Literature review	Repertory grid and laddering interviews	Survey	Survey
Constructs and measures	Framing theoretical background for construct definition and assessment in the service context; No formal measures.	Eliciting and exploring basic assumptions as a new construct; No formal measures.	Developing scales to assess basic assumptions about customers and co-workers; Measures of individual job outcomes included in the investigation.	Investigating the relationships between different dimensions of basic assumptions, employee job performance, and market-oriented behaviors; Measures of market orientation, job performance included.
Goal of data analyses	Theory accumulation	Content identification	Preliminary or exploratory testing of new propositions and new constructs	Pattern identification, formal hypothesis testing
Data analysis methods	Content analysis	Thematic content analysis and	Exploratory statistics, confirmatory	Statistical inference, confirmatory

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		frequency counts	factor analysis	factor analysis, regression analysis
Main theoretical contribution	A framework for exploring the construct of basic assumptions empirically in the service context	A suggestive theory of seven content domains of service employees' basic assumptions	A provisional theory that integrates previously identified content of basic assumptions into a nomological network of constructs	A supported theory that adds specificity to the relationship between basic assumptions, market orientation, and job performance

In the following sections, the specific research questions, methods, results, and main conclusions of each of the four individual papers of the thesis are briefly addressed.

6.1. Paper 1. A framework for investigating basic assumptions in the service context

Paper 1 aimed at reviewing the available literature on basic assumptions, and developing a research framework for conceptualizing and assessing basic assumptions in the service context. Therefore, specific research questions of Paper 1 were to conduct a review of theoretical and empirical research on basic assumptions, to identify gaps in existing research on basic assumptions in relation to service management, to investigate the criteria the concept has to meet in order to be relevant for service management research and practice, and to come up with a framework to study assumptions in service enterprises.

A systematic literature review was conducted to identify and analyze conceptual and empirical research on the construct of basic assumptions. The findings presented in the review identified knowledge gaps in relation to two particular areas: the content of basic assumptions in service management; and the measurement of the construct in general; and, in particular, in service management. Based on the review, and in order to bring the construct closer to service

management research and practice, a new operationalization framework was proposed. First, a brief description of the content and the formation process of basic assumptions was given. Second, different conceptualizations of the construct's theoretical content were presented, and their use in contemporary research was briefly discussed. Third, the existing operationalizations of the basic assumptions construct were contrasted to the need of service management research and practice. Fourth, measurement and the level-of-analysis issues were addressed. Fifth, a framework for assessment of basic assumptions in service management was presented.

The findings pointed out a few conceptual and methodological issues that are central to our understanding of the construct of basic assumptions and its assessment. Conceptually, the results of the study identify the importance of assessing basic assumptions of service employees in relation to people who are involved in service interactions and service production: customers, co-workers, competitors. Methodologically, the results suggest starting the investigation of basic assumptions about customers, co-workers and competitors by applying explorative qualitative techniques of repertory grid and laddering. Then, using qualitative data obtained during the first explorative stage of the investigation to develop a measurement instrument to assess basic assumptions of service employees in larger samples. Overall, the findings of the study stress the importance of basic assumptions to service management.

6.2. Paper 2. Exploring the content domains of basic assumptions about customers, co-workers and competitors

Paper 2 aimed at eliciting the empirical content of basic assumptions with respect to three areas of the service context: customers, co-workers, and competitors. Specific methods of study 2 were elicitation interviews in which basic assumptions were elicited by means of repertory grid and laddering. Seven major dimensions – predictability, affect, control, responsibility, competence, communication, and ethics – emerged as a result of content analysis of the elicited constructs. Although each of the seven categories of the basic assumptions is valid for both customers, co-workers and competitors, they do not need to be

equally vital for all areas. To effectively explore the relative proximity of basic assumptions to the three topics under investigation, a frequency count of all the elicited constructs was performed. The findings suggest that assumptions about predictability, control, and affect were more central in relation to customers; assumptions about responsibility and competence were more central in relation to co-workers; and assumptions about ethics were more central in relation to competitors. The empirical findings were used to develop a model of the basic assumptions in service management. The model depicts seven dimensions or domains of basic assumptions, each of which collects two or more basic issues which in turn includes two or more options, that is, positions that a person may take on the topic. The results of the study provide a starting point for understanding the nature of employee basic assumptions in service firms.

6.3. Paper 3. The dimensionality of basic assumptions and how different dimensions relate to employee job outcomes

Paper 3 aimed at testing the dimensionality of basic assumptions empirically and validating the construct in the service context. Specifically, a measure of employee basic assumptions about guests and co-workers in the service industry was developed and initially validated. Data were collected from two independent samples using self-administrated questionnaires and analysed using correlation and reliability analyses, exploratory and confirmatory factor analyses (in SPSS and Lisrel, respectively), and one-way ANOVA. The analyses indicated two dimensions of basic assumptions about customers, control and affect. Assumptions about co-workers also consisted of two main dimensions termed responsibility and competence. The results showed that assumptions about customer control positively correlated with subjective job performance; assumptions about customer affect and co-worker competence positively correlated with organizational commitment and job satisfaction; and assumptions about co-worker responsibility positively correlated with intentions to stay with the organization. The basic assumptions measurement scales developed in this study provide important information for service managers in terms

of measuring and understanding implicit employee assumptions about customers and co-workers in service settings.

6.4. Paper 4. Influence of basic assumptions on employees' subjective job performance and market-oriented behaviors.

Paper 4 aimed at investigating how basic assumptions about customers and co-workers relate to service employees' job performance and market-oriented behaviors. The hotel industry was chosen as the sampling frame for the study. The sample of 241 hotel employees was drawn from a pool of different hotels representing seven major hotel chains located in Norway. Data were collected by a combination of a pen-and-pencil questionnaire and an online survey. Data were analyzed using confirmatory factor analysis, reliability analysis, and regression analysis. The results showed that employee job performance toward customers was positively associated with basic assumption about customer control and basic assumption about co-worker competence. The findings also demonstrated that the intelligence generation behaviors of service employees were negatively associated with customer control assumption, and positively associated with co-worker competence assumption. Dissemination of customer intelligence among co-workers was positively correlated with co-worker competence assumption, and responsiveness to customer intelligence was positively associated with customer affect assumption and co-worker competence assumptions, and negatively associated with customer control assumption. The findings of the study suggest that basic assumptions about customers and co-workers are an important factor in understanding market-oriented behaviors of service employees and their job performance toward customers.

7. Discussion and implications

This thesis has explored the concept of basic assumptions in service management, theoretically and empirically, with the purpose of obtaining more insight into its application as a management tool in the service context and its functional role in service research and management. The focus of the discussion will be on the most important findings of the studies, on the strengths and limitations of the thesis, and on possible future application of the findings to theory as well as practice of service management. Further details on the results of each respective study, can be found in the Papers herein.

The results of the four studies suggest that (a) basic assumptions of service employees can be studied in relation to customers, co-workers and competitors, because these three groups represent the main domains of the service system; (b) service employees' basic assumptions about customers, co-workers and competitors include seven thematically broad categories (predictability, control, affect, responsibility, competence, communication and ethics), some of which (predictability, control, affect) are more proximal in relation to customers, while others (responsibility, competence, communication) are more proximal in relation to co-workers or competitors (ethics); (c) several dimensions of basic assumptions about customers and co-workers are significantly associated with employee job outcomes. In the following sections, I will briefly highlight the main findings.

7.1. Conceptualizing basic assumptions of service workers: focus on customers, co-workers, competitors

The overarching aim of the thesis is to expand the existing knowledge about the conceptualization and measurement of the basic assumptions construct in the service context. As knowledge development depends on theory construction (Bagozzi, 1984), close attention is paid to initial theory formation, particularly the structural aspects of content construction and the linkages between empirical and conceptual domains, in this thesis. One of the major findings of this thesis is the framework outlined in study 1. The framework brings attention to three particular content areas of service management related to customers

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(product), co-workers (operations) and competitors (market), and creates linkages between these conceptual areas, and methodological considerations for operationalization of the construct. Substantially, the framework draws attention to participants of service encounters: customer, co-workers, and competitors. Why is it important to investigate basic assumptions in relation to these three parts of service management? Customers, co-workers and competitors impersonate the three domains of the total service system (Laws, 2006). The service sector is by nature very heterogeneous and incorporates very different operations (Mattsson, 1994). Nevertheless, services are normally delivering benefits to consumers by a system during a process that involves the customer as a co-producer. The service system (cf. systems theory) can be described as containing a front-stage service delivery where the product is delivered to the customer; service operations where inputs are processed and the elements of the service product are created by service employees, and service marketing, which embraces points of contact with competitors, customers, other service suppliers, and the market. In service systems, the users enter the system as inputs, bringing their wants and needs with them (Cusins, 1994), and are themselves transformed in some way. Thus, both customers and other suppliers can become an important part of the total service system.

From the service supplier perspective, creating value for the customers means providing customers with a foundation for their value creation in the form of resources: human (e.g., the skills and knowledge of individual employees), organizational (e.g., routines, competences), informational (e.g., knowledge about market segments, competitors, technology), and relational (e.g., relationships with competitors, suppliers other customers) (Madhavaram & Hunt, 2008). The findings of the thesis suggest that different service employees might have different basic assumptions about customers and that these assumptions might affect the amount of actual customer participation (or co-production) in creating value. The findings of the thesis also indicate that different service employees might have different basic assumptions about co-workers, which might possibly affect the foundation of customer value-creation, that is, allocation of resources. The service logic approach to management reflects that gaining insight into service employees' basic assumptions about customers, employees and

competitors can improve our understanding of the value creation process in service management.

7.2. Content of basic assumptions about customers and co-workers in service

One of the main findings of the thesis is the content of employee basic assumptions in the service context. The results of study 2 suggest that basic assumptions about customers, co-workers and competitors in service management can be depicted through seven broad categories: control, predictability, affect, responsibility, competence, communication, and ethics. The findings of study 2 also propose that some categories were activated more frequently in relation to customers (control, predictability, affect), others in relation to co-workers (competence, responsibility, communication), and some in relation to competitors (ethics). These findings are further complemented by findings from study 3. The results of study 3 propose two dimensions for basic assumptions about customers (customer control assumption and customer affect assumption), and two dimensions for co-worker assumptions (co-worker competence and co-worker responsibility assumption).

However, a question that is necessary to address in relation to the findings of study 2 and 3, is why *these* categories or dimensions appear to be so important for *service* employees? Several theoretical approaches can be helpful in explaining and discussing this contribution of the thesis. The “service as theater” metaphor (Grove and Fisk, 1992) can be applied to the findings. Studying the elicited dimensions from the standpoint of service performance reveals that categories of control, predictability and affect reflect the front-stage part of the service production, that is the performance of service in front of and together with the customer.

Grove and Fisk (1992) indicated that any performance, including a service performance, involves emotion activation. Emotion activation is facilitated through engagement in the part, which involves affect and displaying emotions. Based on the extent of emotions performers are enacting, performances can be more or less sincere. At the same time, the issues of control and predictability are highly relevant for parts of the production in which employees perform

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together with customers. For instance, Grove and Fisk mention that in some services customers are much more “in control” of the performance than in others (e.g., cyberspace service product vs. regular hotel stay). Hence employees’ desire to control the uncontrollable and predict the unpredictable can be seen as a desire to choreograph and direct a credible performance.

The elicited categories of responsibility, competence and communication tap into the back-stage part of the service performance which takes place behind the scenes and involves other co-workers. Most services are the result of several workers performing various tasks. These workers may operate in full view of the customer (the *cast*), or be among those who are instrumental to the service delivery yet are seldom seen (Grove & Fisk, 1992). All employees in the production of services engage in creation and maintenance of a service performance.

Responsibility of employees can be reflected in their discipline regarding the performance. Discipline means that all performers of service are obliged to learn their parts (i.e., role scripts) and guard against mistakes that might destroy the performance for customers. Moreover, employees’ competence can be reflected in the level of circumspection regarding the performance. Circumspection means that the actors need to plan in advance how best to stage the show. In other words, a responsible service employee does not allow some extraneous factors (e.g., personal problems) to interfere with the performance, and takes the responsibility for self learning or training. A competent service employee knows what it takes to be credible in the service role.

The ethics category reflects service employees’ concerns about the internal knowledge and specific rules of back-stage production processes that should not be revealed to customers. Grove and Fisk propose that loyalty, regarding the service performance in particular, is something that is important for all involved in a service production. Loyalty means that the actors accept the importance of the performance and avoid disclosing secrets regarding its enactment to the audience or others not directly involved in the production. Especially frightening is the possibility that others (e.g., competitors) with first-hand knowledge of the production will disclose this information to customers.

7.3. Influence of basic assumptions about customers and co-workers on employee performance

The results of the thesis suggest that basic assumptions about customers and co-workers are related to individual service employees' job outcomes. The findings of study 3 indicate that basic assumptions about customer control is positively correlated with subjective job performance, basic assumptions about customer affect and co-worker competence are positively associated with organizational commitment and job satisfaction, and basic assumption about co-worker responsibility is positively correlated with intentions to stay with the organization. Moreover, the findings of study 4 show that market-oriented behaviors of service employees (intelligence generation, intelligence dissemination and responsiveness) as well as subjective job performance are significantly associated with basic assumptions about customers and co-workers. Intelligence generation was negatively correlated with customer control assumption and positively associated with co-worker competence assumption, intelligence dissemination was positively correlated with co-worker competence assumption, and responsiveness was negatively associated with customer control assumption and positively associated with assumptions about customer affect and co-worker competence.

The findings of study 3 and study 4 indicate that the basic assumption about customer control (i.e., belief about the need for customer control and high predictability of service interaction) appears to be positively correlated with employees' own evaluation of job performance toward customers, but turns out to produce negative associations with other customer-related behavior, that is, intelligence generation and responsiveness. As Grönroos (2008) pointed out, the challenge for service managers is to design a service production system that maximizes customers' judgements that the service experiences are satisfying, combined with efficiency in the use of resources needed in delivering the service. One strategy which service managers often adopt in their search for consistent service is to eliminate employee discretion and judgement whenever possible (Laws, 1999). This approach to service design relies on the specification of tasks to a standard of performance required by management, thereby providing a basis for measuring the effectiveness of staff performing services.

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Increased standardization and control implies a reduction in the discretion allowed to individual employees, although it contradicts customers' expectations of being treated as individuals, with needs which may vary during the many events of which a service is composed. Efficiency goals may clarify performance targets for staff, thus making it easier for them to perform well, but can conflict with the customers' expectations of a warm, friendly and customized service (Grönroos, 2008). The second approach discussed by Grönroos is fitness for use, that is, decreased control over the customer for the benefit of experience co-creation. Pine and Gilmore (1999) also argued that creating a service experience is about engaging customers. An experience may engage customers on a number of dimensions, one of the most common being the level of customer participation.

The findings of the thesis suggest that basic assumption about customer affect (i.e., belief that display of emotions and feelings in front of customers is a part of service work) are positively associated with organizational commitment, job satisfaction, and responsiveness to customers' needs and wants. According to Lazarus (1991), emotions are a reflection of a person's appraisal of their environment. Empirical studies in the service field have earlier demonstrated that emotional reflections are important to employee-perceived service quality (e.g., Slåtten, 2010). The findings of this thesis show that basic assumptions about customer affect are reflected in employees' satisfaction with their own job, their feelings toward the organization they work for, and even the degree of their responsiveness to customer demands.

Gummesson (1991) discussed the importance of developing market orientation among service employees through his discussion of part-time marketers, as distinct from full-time marketers, who conduct such activities within the marketing department. Gummesson (1991) contended that a key restraint on the development of market orientation within an organization is derived from a view that market-oriented behaviors are reserved for full-time marketers rather than regular employees. The findings of the thesis suggest that regular employees who believe that co-worker competence is essential to service co-creation also engage in the full range of market-oriented behaviors: they gather information from customers, disseminate it within the organization, and respond to customer feedback.

7.4. Strengths and limitations of the thesis

There are five major strengths of this thesis. First, this thesis is the first to apply rich empirical data collected in the service context to designing a scale to assess basic assumptions of organizational members for service job employment. The scales were developed and validated for use in service organizations, on people in their professional role as employees and in their professional relations with customers and colleagues. Second, to explore the empirical content of basic assumptions, traditional elicitation techniques were applied in a new context, the hospitality industry. Third, empirical data was gathered from four different samples with a total number of 598 participants, where all participants were employed in service industries. Fourth, obtaining data sequentially from different subjects provided an opportunity to follow Churchill's validation framework rigorously, and thus obtain a stronger validity test. Fifth, scales were empirically tested in two different contexts of service provision, that is, finance and hospitality sectors.

Although there are strengths, there are also limitations to this thesis which must be considered when assessing the overall contribution. Individual limitations of each of the four studies are addressed in the respective papers. In the following section, I will briefly address general limitations of the thesis as a whole.

First, a general limitation of this thesis is related to the content of basic assumptions in service settings. The studies of the thesis employed two elicitation techniques (repertory grid and laddering) to elicit empirical content of basic assumptions about customer, co-workers and competitors. In the literature, it has been generally assumed that different elicitation techniques might tap into different types of knowledge, a so-called *differential access hypothesis* (Hoffmann, 1992). This leaves a possibility that there are additional areas of content that could not be revealed by the techniques applied in the study. This gives researchers a motivation to develop new ways of discovering content in future studies.

A second general limitation of this thesis lies in the need to establish a broader nomological network for the construct of basic assumptions in service management. This means that basic assumptions could be studied in relation to other important variables. In the studies contained within the thesis, self-reported measures of employee

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performance and market-oriented behavior were used due to the limited time and resources of the researcher. However, other objective measures of employee performance (e.g., employer evaluations) and customer-oriented behavior (e.g., customer evaluations) would further validate the measurement of the construct.

Third, the studies featured in the thesis did not address the collective employee assumptions, that is, assumptions aggregated to a level of a group, department, or organizations. Aggregating basic assumptions of employees within a group or a collective would give the researcher an opportunity to investigate the relationship between these collective assumptions and performance of the corresponding unit – a group, department, or organization.

Fourth, the studies of the thesis did not assess the antecedents of basic assumptions, nor did they investigate interactional effects between basic assumptions and potential moderator or mediator variables. This is an important part of establishing nomological validity of a construct. Among possible antecedents of employee basic assumptions the literature points out personality type, cognitive abilities, and other types of assumptions (e.g., implicit personality theories).

Fifth, the basic assumptions along with outcome variables are assessed on cross-sectional data, thus reducing the causal evidence of the research. Therefore, the investigated relationships can only be referred to as associations or correlations, because cross-sectional data give researchers less opportunity to establish the direction of causality (Newman, Ridenour, Newman, & DeMarco, 2003). While it is not possible to show a complete causal relationship, correlational design of the studies can support an impact (or fail to support it) in accounting for variance in a dependent variable (cf. weak causation by Hicks, 1984). In addition, criterion measures are limited to a common method involving the use of same method and questionnaire. Common method variance – a variance that is attributable to the measurement method rather than to the constructs the measures represent – should be considered as a threat to validity because it is one of the main sources of measurement error, both random and systematic (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Among sources of common method bias in the data, researchers mention social desirability, a tendency of individuals to present themselves in a favorable light

(Ganster, Hennessey, & Luthans, 1983). Although measures for social desirability were considered for the use in the studies of the thesis, the length of the questionnaires both in study 3 and 4 did not give much room for additional measures. Due to the nature of the inquiries, obtaining measures of the basic assumptions about customers and co-workers from the same source was necessary, because obtaining these data from alternative sources (e.g., archives, other people) was not possible. But because data collection was executed in several takes, some remedies for the common method variance were possible to implement. Following the advice of Podsakoff et al. (2003), the measures of predictors and criterion variables were visually separated in both pen-and-pencil and computer-based questionnaires, thus attempting to proximally differentiate predictor and criterion measures.

The limitations of the thesis suggest some directions for future research which are addressed in the next section.

7.5. Theoretical implications and directions for future research

This thesis has examined an under-researched area in the literature by exploring the concept of basic assumptions in service management. Several research streams within social cognition (e.g., implicit theories, implicit personality theory, implicit leadership theory) have pointed out the importance of basic assumptions for the psyche of individuals in general, and employee functioning in particular. Despite growing interest in the field, the conceptual and empirical content of basic assumptions in service management and their influence on employee job outcomes remained under-researched until now. The findings of this thesis advance the theory of basic assumptions by investigating the content of basic assumptions in service, and suggesting the importance of basic assumptions for service employees' behavior and performance.

Although findings of this thesis answer some important questions regarding basic assumptions in the service context, they also suggest numerous areas for inquiry. Future directions for research include the following: cross-validation of the findings in other service sectors (focus on content), source of basic assumptions (focus on antecedents), change of basic assumptions (focus on mediating and moderation relationships), and influence of basic assumptions on

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important individual and organizational outcomes (focus on consequences).

Future studies should cross-validate the present findings and further explore the role of basic assumptions within the organizational contexts of different service firms. In addition, researchers should attempt to employ other elicitation techniques to tap basic assumptions of service employees. Also, basic assumptions about competitors should be further explored in future studies, as they might represent an importance source of information about service employee behavior toward not only competitors, but also customers and co-workers.

An interesting question to be addressed in future studies concerns the source of basic assumptions about customers and co-workers. It can be generally theorized that basic assumptions about customers and co-workers develop from experience with customers and co-workers. However, prior research on, for example, implicit leadership theories has pointed out that an individual's personality may influence the type of knowledge one initially possesses, situation one selects, or the type of experiences that one notices and stores in memory (Lord, Brown, Harvey, & Hall, 2001). Further research is therefore required to study relationships between individual differences in personality and cognitive abilities and basic assumptions about customers, co-workers and competitors.

Additional insights could be gained by incorporating basic assumptions as part of investigations on organizational socialization processes (Harpaz, Honig, & Coetsier, 2002). Within this context, the role of preexisting knowledge structures and past experiences in the socialization process has been generally acknowledged (e.g., Jones, 1983). Individual basic assumptions as preexisting cognitive structures about customers and co-workers can potentially have a significant impact on the early interaction between service workers and later socialization processes. Although the findings of this thesis indicated that employees with different tenure had similar basic assumptions, it would be hard to ignore the possibility that a person's assumptions develop and change more dramatically in the very early stages of one's professional career and through a person's interactions with different customers and co-workers within that critical period, something that the data of this thesis could not adequately capture. Therefore, a future study examining basic assumptions development in people who have

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just started their professional life could offer additional insights in that direction. Next, future studies should investigate how basic assumptions about customers, co-workers and competitors vary across different units of service organizations (front line employees vs. back-stage staff), or different “communities of practice” (e.g., chefs vs. waiters).

Given that basic assumptions about customers and co-workers are based on socialization and prior experiences, one could reasonably assume that a person’s basic assumptions are likely to change as a function of his or her experiences with customers and co-workers and according to organizational socialization processes. This proposition has never been tested empirically. Based on the previous literature, two different research approaches can be outlined.

First, prior research (Labianca, Gray, & Brass, 2000) has suggested that once knowledge structures are established, they tend to endure and are resistant to change, even when disconfirming information is presented. Labianca et al. (2000) proposed that a change can occur through mainly a dialectic process of conflict between old and new knowledge structures after organizational members have undergone experiences or have received information that made them question the validity or utility of existing knowledge structures. Future longitudinal research can explore the process of change in basic assumptions, and the validity of the schema stability hypothesis (Hochwalder, 1995). In line with Epitropaki and Martin (2004), future studies can measure basic assumptions at several time points (e.g., across a 10-year period) and employ for example latent growth modeling techniques which could potentially unfold the developmental process of the basic assumptions across time. Furthermore, studies using an experimental or quasi-experimental design that would take measurements of basic assumptions before and after a planned intervention aiming at a customer or co-worker schema change, could explore in more depth the proposition that cognitive schemas remain stable unless a dramatic alteration of the information environment forces them to change (cf. Mikkelsen & Einarsen, 2002).

Another approach is based on recent connectionist models (cf. Brown & Lord, 2001) which imply that knowledge structures change as a function of the context within which an employee operates, and the job he or she actually performs. Further research should test whether a

change in basic assumptions occur when the context changes. In addition, although the results of this thesis suggest that the structure of basic assumptions do not differ substantially between employees from different departments or occupations, it might be interesting to see whether other types of basic assumptions differ across different contexts and jobs within the service industry (e.g. front-line vs. back-stage; low vs. high contact services).

Previous research on implicit person theory suggests that implicit assumptions influence employees' judgement of others, their willingness to develop and help others, and their inclination to seek others' input (Heslin, Latham, & Vandewalle, 2005). Based on this proposition, it is reasonable to suggest that future research should look into how basic assumptions about customers, co-workers, and competitors relate to service employees' willingness to help others - customers (e.g., in terms of customization of a product or complain handling), co-workers (e.g., in terms of training or competence sharing), or competitors (e.g., in terms of solving supply problems).

7.6. Implications for management

There are several important implications of this thesis for service management practice. First, the empirical studies of this thesis illustrate that differences in assumptions exist, and that they can influence employee job performance and customer-related as well as co-worker-related behavior. Understanding basic assumptions of industry employees may then be important information for selecting and later managing employees.

Training, motivation, empowerment are standard techniques for influencing employee performance, but traditional thinking also assumes that personality characteristics are critical, and that selection of the best-suited recruits is vital for service quality. The studies of the thesis indicate that the basic assumptions employees have may be an important factor for their attitudes and performance toward customers. Knowledge about service employees' basic assumptions can raise leaders' awareness about putting selective emphasis on certain existing basic assumptions, as well as purposefully creating new basic assumptions through socialization of a new work force and selection processes (cf. Lord & Maher, 1993; Schneider, 1991). Emphasizing some existing basic assumptions might be used by top-level leaders to

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refocus a service enterprise, for example. Through socialization and selection of new members (recruiting practices), leaders may attempt to change or alter existing basic assumptions of a group of employees or executives. This instance is particularly likely to occur during reorientations when new management teams or new employees are brought in to create a fresh approach.

Another practical implication is that basic assumptions can be a source of error and bias as well as a means of efficiently processing information or coordinating activities. Thus, basic assumptions that improve how employees operate can also lead to mistakes when interpretations are inaccurate. Furthermore, those assumptions which are beneficial during one stage of an organization's life cycle may limit top management's ability to make strategic adjustments in other stages of that life cycle. Knowledge about basic assumptions of employees is therefore crucial for leaders to obtain and understand in order to manage employees effectively.

8. Concluding remarks

In summary, the findings of the thesis point to the importance of conceptualizing the construct of basic assumptions of service employees as a multidimensional construct, and to the necessity for the measurement instrument to reflect the various domains of the construct (e.g., customer and co-worker related). The main conclusion of this thesis is that basic assumptions about customers and co-workers are a viable and important construct for service management research and practice. Basic assumptions about customers and co-workers are important to identify due to their significant associations with employee job outcomes and behavior.

By generating knowledge about basic assumptions in the service context, the findings from this thesis can help improve and strengthen the theory in the field. Furthermore, by designing a framework for investigating basic assumptions in the service context, the thesis may contribute to the development of an assessment approach directed at basic assumptions. The thesis also give readers a brief introduction into the application of repertory grid and laddering methodology in service settings that can be used for designing future studies in service management.

The thesis contributes to the study of basic assumptions at theoretical and empirical levels. Paper 1 suggests conceptually important domains in which basic assumptions should be empirically explored, and methods for identifying basic assumptions in service management. Paper 2 identifies the taxonomy of basic assumptions for the service context. Paper 3 demonstrates that assessment of basic assumptions in service management work productively through looking at the dimensions of customer affect and customer control, as well as co-worker responsibility and co-worker competence. Accounting for these dimensions is a novel contribution of this thesis. Finally, findings from Paper 4 further demonstrate that different dimensions of basic assumptions about customers and co-workers in service are significantly correlated with employee job performance and behavior toward customers and co-workers. In general, the thesis has confirmed the understanding of the construct as being comprised of several

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dimensions, and applied existing theories to understand the possible interrelations between the dimensions and outcome variables.

Altogether, this thesis makes a substantive and original contribution to theory. Essentially, this thesis places the construct of basic assumptions and its manifest indicators in a service management framework. The thesis explains how basic assumptions are systemized in the service context, and how different dimensions of basic assumptions are related to some important outcome variables. This thesis extends previous theoretical work into an area which is under-researched, that is, conceptualization and assessment of basic assumptions of service employees regarding customers and co-workers.

All things considered, these findings may have important implications for practitioners, for future research on the construct, and for our general understanding of basic assumptions in service management.

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Part II

Papers

Paper 1

Gjerald, O., & Øgaard, T. (2008). Why should hospitality management focus more on the construct of basic assumptions? A review and research agenda. *Scandinavian Journal of Hospitality and Tourism*, 8(4), 294-316.

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Why should Hospitality Management Focus more on the Construct of Basic Assumptions? A Review and Research Agenda

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ABSTRACT *Over the years, hospitality research has accumulated a massive literature on social cognition from the perspective of guests, leaving the field of employee cognition an understudied area of research. The construct of basic assumptions has been appointed in the literature as a potent alternative to study employee cognition at individual as well as aggregated level. However, the investigation of the construct from the perspective of hospitality management research and practice has been scarce. The purpose of the article is to present a systematic review of theoretical and empirical literature on the construct and address its potential for understanding and implementing management of employee cognition in hospitality enterprises. Our results reveal that the construct has been employed empirically in several research directions, but no articles in relation to hospitality or management were identified. Based on the literature review and analysis, this article discusses three issues that are central to our understanding of the construct (i.e. structure and functioning of basic assumptions, their formation, and level of analysis) and identifies two criteria the construct has to meet in order to be applied in hospitality research and practice, i.e. relevant content and proper assessment. The potential implications for tourism research and practice are drawn, and future research directions are suggested.*

KEY WORDS: Basic assumptions, hospitality management, host-guest encounter, organizational culture, employee cognition

Introduction

Several organizational researchers (Schein, 2005) have pointed out that organizational employees develop basic assumptions about important aspects of their work environment and that these assumptions influence behaviour at work.

Basic assumptions are described in the literature as tacit beliefs that exist in long-term memory, and guide information processing and behaviour in various domains

(Lord & Maher, 1993). In the broadest sense, basic assumptions are the interpretive lens one uses to approach and understand reality and one's existence within it. A person's assumptions define what can be known in the environment, and how it can be known; it defines what can be accomplished, and how. In addition to defining what goals *can* be sought in life, basic assumptions define what goals *should* be pursued. Basic assumptions also define what types of behaviour and relationships are proper or improper (Koltko-Rivera, 2000). In the organizational context, basic assumptions constitute a company's "theory of the business": they shape employee behaviour, dictate decisions about what to do and what not to do, and define what the management considers meaningful results (Drucker, 2006).

Every organizational intervention or management practice – be it a form of incentive compensation, performance management system, or a set of measurement practices – necessarily relies on some implicit model of human behaviour containing a set of basic assumptions. This is why recent advancements in human resource literature offer a strong argument that being able to diagnose and sometimes change employees' basic assumptions about the business is of critical importance for organizational performance and success (Roehling et al., 2005). Basic assumptions shape the way employees in the organization perceive reality (Choo, 1998), and represent a powerful source of employee guidance during the interaction when no other support in form of rules, practices or goals is available (Schein, 2004). Management researchers (e.g. Pfeffer, 2005) further argue that (a) success or failure of an enterprise is determined, in part, by basic assumptions of employees or ways of viewing people and organizations, and (b) in order to change practices and interventions, employee basic assumptions must inevitably be an important focus of attention. However, while the concept of basic assumptions has been discussed in both the managerial (e.g. Barr, Stimpert, & Huff, 1992) and general cognition literature for more than a century, employees' basic assumptions remain overlooked in hospitality management.

The concept dates back to the early work of Nietzsche on "Approaches to life" (1872/1956), "Weltanschauungen" by Freud (1933), "philosophy of life" by Jung (1954), as well as Pepper's (1942) taxonomy of four "world hypotheses". Among the authors who have addressed the issue of basic assumptions throughout the years, are, Kelly and his "Personal constructs" (1955), Royce's "Four approaches to knowledge of reality" (1964), Maslow's "World outlooks" (1970), Coan's "Basic assumptions" model (1974), Sue's "Fourfold loci model" (1978), and several others (Koltko-Rivera, 2004). Basic assumptions as an aggregate have been studied within the framework of social psychology (e.g. "basic assumptions group" by Bion, 1961) and social anthropology (e.g. "human thought orientation" by Kluckhohn, 1951).

In hospitality research, several studies point out basic assumptions as a possible predictor of the quality of hospitality product delivered by the employees, and working conditions at a hospitality venue. Basic assumptions about the nature of work in the hospitality industry seem to have an impact on the occurrence of bullying behaviour in restaurants (Mathisen, Einarsen, & Mykletun, 2008), and employee harassment and mistreatment in the hotel sector (Powell & Watson, 2006). Basic assumptions about the appropriate leadership style (Pittaway, Carmouche, & Chell, 1998) and the nature of host-guest interaction (Guerrier &

Adib, 2000) influence employee behaviour during the service encounter; while basic assumptions about own company (Palmer & Lundberg, 1995) may have effect on employees' strategic and marketing planning.

In the field of hospitality research there has been a growing awareness of the need to broaden our understanding of factors that influence employee assumptions about the nature of hospitality work, co-workers, customers and competitors. Recent research shows that poor employee dedication to hospitality leads to high employee turnover, which in turn, causes high labour costs. Poor pro-social behaviour of hospitality employees causes poor quality of guest service. Therefore, counter-productive assumptions have in fact negative impact on the bottom line of the hospitality organizations (Gill & Mathur, 2007). In addition, previous research suggested that in the hospitality sector, traditional management approaches, either behaviour based (i.e. rules and control of rule abidance) or outcome based (i.e. goals and measurement of goal achievement) might become inadequate in influencing employee behaviour (Øgaard, Larsen, & Marnburg, 2005). This is because unpredictability and the complex nature of guest-employee interactions make it difficult to either plan service deliveries in detail or control the employees' behaviour, while the complex nature of tourism services often renders a simple and comprehensive goal structure impractical. A powerful means of directing employee behaviours in hospitality organizations is to rely on social control mechanisms, such as organizational culture and its assumptions (Kusluvan & Karamustafa, 2003).

Although the importance of basic assumptions for hospitality management has been pointed out in recent studies, few researchers have made attempts to operationalize and assess the construct. To be able to challenge the counter-productive assumptions and foster productive assumptions in the enterprise, managers need proper tools to assess the construct in the hospitality settings.

In this article, we make an attempt to review the construct from the perspective of hospitality management, analyze construct's theoretical underpinnings in order to develop a framework for proper assessment of basic assumptions in the hospitality enterprises, a framework which is both grounded in previous research and takes into consideration the specifics of hospitality management. To our knowledge, this is the first review relating the construct of basic assumptions to hospitality management. The aims of the review are supported by the following review objectives: (1) specify the construct's structure and its functioning, content and dimensionality, present an analysis of dimensions, and their use in research; (2) describe the formation of assumptions; (3) approach the issues of construct's level of analysis; (4) compare the existing research on basic assumptions to the need of hospitality research; and (5) illuminate factors that can improve its future application in hospitality management. In the next paragraphs, we specify our methodological choices and procedures of conducting this review. Then, we present a theoretical review and analysis of central themes in relation to the construct and specify the requirements that the construct has to meet in order to be applied in hospitality management. Further, we examine the existing empirical research applying the construct of basic assumptions, take a brief look at existing psychometric instruments and suggest some links to hospitality management research. Finally, we discuss the issues of assumptions assessment and propose a measurement framework tailored for the hospitality sector.

Method

A systematic research review was conducted to identify and analyze conceptual and empirical research on the construct of basic assumptions. The process of conducting systematic review involved the stages of problem identification, literature search, data evaluation, data analysis and discussion of results (Cooper, 1998). In the initial stage of the investigation, the construct of interest (e.g. basic assumptions), the sampling frame (e.g. criteria for search, evaluation and inclusion), and eligible primary sources were defined. A comprehensive literature search was then carried out, combining a computer-assisted search in the electronic databases and analysis of reference lists of retrieved reports. All data were evaluated and analysed according to the criteria specified in the subsequent paragraphs.

The sampling frame was based on the following criteria. Only scientific sources were used in the search. For electronic sources, all references listed from January 1987 up to January 2007 were included in the search. The following keywords – alone or in combination – were applied to search cross-disciplinary electronic databases (i.e. ISI Web of Science, FirstSearch, HTI, ScienceDirect, and The PsycInfo): “basic, cultural, collective, shared organizational assumptions”; “organizational culture”, “shared, collective cognition”, “tourism”, “hospitality”.

The following inclusion criteria were applied in the subsequent analysis of all data: (i) published in English; (ii) focusing on the construct of basic assumptions from a theoretical or empirical perspective; (iii) addressing the definition of the construct with a reference to corresponding constructs and content; and (iv) focusing on basic assumptions at explicitly specified level of analysis (individual, group, organization, or culture). In examining empirical studies, we particularly categorized existing research along three dimensions: the sector(s) in which research was conducted and its field of application; the research design (based on a distinction between cross-sectional, longitudinal, experimental, or case study); and whether the findings could be used to advance the wider application of basic assumptions in hospitality research. Psychometrical measures which were to be considered for the review, had to meet the additional criteria: (a) The aim of the instrument must be to assess basic assumptions; (b) the instrument must be available for research as well as management; and (c) the instrument must have been described in an international refereed journal.

In total, more than 2100 different sources (i.e. abstracts, full text articles, books and book sections, theses, conference proceedings) were examined in order to identify major research contributions to the topic. The outcome of the search on “basic assumptions” revealed 983 abstracts including editorials, news, comments, as well as theoretical and empirical research articles with no relation to the construct. “Basic assumptions” in combination with “organizational culture” displayed only eight abstracts. “Basic assumptions” combined with “tourism” or “hospitality” revealed one hit which turned to be a false positive (e.g. had no relation to the construct of basic assumptions). Additional search on “collective”, “cultural” and “organizational” assumptions yielded respectively 251, 957 and 560 hits. A hand-search of relevant journals and significant references added to the data. When duplications and false positives were removed, the number of sources for analysis decreased to 90 in relation to the construct. The further selection was based on

thoroughly reading of the remaining abstracts to find sources focusing on theoretical approaches, employing the construct of basic assumptions empirically or illuminating factors that can contribute to the application of the construct in hospitality research. The final analysis included a total of 63 sources, whereas 38 offered a theoretical approach to the construct of basic assumptions, 13 offered an empirical investigation of the construct (Table 1), and remaining 12 reported on psychometric measurement issues of the construct.

Theoretical Review and Analysis

The analysis of the literature revealed certain conceptual issues that are central to our understanding of the construct of basic assumptions. First, are basic assumptions implicit or explicit? Second, what do basic assumptions actually comprise? Third, what is the relationship between individual assumptions and shared, collective assumptions? Fourth, how can assumptions be assessed in the hospitality industry? We discuss the issues sequentially in the following chapter and also consider their potential interactions and implications for the hospitality context.

Content, Structure, and Functioning of Basic Assumptions

Basic Assumptions: Implicit or Explicit. In the literature, basic assumptions are defined as an implicit, latent construct: (a) tacit beliefs (Dyer, 1985), (b) internal cognitive structures (Koltko-Rivera, 2000), (c) “secret coping devices” and “unquestioned perceptions of reality” (Ott, 1989), and (d) “the ultimate sources of values and action” (Schein, 1985). The distinction between tacit and explicit is argued to be based on the works of Polanyi (1967) who applied this dichotomy to describe different types of knowledge. Tacit knowledge is, according to Polanyi, a knowledge that people possess, but which is inexpressible. Explicit knowledge can be expressed in words and numbers, and is easily communicated in the form of hard data or codified procedures (Nonaka & Takeuchi, 1995).

Spender (1996) combined the tacit-explicit dichotomy with the individual – collective dichotomy to produce a two by two matrix with four generic types of knowledge. Examining social knowledge at the organizational level, it is possible to divide between *objectified* knowledge, which represents explicit group knowledge, e.g. formalized organizational routines. *Collective* knowledge on the other hand represents tacit group knowledge, knowledge possessed by a group that is not codified. Examples of this include shared systems of understanding, e.g. basic assumptions. Other researchers (e.g. Wilson, 2002) argue that the term “implicit”, not “tacit” should be used when discussing knowledge which is not normally expressed, but may be shared by others through common experiences or culture.

In the hospitality sector, much attention is traditionally given to the *objectified* knowledge in the enterprise (e.g. systems of rules and routines, operating procedures), leaving the knowledge about *implicit* structures of employees (e.g. basic assumptions about the working environment, guests and competitors) neglected or overlooked by the managers (Ingram, 1999). This can be explained by the fact that the hospitality industry often attracts employees with highly specific

Table 1. Empirical research on basic assumptions sorted by the nature of research problem and its potential application areas in hospitality research.

Description of research problem	Authors and publication date	Research design	Potential area of application in hospitality
How assumptions affect existing work practices and implementation of new practices	Schriber & Gutek (1987)	Survey ($n=529$)	Quality management: How do contrasting or incoherent assumptions hospitality employees have about guests affect the quality of the hospitality product delivered in collaboration with others? Information management: How do variations in basic assumption impact the way information is spread and knowledge is handled in the hospitality firm? How shared assumptions about hospitality work affect perceived work/family conflict and implementation of new work/family policies? Market & customer orientation: How do basic assumptions about guests affect marketing methods and customer service?
	Kekäle & Kekäle (1995)	Multiple case study ($n=6$)	
	Nahm et al. (2004)	Survey ($n=224$)	
	Caputi & Oades (2001)	Survey ($n=199$)	
How negative events cause alteration of existing assumptions	Perlow (1995)	Case study	Bullying and harassment: What are the patterns of assumptions that cause the occurrence of negative organizational practices at work? Risk management: How does variance in assumptions about hospitality interaction impact perceived level of interaction risk?
	Wendorff (2002)	Case study	
	Mikkelsen & Einarsen (2002)	Survey ($n=118$)	
How assumptions impact individual employee affective outcomes and subjective well-being	Bodvarsdottir & Elklit (2004)	Experimental ($n=150 \times 2$)	What impact do assumptions about co-workers have on job satisfaction or organizational commitment?
	Giesen-Bloo & Arntz (2005)	Experimental ($n=48$) ($n=21$)	
How to better predict group affiliation	Feist et al. (1995)	Longitudinal ($n=160$)	How do differences in basic assumptions among hospitality employees impact informal sub-group affiliations that exist in hospitality enterprises?
	Lion & Gruenfeld (1999)	Experimental ($n=76$)	
Are assumptions subjectable to negotiation and change?	Brannen & Salk (2000)	Qualitative interviews	Change management: How does the growing amount of the multicultural work force in hospitality firms impact negotiation of existing assumptions about the nature of hospitality work?
	Yauch & Steudel (2002)	Multiple case study ($n=2$)	

competences, and is also managed by managers with specific competences. Research on implicit structures of employees in the hospitality industry seems to have been “outperformed” by a considerable body of work dedicated to the objectified aspects of cultural structure in the hospitality organizations, such as design and organization of work roles (Guerrier & Deery, 1998), and organizational practices and their patterns (Øgaard, Marnburg, & Larsen, 2008). The lack of research on implicit structures of subjective employee knowledge makes it difficult to advance hospitality management beyond the level of operational (transactional) leadership to the level of transformational leadership (Pittaway et al., 1998). Among the issues which currently need to be addressed by the hospitality researchers, Brotherton (1999) highlights “parameters of the hospitality”: the hospitality product and the hospitality encounter in the market. In the following sections, we discuss how the construct of basic assumptions can be used to advance research on these essential hospitality parameters.

Content Debate: What do Assumptions Comprise? Closely related to the previous issue is the discussion about which concepts should be used to describe the level of functioning of assumptions. Some authors (e.g. Ott, 1989) suggest that basic assumptions consist of a combination of conative, affective and cognitive components (*ethical and moral codes of behaviour, ideologies, values and beliefs*). Others (e.g. Lord & Maher, 1993) only describe assumptions as cognitions (*schemas*). There seems to be most agreement, however, that the definition of basic assumptions should include at least references to both cognitive (beliefs, mental models, schemas) and affective (feeling, values, ideologies) elements (Sathe, 1985; Schein, 2004)

As noted earlier by several researchers (e.g. Ibrahim, Roysircar-Sodowsky, & Ohnishi, 2001), current conceptualizations of the construct either have overlapping dimensions, or have a completely different understanding of the concept. Particularistic models of the construct make it difficult for practitioners to concretely apply the construct in their work. In the following paragraphs, we focus on determining the overlap between the different conceptualizations so that identified common themes may be applied qualitatively for hospitality assessment.

Organicism and mechanism are the two dimensions that appear most in the literature sources (Holt, Barrengos, Vitalino, & Webb, 1984; Johnson, Howey, Reedy, Gribble, & Ortiz, 1989; Kramer, Kahlbaugh, & Goldston, 1992; Pepper, 1942). Organicism is represented by the assumption that the world is like a large, living organism and that persons and their environment affect each other. Mechanism, on the other hand, views the human beings and society as merely complex machines which can ultimately be understood in the same way as any other mechanism: once it's formed in a certain way, the human personality is set, and people are made by their environments. As Johnson et al. point out, organicism may often be associated with some positive qualities: humanitarian values, clear thinking, and positive personality traits. Mechanism, at least as defined in the current taxonomy, appears to have a negative cast to it. Mechanists seem prone to magical thinking and appear sometimes to be associated with passivity. The mechanism and organicism dimensions appear in other conceptualizations, but under different labels: e.g. organicism as dialectism and mechanism as formism in Kramer et al. (1992).

According to Kramer et al., a formistic assumption implies that reality consists of predetermined universal forms or types, so the person with formistic assumptions would seek to discover the essence of a phenomenon by identifying its universal type (Caputi & Oades, 2001). Relativism, or contextualism in Kramer et al.'s taxonomy, assumes that a person's behaviour is basically inconsistent. This is because each person is a unique, random mix of behaviours, so that he or she can be generous one moment and stingy the next. As such, there are many ways to view any phenomenon, depending on the context from which it emanates (Kramer, 1983 in Caputi & Oades, 2001).

Along with taxonomies that conceptualize assumptions from an epistemological point of view, researchers developed a number of conceptualizations that assess aspects of professional life, social organization and order, human relationships in general and self-concepts. Metaphorism is an assumption that considers cognitive processes to involve affective symbolizing by skilled professionals (e.g. "A good teacher is primarily one who has a sparkling entertaining style"), Rationalism by analysis and tests of logical consistency (e.g. "A good teacher is primarily one who helps his/her students develop their powers of reasoning"), and Empiricism by validation through sensory experience (e.g. "A good teacher is primarily one who is able to discover what works in class and is able to use it") (Royce & Mos, 1980). For example, Koltko-Rivera (2000) conceptualized assumptions as a six-dimensional construct, where *Mutability* refers to the possibility of changing human nature; *Agency* is the degree to which behaviour is chosen or determined; *Relation to authority* identifies hierarchical versus egalitarian partnerships; *Relation to group* assesses priority given to individual goals versus reference group goals; *Locus of responsibility* is described as perceived responsibility for the person's situation in life; and *Metaphysics* refers to the reality or unreality or a spiritual dimensions in life. In Janoff-Bulman's (1989) taxonomy, the *Benevolence of the world* dimension involves the extent to which people assume the world to be a good place (e.g. "The good things that happen in this world far outnumber the bad"). The *Benevolence of people* category represents assumptions about whether people are basically good, or bad. *Self-worth* (e.g., "I have a low opinion on myself"), *Self-controllability* (e.g. "I take the actions necessary to protect myself against misfortune"), and *Luck* (e.g. "I am basically a lucky person") are the assumptions about personal self and involve the extent to which people perceive themselves as good, moral individuals who engage in appropriate behaviours and consider themselves lucky. The assumption of *Controllability* (e.g. "When bad things happen, it is typically because people have not taken the necessary actions to protect themselves") is distinguished from the assumption of *Justice* (e.g. "Generally, people deserve what they get in this world") as a distributional principal, in that behaviours, rather than one's moral character, provide the primary basis for understanding why particular outcomes happen to particular people. *Randomness* (e.g. Bad events are distributed to people at random") is another assumption about distributional principle, which states a random distribution of any outcome.

Another contribution to the topic of basic assumptions is to be found in the early work of anthropologists (Kluckhohn, 1956; Kroeber & Kluckhohn, 1963). According to Kluckhohn's model, a person's cultural assumptions can be defined

by the answers given to questions in six basic areas, or orientations of human thought. This taxonomy was later adapted by Schein (1985) for organizational purposes, and is comprised by categories of assumptions concerning the following topics: *Nature of human nature* (assumptions which define what it means to be human and what human attributes are considered intrinsic and ultimate); *Nature of human activity* (assumptions about the appropriate level of activity or passivity); *Nature of human relationship* (assumptions about what is the right way for people to relate to each other, to distribute power); *Time orientation* (assumptions about the appropriate focus of one's activities – future, present or past, how space should be allocated and owned); and *Relationship to environment* (assumptions about appropriate relationship of people to nature).

Several researchers have reported that the need to further refine present conceptualizations of the construct is especially salient in the field of service management (Kekäle & Kekäle, 1995; Schriber & Gutek, 1987; Wendorff, 2002). The main argument for further development is the fact that most definitions and taxonomies of the construct have been adapted to organizational research from other fields, and might not be specifically tailored to study particular service contexts. Brotherton (1999) emphasized that the domains of hospitality management consist of two sides of the hospitality exchange: not only a product offering, a provision of food, beverage, and lodging, but also human interaction. He further argues that in contemporary hospitality management, concern should be shifted away from an emphasis on the product elements of hospitality towards one more focused on the nature and implications of the hospitality interaction; towards cultural studies of hospitality. To be able to address this need of contemporary hospitality management, the construct of basic assumptions has to assess content that expand our knowledge about the hospitality exchange, e.g. interactions that take place between employees, guests and competitors in the hospitality sector. This seems to be the first requirement that the hospitality context imposes on researchers: to assess assumptions that concern the nature of hospitality work involving co-workers, guests and collaborators/competitors in the industry. These issues are discussed in the next section.

Conceptual Content of Basic Assumptions in the Hospitality Context. In general, two groups of dimensions stand out as potentially interesting to study in the hospitality context: the “Human nature group” (*Nature of human nature, Mutability, Benevolence of people, Nature of human activity*); and the “Interpersonal group” (*Relation to group, Relation to authority, Locus of responsibility*). It is, however, important that dimensions extracted from the literature are not merely forced onto the hospitality context, but are properly grounded in empirical data and the hospitality setting. We need to (a) study content that is *relevant* in terms of the dynamics of the hospitality industry; (b) access *implicit assumptions* and not just superficial characteristics; and (c) discover possible *patterning* of assumptions.

Let us take a closer look at these two groups of dimensions and see if we could translate them to the needs of hospitality management. The “Interpersonal group” involves assumptions about the proper or natural characteristics of interpersonal relationships and leadership matters. The *Relation to authority* dimension refers to

assumptions about what forms of authority relations are best or natural: linear (i.e. a clearly defined leader and relatively fixed hierarchy wherein authority is exercised in a top-down matter), or lateral (i.e. an egalitarian group with rotating and fluid leaderships). The *Relation to group* dimension refers to assumptions about the natural priority of one's personal agenda versus the agenda of one's reference group (individual agenda or collective agenda). These dimensions along with the *Locus of responsibility* dimension give an opportunity to study employee assumptions about leadership, organizational and professional matters in the hospitality context. Previous research has shown that some employees perceive the hospitality industry as obstructive to one's career, personal and professional growth, i.e. the "glass ceiling" effect (Knutson & Schmidgall, 1999). The dimension of "glass ceiling" may be rooted in assumptions about what the industry can and cannot provide for its employees, whether the sub-industries of the hospitality sector are lagging behind in retaining, training and developing own employees' careers and what it takes to turn things around. This content category can be labeled as the "organizational component" of assumptions, and the main carrier of this content will be co-workers.

On the other hand, the dimensions of "Human nature group" give researchers an opportunity to assess employee assumptions about people that are involved in the hospitality interactions and product delivery: first and foremost, guests, but also competitors and collaborators in the industry. Assumptions about guests can help researchers to reveal content of the "hospitality product component", of whether guests are considered to have some intrinsic or innate qualities that make the hospitality interaction and product delivery special or different from other contexts. In addition to assumptions about visitors, assumptions about competitors would provide a new insight into how hospitality employees perceive their own business environment, hospitality market and its potential, competition and collaboration in the hospitality context, the "market component". It is also important to avoid overlap between the "Human nature group" and the "Interpersonal group". In our operationalization, the dimensions of "Interpersonal group" are concerned with the matters *within* the organization, i.e. between the employees of the same enterprise, or between employees and managers. The dimensions of the "Human nature group" have their focus on the interactions that expand beyond the intraorganizational matters, encounters that employees engage in with guests, competitors, or other stakeholders in the industry.

In Figure 1, we depict all three content components in the bottom layer of the figure. Later on in the article, we will elaborate on this discussion by illustrating a framework for operationalization and measurement of these three core component assumptions.

Formation of Basic Assumptions

Where do Employee Basic Assumptions stem from? As Nonaka and Takeuchi (1995) specified in their work, the conversion of tacit and explicit knowledge, cultural patterns included, is a social process between individuals and is not confined to a single person. Knowledge conversion occurs in four modes: through organizational socialization process – from tacit knowledge to tacit knowledge,

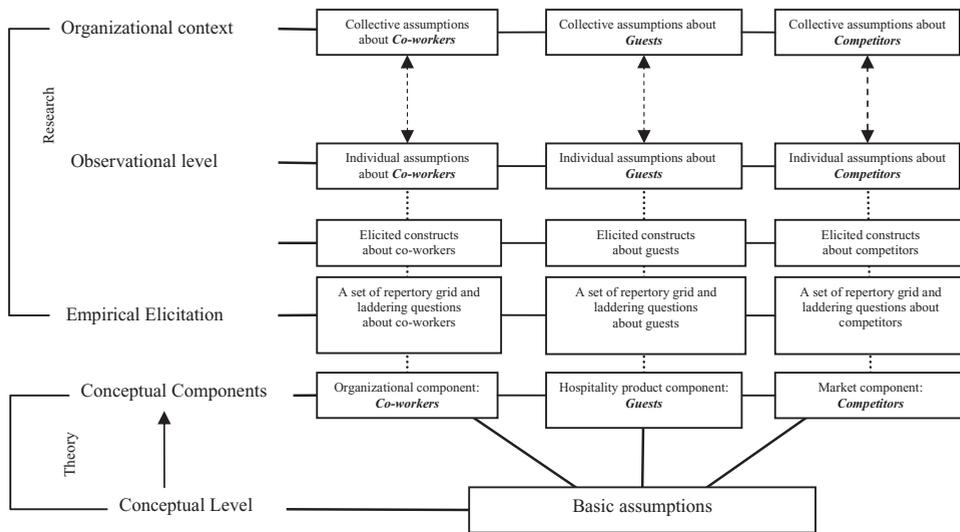


Figure 1. Multilevel framework for assessment of basic assumptions in the hospitality enterprises.

through externalization – from tacit knowledge to explicit knowledge, combination – from explicit knowledge to explicit knowledge, and internalization – from explicit knowledge to tacit knowledge.

Cultural patterns of basic assumptions among organizational employees can therefore be developed in different ways. First, assumptions can be acquired during the organizational socialization process and learning. The organizational socialization process is about learning the “codes” and culture of the organization. It is “... the process by which employees are transformed from outsiders to participating and effective members” (Feldman, 1981).

Second, a lot of what we do as employees is based on simply repeating what we have done before, carrying the past into the future. Companies also copy what others do sometimes without carefully considering whether or not their circumstances are different and whether the experience of others, therefore, actually will be applicable to them. Then, the ability to identify and help others discover their basic assumptions, and the capability to change those if necessary, are possibly among the most critical capabilities a human resource manager can have or acquire (Pfeffer, 2005). The assumptions are learned responses, and as such are subjected to change over time. However, once established they are enduring and may be resilient to change (Hofstede, 2003). Sometimes collective assumptions can have a negative impact on the organization (Dixon, 1999). In rapidly changing environments, collective meaning that was advantageous at one point in time may have become obsolete, and an organization can maintain collective meaning that is dysfunctional without realizing it. On this basis, precise knowledge of basic assumptions will help to facilitate organizational learning, which is considered to depend on the collective cognitive processes of individuals (Yeo, 2005).

In order to challenge or even change employee basic assumptions, the hospitality managers need to make assumptions available to examination. In order to do this, they need proper assessment tools. Taking into consideration the first requirement to research on basic assumptions in hospitality management (i.e. relevant content), there is a lack of adequate *conceptual* framework to assess basic assumptions in hospitality firms today. But by targeting the three conceptual components described in the previous section, researchers will be able to approach the construct in a way which allows hospitality managers to advance the process of organizational learning in the enterprise. Assessment of employee basic assumptions about guests, co-workers and competitors in hospitality would also allow hospitality firms of different sizes, market power and financial structures to be subjected to comparative analyses (Anderson, Fornell, & Rust, 1997). This may in particular be useful for advancing our understanding of performance in the hospitality sector, where a high degree of heterogeneity in terms of market and organizational size can render comparisons of financial performance problematic and less useful.

The issues related to the formation of assumptions in organizations inevitably leads researchers to the discussion of level of analysis – individual and aggregated – of the respective construct. Interrelations within and between levels of the individual and the collective is critical to understanding organizations and organizational behaviour, and this is discussed in the following section.

From Individual to Shared Assumptions: The Level of Analysis

The construct of basic assumptions affiliates several levels of analysis. Dixon (1999) explains that meaning structures that organizational members hold can be categorized as private, accessible and collective. Private meaning is what each and every individual in an organization constructs for themselves; accessible meaning is that which individuals do make available to others in the organization; and collective meaning is that which organizational members hold in common.

In the literature, distinctions are drawn between assumptions of the individual and the collective (Hislop, 2005). Organizational psychologists study assumptions at the individual level (e.g. Janoff-Bulman, 1992), social psychologists are interested in basic assumption at the group level (e.g. Bion, 1961; Lion & Gruenfeld, 1993), while organizational researchers attempt to capture collective assumptions at the firm level (e.g. Yauch & Steudel, 2002). Individual assumptions are created by and exist in the individual according to the factors that influence her socialization process. Socially shared assumptions are created by and reside in the collective actions of a group. As Huff and Huff (2000) observe, while individuals have assumptions that are unique to themselves, they also share many assumptions with others. To the extent that assumptions are shared by employees, the resulting shared cognitive framework then provides the basis for coordinated activity. Considering a particular context, collective assumptions are often described as a part of cultural knowledge (Choo, 1998). The organizational context is by no means the only level at which collective basic assumptions can exist. One specific, more mesolevel type of collective assumptions that is increasingly being referred to is possessed and held within “communities of practice” (Wenger & Snyder, 2000). At a more macrolevel, the

cultural context of destination could play an important role in shaping the nature of employee assumptions. At the same time, a guest's assessment of local hospitality is often based on the total destination experience (Baum, Amoah, & Spivack, 1997). Available evidence also suggests that destination appraisal heavily depends on the perceived friendliness of locals and destination employees, and disappointing service encounters are listed among top three "dislikes" with destination (Crotts & Pan, 2007).

Delivery of hospitality products is a collective undertaking; in their acquaintance with an enterprise, guests get to meet many employees. Thus, it will be of particular interest to hospitality managers to study the degree of consensus on different types of basic assumptions and their collective patterns (Schneider, Ehrhart, Mayer, Saltz, & Niles-Jolly, 2005). Research on hospitality employees' basic assumptions, therefore, both from the perspective of diagnosis, reinforcement and change, should have a multilevel focus. Eliciting individual employee assumptions is important, but the construct will provide additional insight into the hospitality exchange if it will also be addressed at the aggregated level of analysis. This is the second requirement that the hospitality context imposes on researchers: to assess assumptions about the nature of hospitality work involving co-workers, guests and competitors, that are not highly idiosyncratic, but are to a certain degree shared by the employees of the enterprise.

In the upper-middle layer of Figure 1, we place the construct of basic assumptions within a framework that links theoretical components of assumptions to the empirical observations at the individual and the collective level. In the next section, we take a closer look at how the construct of basic assumptions is employed in empirical research and contrast the empirical studies identified during the review process with the theoretical issues discussed above, and the requirements specified for the hospitality assessment of basic assumptions.

Basic Assumptions in Empirical Research: Do they have what it takes to study the Hospitality Exchange?

Several empirical studies have been conducted in organizational research using the construct of basic assumptions. In Table 1, we present the results of our search for empirical research on basic assumptions. These are sorted by the nature of their research problem. In addition, we draw parallels to the potential application of this research in the hospitality context.

Empirical research on basic assumptions can be summarized under three distinct headings: (1) Basic assumptions and their influence on individual employee behaviour and management practices (e.g. Caputi & Oades, 2001); (2) Negotiation and change of basic assumptions in organizations (e.g. Brannen & Salk, 2000); and (3) Performance prediction (e.g. Feist, Bodner, Jacobs, Miles, & Tan, 1995). These three categories correspond closely to the three issues that appeared in our prior theoretical discussion, i.e. the use and value of the basic assumptions construct for influencing management practices, changing basic assumptions and using the construct for predictive purposes.

Different types of studies use methodologies most suitable to answering their respective research problem. Explorative, qualitative approach and case studies are

applied to research on whether or not basic assumptions can be negotiated and what factors can contribute to endure change in assumptions (e.g. Yauch & Steudel, 2002). Questionnaires are used to study patterning of assumptions in relation to organizational practices (e.g. Nahm, Vonderembse, & Koufteros, 2004). Experimental design is applied to reveal differences in performance by people with contrasting assumptions (e.g. Lion & Gruenfeld, 1993). The major limitation of these empirical studies is however that most findings are related to so-called production-intensive services. These services put considerable effort into the simplification of their service offerings. Typical examples of production-intensive services include banks, insurance, tele-communications, transport and wholesale service. Lack of empirical findings from consumer-oriented services, like hotels, restaurants, conference venues, or other hospitality services, is a severe gap in the literature.

The results of our literature search based on sampling criteria specified earlier, also revealed twelve inventories assessing different kinds of assumptions, from individual epistemological assumptions (e.g. World Hypothesis Scale by Harris, Fontana, & Dowds, 1977; World View Inventory by Holt et al., 1984; Scale to Assess World Views by Ibrahim & Khan, 1987; Social Paradigm Belief Inventory by Kramer et al., 1992), to dysfunctional assumptions about personal appearance (e.g. Testable Assumptions Questionnaire by Hinrichsen, Garry, & Waller, 2006). The instruments differ on degree of abstraction and foci of assessed assumptions, as well as the antecedent frameworks and dimensions of subscales. At their most general, the instruments measure epistemological individual worldviews, or general assumptions about the outside world (e.g. Attitudes About Reality Scale by Unger, Draper, & Pendergrass, 1986). Other scales include items dealing with matters of everyday, practical concern: occupational (e.g. Psycho-Epistemological Profile by Royce & Mos, 1980), and interpersonal relationship items (e.g. World Assumptions Scale by Janoff-Bulman, 1989; Worldview Assessment Instrument by Koltko-Rivera, 2000). At their most specific, the scales measure individual assumptions of a particularly narrow kind, i.e. dysfunctional assumption about own body. Thus, the degree of abstraction assessment varies from low (Testable Assumptions Questionnaire by Hinrichsen et al., 2006) to high (Epistemological Assumptions by Berzonsky, 1994) across different instruments. The level of abstraction is primarily connected to the foci of assessed assumptions: while highly abstracted assumptions have their focus on the outside world, assumptions of low abstraction character focus largely on the individual self. Some measures combine assessment of highly abstracted and narrowly specified assumptions.

The instruments also show large variation in the antecedent frameworks used to build up subscales. Brief examination of the listed measures shows that the frameworks by Pepper (1942) as well as Kluckhohn (1951) and Kroeber and Kluckhohn (1963) provide the grounds for most instruments (e.g. Organicism-Mechanism Paradigm Inventory by Germer, Efran, & Overton, 1982; SAVW by Ibrahim & Owen, 1994; SPBI by Kramer et al., 1992). Several inventories combine various frameworks (WAI by Koltko-Rivera, 2000; Belief System Analysis Scale by Myers, Montgomery, Fine, & Reese, 1996); some are based on own conceptualizations (WAS by Janoff-Bulman, 1989).

The retrieved list of instruments is most certainly far from exhaustive; it is limited to some examples that have been published within the past 30 years and that expose

features of interest specified earlier. The brief comparison of instruments showed, however, that the critical requirements (i.e. relevant content and appropriate level of analysis) are not resolved sufficiently by the available operationalizations in order to be applied in hospitality research. In the next section, we discuss the issues of initial assessment and measurement of basic assumptions in the hospitality context and propose a complete framework for conceptualization and measurement of basic assumptions in hospitality management.

How to assess Basic Assumptions in Hospitality? A Framework for Measurement

The current knowledge about basic assumptions of hospitality employees is still very limited which makes the need for proper measurement framework urgent. Earlier we illustrated how to approach the issues of content components theoretically and how the theoretical components are linked to the individual and aggregated levels of analysis. In this chapter, we expand this framework to include several stages of empirical assessment and operationalization, see Figure 1.

In order to fill the three conceptual components of basic assumptions with industry-relevant empirical content, we suggest starting with explorative qualitative techniques of repertory grid and laddering, and then use the qualitative data obtained to develop a measurement instrument to assess hospitality basic assumptions in larger samples. We discuss these issues in the following sections.

Initial Empirical Assessment: Elicitation of Basic Assumptions

Walsh (2003) observes that the researchers' goal is to challenge the conventional assumptions that frame how managers make decisions and run their organizations. However, academic researchers often experience difficulty in gaining access to interview organizational employees about sensitive topics, which assumptions about e.g. guests, co-workers, or competitors could turn out to be. A number of interpretative methods and strategies of collecting and analyzing data are available to researchers who want to explore and explain a phenomenon: phenomenology, q-methodology, grounded theory, participant observation, document analysis or in-depth interviews. We believe that techniques of repertory grid and laddering might give a potent alternative to these options in the initial stages of research on basic assumptions. Van Kleef, van Trijp, and Luning (2005) and Walker and Winter (2007) have pointed out that these techniques are well suited for eliciting knowledge about constructs. Additionally, these methods contribute largely to revealing how constructs are systemized internally. The repertory grid method developed by Kelly (1955) is a technique for the assessment of the structure and content of a construct system (Walker & Winter, 2007), and has been used to elicit meaning in a range of areas. One of the main advantages of using the repertory grid method is that it allows and encourages participants to propose their own terms and constructs. The laddering technique has its origin in common with the repertory grid, and thus is often used in conjunction with it in order to expand on either the constructs or the elements in the grid (Cooke, 1994). The result of this method represents a taxonomy of domain constructs.

In the middle layer of Figure 1, we illustrate how the researchers can translate the construct of basic assumptions from the conceptual level to the observational level in the initial stages of investigation and later on in the assessment. As previously explained, we suggest eliciting basic assumptions in three conceptual components: a hospitality product component (guests), an organizational component (co-workers) and a market component (competitors). Recent hospitality research has called for studies that would reveal the content of co-worker-, guest- and competitor-related assumptions that exist in the industry. Mathisen et al. (2008) suggested that the restaurant sector seems to function under the assumption that aggression and bullying is a necessary part of the work environment in this industry. The basic assumption that all co-workers must accept mistreatment as part of the job is so counterproductive that it leads to bullying and harassment of co-workers, which in turn is negatively related to the well-being of both employees and restaurants. The results of the study also reveals that employees who are exposed to bullying may learn that bad treatment is a natural part of the job as a hospitality worker, and might repeat this behaviour towards their own co-workers later in their career. The authors argue that it is time to challenge this general assumption. In order to do so, this and related assumptions have to be made available to managers and employees for diagnosis, negotiation and change. The advantage of the elicitation techniques is that they give researchers access to constructs that constitute these counterproductive assumptions about the industry and make them more explicit and subjectable for negotiation.

Once the empirical content of dimensions is established, the model can be further expanded to include thorough details of the scale development process. Explorative empirical research on basic assumptions in organizations should also be able to generate a range of hypotheses that would be put to the test by systematic survey data. For example, hospitality research has uncovered the dimensions of “the glass ceiling” in the hospitality industry (Knutson & Schmidgall, 1999), while research in general management (van Vianen & Fischer, 2002) has emphasized the role of organizational culture in creating and sustaining “glass ceiling”. A fruitful research path to follow would be to generate a set of hypotheses about which of the elicited assumptions influence employees’ perceptions of “the glass ceiling” the most and in what direction, and test these in a sample of hospitality enterprises. To successfully use the construct in empirical research on larger samples, a proper measurement scale is needed. A measure of basic assumptions in hospitality should be applicable for use with large groups of employees, it should possess a high degree of reliability, correlate with criteria of validity, and be of an indirect nature so as to minimize suggestions and “faking” in the responses elicited.

As a measurement tool, a scale to assess basic assumptions would be able to conceptualize dimensions of assumptions not just across enterprises, but will also allow assessing assumptions across sub-industries of hospitality, such as lodging and catering. Researchers will be able to make comparative analyses across different organizations of the hospitality industry, e.g. which assumptions dominate in the restaurant sector versus the hotel sector. These analyses will then provide understanding and description of cultural phenomena to managers and help them guide management decisions and improve organizational performance. This will also

yield information about hospitality venues that cannot be detected by other current conceptualizations today.

Rational versus Empirical Scale Development

The procedure to generate a basic assumptions inventory for hospitality can be more deductive based on theoretical considerations, or more inductive starting with empirical observations. As Schwarzer and Schwarzer (1996) observe, many authors collect items from pre-existing questionnaires fitting to some theoretical distinctions, add items of their own, and construct scales that match their judgement rather than the empirical observations. Others do not collect their items in light of theory, but compile a database that may have a range too narrow or too broad; then conduct a statistical analysis and “value the coefficients more than may be justified” (p. 126).

As the results of our literature search showed, current conceptualization of the basic assumptions construct do not do justice to the hospitality context and the needs of the industry. Thus, the assessment of basic assumptions in hospitality enterprises is a procedure, which requires a combination of careful theoretical consideration and empirical observation. We suggest the present review to represent the first step in providing necessary theoretical foundation of the construct of basic assumptions and its assessment in hospitality. The next step will consist of exploring the empirical content of basic assumptions in hospitality enterprises and identifying dimensions of these assumptions. This can be achieved by using elicitation techniques of repertory grid and laddering to qualitatively assess and explore basic assumptions in a smaller sample of hospitality enterprises, and then follow up on this research by applying elicited constructs to design scale items to test on larger samples in surveys. By combining empirical observation from the field with the theoretical framework now available, researchers will be able to uncover dimensions that are theoretically linked to a variety of specified behaviours at lower levels.

For example, several researchers suggest that there are strong assumptions about a traditional autocratic leadership style within the hospitality industry (Pittaway et al., 1998; Tracey & Hinkin, 1996). For instance, Guerrier and Adib (2000) discuss in their study how managers’ assumptions about customers and proper customer service may put hotel and restaurant staff to danger of being harassed by the guests. By applying laddering techniques researchers can elicit constructs about “guest service”, and “leadership style”, subject these constructs to content analysis, reveal the underlying domains of assumptions, and then design items within each domain to test those in a larger sample.

Similarly, research shows that amount of emotional labour of frontline employees in the hospitality industry is influenced by cultural differences in assumptions about how much (and what kind of) emotions one should put on display in front of a guest, and cultural display rules (Morris, 2003). It would be interesting to see whether emotional labour also applies to other participants of the hospitality exchange, i.e. co-workers or competitors. If so, how is it different, or when does it occur? By using repertory grid and then laddering on “competitor contact”, researchers would probably access constructs that otherwise are hard to reveal.

Multidimensionality and Hierarchy

In their assessment of the basic assumptions construct, some conceptualizations report on two (OMPI by Germer et al., 1982) or three (PEP by Royce & Mos, 1980) and others on five (BSAS by Myers et al., 1996), or six (WAI by Koltko-Rivera, 2000) subscales. There seems to be an agreement about some major dimensions, such as “nature of social relationships” which is based on Kluckhohn’s model and is present both in a five-dimensional scale (SAWV by Ibrahim & Owen, 1994) and a six-dimensional scale (WAI by Koltko-Rivera, 2000); or mechanism, a dimension based on Pepper’s conceptualization and evident both in a two- and four-dimensional scales (OMPI by Germer et al., 1982 and WHS by Harris et al, 1977, respectively). Obviously, these are conceptually at a higher degree of abstraction; whereas other dimensions, e.g. “de-emphasis on appearance”, are at a lower degree of abstraction and are more proximal to the actual behaviour; cf. BSAS by Myers et al. (1996). We believe in establishing hierarchies in the upcoming psychometrical measure to account for assumptions of high or low degree of abstraction. This will enable researchers and practitioners to identify, analyse and revise basic assumptions of different degrees of abstraction, from the most grand to the most proximal. We leave it to empirical elicitation to show whether assumptions of hospitality can be grouped by an abstraction degree. Theoretically, it seems that assumption about “the nature of hospitality work” incorporates a higher degree of abstraction than, e.g. assumption about guests. In that respect, assumptions about guests, co-workers, and competitors together will form “the nature of hospitality work” assumption. Empirical investigation will reveal whether there are additional aspects to this assumption.

Multilevel Assessment

As Bartholomew (2006) observes, the concept of measurement as it is developed in the research is largely concentrated with individual level measurement, that is, a measuring instrument is designed to quantify something which is the property of an individual. A different approach is needed when one wishes to measure a collective character of a population, the term “population” being used in its statistical sense of a collection of things in which we are interested, such as firms or people.

According to Morgeson and Hofmann (1999), in explicating the content of a construct that can reside at the collective level, it is important to acknowledge the context within which individuals operate. Because the context limits the range of potential interactions, it may have a particular influential role in determining the emergence of a construct and its content. Just taking a closer look at the names of the inventories reveals that despite their large variety, none of the measures can fully grasp the specific of the hospitality context. Moreover, all of the presented instruments are designed to only assess individual basic assumptions, not taking into consideration the aggregation matters.

In our view, there is a need for a new psychometric measure that would allow researchers to assess industry-relevant content and could also address the construct of basic assumptions not only at the level of the individual, but at the aggregated level as well. In order to collect data that will also be meaningful at the collective

level of analysis, it is necessary to have a conceptual rationale for the level of measurement chosen. Kozlowski and Klein (2000) clearly distinguish between the level of theory and the level of measurement. The level of theory describes the target that is to be assessed and explained (e.g. the collective, organization). The level of measurement describes the actual source of data (e.g. the individual). At the conceptual level, we want the new measure to target at the basic assumptions that are not highly idiosyncratic, but rather shared by most employees of the collective (either firm, or a community of practice). At the observational level, the actual measurement will still occur at the individual level, because it is in the individuals that a culture of the collective resides. As Morgeson and Hofmann (1999) point out, inference at the collective level can be facilitated by focusing on collective rather than on individual phenomena, framing questions in collective terms, treating individuals as informants about collective processes, and focusing on the role of individuals in terms of the wider collective.

The job of designing a large variety of items should start immediately after the content analysis of elicited constructs. It is important that items reflect the content of dimensions identified in the initial rounds of research. At this stage of the process, it is also important to word items in terms of a hospitality workplace and the collective, i.e. “we” rather than “I”, “Our hospitality enterprise” rather than “my organization”, “our job as hosts” rather than just “my job”. In this way, when employees are asked what they think of their guests, the items’ wording would lead them to provide responses that have been internalized by them as members of a particular hospitality firm.

Conclusions

Discussing the value of theoretical research for the hospitality industry, Van Scotter and Culligan (2003) advocate for research that includes understanding a phenomenon as one of its objectives, as it may potentially lead to long-term improvements in management, operating practices, or competitive strategies. The notion that organizational development and performance of service and hospitality enterprises is dependent on employee assumptions has received a growing acceptance in the literature (Cannon-Bowers & Salas, 2001; Lord & Emrich, 2000; Schneider et al., 2005). Recent hospitality research has made assertions that basic assumptions employees hold about the nature of hospitality work, their co-workers, guests, and competitors, may have a strong impact on the working conditions in the hospitality enterprises and the quality of the hospitality product delivered by the employees. To be able to reinforce, challenge or change basic assumptions held by the employees, hospitality managers need to have precise knowledge and an accurate description of employee basic assumptions (dimensions and hierarchies) and their patterns (correlations between dimensions). For hospitality researchers, such descriptives would also give a starting point to comparisons between assumptions in hospitality enterprises of different sub-sectors (lodging, catering, etc.) and size. In turn, comparisons would create a platform for exploring the predictive validity of the construct and the influence of shared employee assumptions on employee effectiveness and individual employee behaviour in hospitality enterprises.

In order to make assumptions available to both management and empirical research, a new operationalization framework is suggested in this article. In our review, we addressed the construct of basic assumptions in a systematic way from the perspective of hospitality management research and practice and proposed a framework for the proper measurement of the construct. We also hope that this conceptual research will contribute to advancing the assessment of basic assumptions in hospitality firms, which in turn will create targeted management decisions that can ameliorate some of the negative and increase some of the positive consequences associated with the work in hospitality enterprises.

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Paper 2

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Eliciting and analysing the basic assumptions of hospitality employees about guests, co-workers and competitors

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ABSTRACT

The aim of this study is to explore the content and structure of hospitality employees' assumptions about guests, co-workers, and competitors. A qualitative study was conducted whereby 20 hospitality employees were interviewed using repertory grid and laddering. Through content analysis we identified seven assumption dimensions (predictability, control, affect, responsibility, communication, competence, and ethics). The analysis further suggested that different dimensions are emphasised in relation to the hospitality product (e.g. predictability and control), the hospitality organisation (e.g. responsibility and competence), and the hospitality market (e.g. ethics). The findings are discussed in terms of their implications for future research and managerial practice.

Keywords:

Basic assumptions
Organisational culture
Shared cognition
Human resource management
Repertory grid
Laddering

1. Introduction

Recent research has generated increasing awareness of the role employee basic assumptions play as the source of destructive (e.g. Bloisi and Hoel, 2008) or constructive (e.g. Davies, 2008) employee behaviour in the hospitality industry. Basic assumptions are described in the literature as internal knowledge structures: tacit beliefs that exist in the long-term memory and guide information processing and behaviour in various domains (Lord and Maher, 1993; Schein, 2004). Every organisational intervention or management practice – be it a form of incentive compensation, performance management system, or a set of organisational practices – necessarily relies on some implicit model of human behaviour containing a set of basic assumptions. This is why recent advancements in human resource literature offers a strong argument that being able to diagnose employees' basic assumptions about the business is of critical importance for organisational performance and success (Roehling et al., 2005).

Hospitality employees develop basic assumptions about important aspects of their work environment, i.e. guests, co-workers, or competitors, and these assumptions influence employee behaviour at work. For instance, Wood (1997) reported that some employees (e.g. chambermaids) are often spurned by their co-workers, are treated as a cheap and easily replaceable resource by employers, and rank among the lowest of the low in hospitality work. Such a view of co-workers in a hospitality

enterprise may result in a deteriorating service, poorer quality of the hospitality and, eventually, lower performance. A recent study from the restaurant sector has suggested that basic assumptions about the nature of work in hospitality venues are related to the occurrence of bullying behaviour (Mathisen et al., 2008). Powell and Watson (2006) observed that some assumptions about hospitality employees and hospitality work indicate "a social stigma" while, in fact, that particular work is essential for the comfort and safety of the guests. Several researchers suggest that there are strong assumptions about a traditional autocratic leadership style within the hospitality industry (Pittaway et al., 1998; Tracey and Hinkin, 1996), and that if those managers' assumptions about customers and proper customer service are enacted by frontline employees they may in fact put hotel and restaurant staff in danger of being harassed by their guests (Guerrier and Adib, 2000).

Despite the growing recognition that employee assumptions influence the hospitality business' success, the structure and content of the basic assumptions about guests, co-workers, and competitors are under-researched in hospitality management. The tendency in hospitality research has been to focus on the *objectified* knowledge in the enterprise (e.g. systems of rules and routines, or operating procedures), leaving the knowledge about *implicit* structures of employees (e.g. basic assumptions about the working environment) neglected or overlooked by managers (Ingram, 1999). This may partly be explained by the tendency of the hospitality industry to attract employees with highly specific competences, and that management also often have specific competences. On the other hand, a considerable body of work has focused on the objectified aspects of the cultural structure in hospitality organisations, such as the design and organisation of work roles (Guerrier and Deery,

1998), and organisational practices and their patterns (Øgaard et al., 2008). According to Pittaway et al. (1998), the lack of research on the implicit structures of subjective employee knowledge makes it difficult to advance hospitality management beyond the level of operational (transactional) leadership to the level of transformational leadership.

Our present knowledge of employee basic assumptions in hospitality is very limited. The aim of this study is to contribute to a better understanding of employee basic assumptions about guests, co-workers, and competitors in hospitality enterprises. The study is the first to simultaneously investigate employee basic assumptions within the three components of hospitality: (a) co-workers (organisational component); (b) guests (hospitality product component); and (c) competitors (hospitality market component). Specifically, the purpose of this paper is to explore the empirical content and structure of employee assumptions about guests, co-workers, and competitors in hospitality.

2. Theoretical foundation

Basic assumptions are general beliefs about reality, an individual's or a group's answer to the question of "what explains why things are as they are" (Holland et al., 1993, p. 145). A person's assumptions define what can be known in the environment, and how it can be known; it defines what can be accomplished, and how. In addition to defining what goals *can* be sought in life, basic assumptions define what goals *should* be pursued. Basic assumptions are also the source of values (Koltko-Rivera, 2004). Values provide justification for behaviour, while assumptions actually drive behaviour (Lord and Maher, 1993). Values are what people can articulate and will admit to, while basic assumptions are what people actually believe and what determine their patterns of behaviour. Thus, basic assumptions define what types of behaviour and relationships are proper or improper (Koltko-Rivera, 2000). In the organisational context, employees' basic assumptions constitute a company's "theory of the business": they shape employee behaviour, dictate decisions about what to do and what not to do, and define what the management considers as meaningful results (Drucker, 2006).

Basic assumptions can also be seen as social representations, forms of common sense knowledge that refers to what people think they know of social objects or situations (Stewart and Lacassagne, 2005). Social representations comprise organised information with a hierarchical structure that a social group creates with respect to a social objects or situations (Moscovici, 2000). They are constructed in daily life by individuals by communication and behaviour (Penz, 2006). Social representations are context and culture dependent. Due to these kinds of interdependencies social representations are considered dynamic social phenomena, they are shared by people who provide them with specific contents which corresponds to their knowledge, beliefs, images and language (Markova, 2008).

Existing conceptualisations of basic assumptions can be analysed as two broad, although overlapping, categories: assumptions about life in general and more specific assumptions about work life. Assumptions about life in general are studied in general social sciences like applied psychology (e.g. Berzonsky, 1994), or anthropology (e.g. Lawler et al., 2008). In this literature, the dimensions of basic assumptions are identified in relation to human nature, will, behaviour, interpersonal relations, and the world in general. For example, Koltko-Rivera (2000) conceptualised a person's assumptions as a six-dimensional construct, where *Mutability* refers to the possibility of changing human nature; *Agency* is the degree to which behaviour is chosen or determined; *Relation to authority* identifies hierarchical vs. egalitarian partnerships; *Relation to group* assesses priority given to individual goals

vs. reference group goals; *Locus of responsibility* is described as the perceived responsibility for the person's situation in life; and *Metaphysics* refers to the reality or unreality of a spiritual dimension in life.

Work-related assumptions are the product of socialisation in an organisational or a professional culture, and are therefore studied within the framework of human resources management (Deadrick and Gibson, 2009). The content of work-related assumptions has usually been studied within the qualitative framework (Cassell et al., 2000; Yauch and Steudel, 2002). For instance, Håkansson and Snehota (2006, pp. 259–260) described three basic assumptions about the nature of strategic management in business organisations. First assumption: "The environment of an organisation is beyond the influence or control of the organisation". Whatever happens to the firm stems from forces outside the firm itself. Although "networking" with competitors, for example, may provide a way of exerting influence over some part of the environment, the basic assumption is still that the environment cannot be controlled. Consequently, opportunities that exist in the environment are to be identified and exploited, but they cannot be created or enacted. This assumption has been challenged by research on the collective dependence of organisations (e.g. Hannan and Freeman, 1977 in Håkansson and Snehota, 2006). Second assumption: "The strategy of a business organisation results from the deployment of resources controlled hierarchically by the organisation". Controlled resources are allocated in certain combinations, providing services to be exchanged with the environment. In the supposedly competitive and "non-controllable" environment, the effectiveness or exchange potential of an organisation will depend on its efficiency in combining its internal resources. This assumption has been challenged by the theory on the resource dependence of organisations (e.g. Pfeffer and Salancik, 1978 in Håkansson and Snehota, 2006). Third assumption: "Environmental conditions change continuously, so that frequent adaptation is required of the business". It is assumed that managers can and do interpret environmental conditions, after which they formulate and implement a future strategy. They decide and craft the pattern of activities to be executed by the organisation. This assumption has been challenged by research on the ex post rationality of organisations (e.g. Weick, 1979), and the nature of the leadership and strategy formulation process (e.g. Yukl, 2006).

In human resource management literature, several authors have applied assumptions about life in general to the organisational context (e.g. Mikkelsen and Einarsen, 2002). For instance, Schein (1992) adapted a framework of the following six basic assumptions for organisational purposes: *Nature of human nature* (assumptions which define what it means to be human and what human attributes are considered intrinsic and ultimate); *Nature of human activity* (assumptions about the appropriate level of activity or passivity); *Nature of human relationship* (assumptions about what is the right way for people to relate to each other, to distribute power); *Nature of time and space* (assumptions about the appropriate focus of one's activities – future, present or past, how space should be allocated and owned); and *Nature of reality and truth* (assumptions that define what is real and what is not, how truth is ultimately to be determined, and whether truth is revealed or discovered). According to Schein, it is around these "deeper dimensions" that shared basic assumptions originate in any organisation. For example, organisational missions, primary tasks, and goals reflect the basic assumptions about the nature of human activity and the relationship between the organisation and its environment. Similarly, the measurement of control systems, along with assumptions about how to take corrective action, will reflect assumptions about the nature of the truth and the appropriate psychological contract for employees. Several

researchers have called for better integration of existing conceptualisation of basic assumptions into industry-specific contexts (Kekäle and Kekäle, 1995; Nahm et al., 2004; Wendorff, 2002; Yauch and Steudel, 2002). In hospitality management, such integration necessarily implies using the “parameters of hospitality” (Brotherton, 1999), i.e. the hospitality product and the hospitality employees’ interaction with guests and the market. The domains of hospitality management consist of two sides of the hospitality exchange: not only a product offering, a provision of food, beverage, and lodging, but also a human interaction. According to Brotherton (1999), in contemporary hospitality management, concern should be shifted away from an emphasis on the product elements of hospitality towards one more focused on the nature and implications of the hospitality interaction; towards cultural studies of hospitality. In this paper, we are primarily concerned with approaching the construct of basic assumptions from the perspective of hospitality interaction between guests, co-workers, and competitors – people who are involved in the hospitality product delivery and the market.

2.1. Basic assumptions about guests

Assumptions about guests can give researchers and practitioners additional insight into how employees conceptualise host-guest interaction and the process of hospitality product delivery (i.e. external relationships). According to Schein (1992), some basic assumptions are learned responses to problems of survival in the external environment while others are responses to problems of internal integration. The primary external problems are e.g. the core mission of the enterprise or reason for the organisation’s existence, the objectives based on this mission, strategies for attaining these objectives, and ways to measure success in attaining these objectives (Yukl, 2006). Recent publications in the hospitality industry journals and daily newsletters show that hospitality practitioners are most concerned with making their guests feel at home in the hospitality environment (e.g. Nedry, 2009). Insight into the basic assumptions about guests can reveal some additional aspects of the hospitality product component to both practitioners and researchers, for instance whether guests are considered to have some intrinsic or innate qualities that make the hospitality interaction and product delivery special or different from interactions in other service contexts.

Another aspect of hospitality work which is relevant to the assessment of basic assumptions about guests is emotional labour. Research in this area has generated a good understanding of the numerous aspects of emotional labour (Johanson and Woods, 2008), and several studies in hospitality have identified links between emotional labour and the quality of guest service (e.g. Guerrier and Adib, 2003). The evidence indicates that a complex combination of strategies is used to manage emotional labour throughout the industry. Most of these strategies are based on introducing employees to the “required emotional rules of the job” through the informal socialisation or targeted training (Johanson and Woods, 2008; Seymour, 2000). There is however a lack of research into the source of these “emotional rules of the job”, i.e. the basic assumptions about guests and host-guest interactions.

2.2. Basic assumptions about co-workers

Basic assumptions about co-workers deal with the problems of internal integration in the hospitality venue. Internal problems include among other things the criteria for determining membership of the organisation, the basis for determining status and power, the criteria and procedures for allocating rewards and punishments, and the ideology used to explain unpredictable and uncontrollable events (Yukl, 2006). Gaining insight into employee assumptions

about other co-workers is important in order to understand how employees conceptualise organisational interactions and the managerial practices associated with the hospitality product delivery (i.e. internal relationships). In a recent study, Martin (2004) described four types of hospitality employees’ orientation to work. The instrumentally oriented employees viewed work as a means to an end and they work to support a specific lifestyle outside of the workplace. The craft orientated employees view work as an end in itself; they attached importance to preserving craft skills and maintaining prestige and reputation. The solidarity orientated employees’ lives and work are so tightly bound that their out of work existence was based on work relationships. The professionally orientated employees viewed work as a mechanism for self-development and part of a career path, and each job is revised in line with progressive economic and status advancement. This study demonstrates that different types of work orientation among hospitality employees can be found within the same establishment or context. Exploring the content of the basic assumptions about co-workers would expand our understanding of the service organisation and service management in general, but especially in the hospitality industry. A lot of hospitality products require joint effort of many employees in order to be delivered properly. Basic assumptions about co-workers serve as basis for role expectations, role divisions and cooperation during complex product deliveries. Previous research has shown that some employees perceive the hospitality industry as obstructive to one’s career and personal and professional growth, i.e., the “glass ceiling” effect (Knutson and Schmidgall, 1999). The perceived dimensions of the “glass ceiling” may be rooted in assumptions about what the industry can and cannot provide for its employees, whether the sub-industries of the hospitality sector are lagging behind in retaining, training and developing their own employees’ careers and what it takes to turn things around. To date, we know little about the content or patterning of basic assumptions about co-workers, and the lack of evidence from the industry highlights the need for further research.

2.3. Basic assumptions about competitors

In a theoretical discussion about tourism, Davies (2003) points out that tourism is an industrial activity with particularly strong inter-firm relationships. Hospitality products are often the result of interaction with third-party suppliers or contracts with other establishments within the industry. This specific feature of the hospitality context may have an impact on how hospitality employees view their competitors within the industry. Basic assumptions about competitors might provide new knowledge about how hospitality employees perceive their own business environment, the hospitality market and its potential, competition, and collaboration in the hospitality context. Research has shown that both customer-related and competitor-related knowledge is important for the enterprise in order to successfully manage hospitality operations. However, Dev et al. (2009) found that sometimes customer orientation (acquisition, satisfaction, and retention of customers) alone has a higher payoff than investing resources in competitor orientation (monitoring, managing, and outflanking competitors) in hospitality. Exploring the content of basic assumptions about guests and competitors would allow researchers and practitioners to look for patterns of customer- and competitor-related knowledge that influence the successful implementation of customer or competitor orientation.

2.4. On relations between basic assumptions about guests, co-workers and competitors

Taken together, the three areas of basic assumptions represent the three components of hospitality (cf. Brotherton, 1999). Basic

assumptions about guests represent the hospitality product component, i.e. host–guest interaction and hospitality product delivery. Basic assumptions about co-workers provide insight into the organisational component, i.e. operational, professional and organisational matters in hospitality enterprises. Basic assumptions about competitors give additional knowledge about the hospitality market component, i.e. interactions with other suppliers of hospitality services, or market orientation.

These three chosen areas of basic assumptions are related to all parts of service production and delivery, the value generated by the hospitality establishment through the process of transforming input to output. The nature of hospitality input tends to be eclectic in nature and provides a greater diversity of sources than in other industries, with interaction being a vital part of the input. The experiences of pre-consumption as well as post-consumption become part of both the input and output, and inevitably involve interactions between hosts, guests, and other hospitality suppliers. As Nonaka and Takeuchi (1995) explained, an organisation can and should benefit from knowledge possessed by individual employees in order to become a learning organisation. This requires externalization of tacit knowledge, both the knowledge of internal procedures and routines, but also cultural knowledge, i.e. basic assumptions.

Consequently, a more thorough understanding of the basic assumptions in hospitality enables further understanding of the industry and providing frames of reference that have considerable potential for improving operational effectiveness and efficiency. Below we attempt to explore the underlying structure and content of the basic assumptions about guests, co-workers and competitors in the hospitality industry.

3. Methodology

For this early exploratory study of the structure and content of basic assumptions in the hospitality industry we chose to apply the repertory grid (Kelly, 1955) and laddering (Rugg et al., 2002) techniques. Our choice was determined by two factors. First, the repertory grid is well suited to eliciting knowledge about constructs, while laddering contributes largely to revealing how constructs are systematically integrated by each individual. In addition, the repertory grid and laddering allow researchers to adjust to the context by applying words or images that are inherent in hospitality, and to access and systematise constructs evoked by such stimuli. It also allows and encourages participants to propose

their own terms and constructs. The repertory grid method implies that subjects elicit constructs concerning elements in their environment (Kelly, 1955), and the laddering technique is used in conjunction in order to expand on the constructs in the grid. Laddering is a way of exploring a person's understanding in more depth and relates to the notion of constructs having a hierarchical relationship. In the literature, laddering techniques are often distinguished on the basis of the administration method, such as using questionnaires (so-called "hard-laddering") or interviews ("so-called "soft" laddering) (Russell et al., 2004). Soft laddering utilises individual, face-to-face, semi-structured interviews to elicit knowledge.

3.1. Setting and sample

We wanted to gain as broad understanding as possible into the basic assumptions in the hospitality context. We assumed that individual employee's assumptions are related to the general assumptions in hospitality. However, there is a risk that the individual description could be limited to some idiosyncratic views taken by a single employee type (e.g. receptionists) and thus may be of lesser relevance to the exploration of individual–culture relationships in the broader context. To reduce the risk of this reverse ecological fallacy, we varied the general context of the research procedure and selected individuals from different socio-economic backgrounds, in line with Triandis et al. (1984). We expected such variety of informants to yield a rich, if not comprehensive, description of the hospitality context, which, eventually, would lead to models that were characteristic of hospitality basic assumptions.

To secure this degree of variance in the sample, we included (a) employees of various sub-branches of the hospitality sector (accommodation, dining, tourist information services, guides and travel counsellors); and (b) employees with a varying degree of guest contact, managerial responsibilities and industry experience. The final sample consisted of 7 managers and 13 non-managers; 6 back line employees and 14 frontline employees; 10 hotel employees of different occupations; and 10 employees from travel agencies and tourist information services. Although we did not ask our informants about their age directly, we did ensure that people of different ages were represented in the sample.

The data collection was carried out in a region of Western Norway with approximately 200,000 inhabitants, which annually receives approximately 150,000 tourists (Region Stavanger, 2008).

Table 1
Informants' profiles.

No.	Fictitious name	Work affiliation in hospitality	Guest contact	Managerial functions	Years of industry experience
1	Connie	Hotel receptionist	Primary	No	2
2	Linda	Hotel housekeeper	Secondary	No	4
3	Eric	Hotel security guard	Secondary	No	1/2
4	Nadine	Hotel restaurant chef	Secondary	Yes	5
5	Ann	Hotel receptionist	Primary	No	5
6	Marie	Hotel receptionist	Primary	No	6
7	Lisa	Hotel restaurant chef	Secondary	No	8
8	Amy	Travel consultant	Primary	Yes	9
9	Jenny	Travel consultant	Primary	Yes	32
10	Camilla	Travel consultant	Primary	No	6
11	Ellen	Travel consultant	Primary	Yes	16
12	Robert	Tourist guide	Primary	No	5
13	Eva	Tourist information host	Primary	No	1
14	Mary	Travel consultant	Primary	No	1
15	Lily	Hotel booking executive	Primary	Yes	4
16	Natalie	Hotel sales and marketing executive	Secondary	Yes	25
17	Laura	Hotel receptionist	Primary	No	2
18	Mark	Tourist guide	Primary	No	2
19	Celeste	Tourist guide	Primary	No	20
20	Heather	Tourist services host	Secondary	Yes	9

The sample comprised 11 hospitality enterprises and involved 20 hospitality employees. All interviews were conducted in Norwegian. Individual interviews lasted from 45 min up to 1 h, while focus grouped interviews took approximately an hour and a half.

The individual profiles of the informants are presented in Table 1, where each of them is given a fictitious name to preserve the offered anonymity guarantee. More female employees than male employees were interviewed for this study, which is a reasonable approximation of the gender mix in the hospitality industry (Knutson and Schmidgall, 1999). There was a fair variance in the industry experience as reported in the number of years people had been employed in hospitality companies. Most informants had either vocational training (e.g. chefs, receptionists) or higher education in hospitality or tourism management (e.g. tourist hosts, sales executives).

The data collection process was rounded off when the interviews did not provide additional information. The data constituted the foundation of the emerging theory and provided a background for future refinements of the ideas.

3.2. Data collection

The data collection comprised three different steps. First, we asked a set of informants to freely discuss the three components of hospitality management (i.e. guests, co-workers, competitors). Three persons were included in this step and the following list of verbal trait labels was generated: (1) satisfied, (2) demanding, (3) attractive, (4) difficult, (5) tiresome, (6) one everybody in our firm likes, (7) one everybody in our firm dislikes, (8) easy, and (9) profitable. Then we used these descriptions as elements in the individual repertory grid interviews. We produced paper cards (elements) combining each of the three components (guest, co-worker, or competitor) with each of the nine verbal trait labels (e.g. difficult competitor, demanding guest, or a co-worker everybody in our firm likes). This resulted in three sets of cards; nine cards each for guests, co-workers, and competitors. The three topics were treated separately during the interviews. Finally, we conducted two repertory grid-based focus group interviews to check for constructs that are common not only to one individual, but also to other members of the organisation. For the focus group interviews, we recruited a mix of managers and regular employees, as well as of frontline and back line employees. To secure a maximum of variance between the groups, each had a different majority of employee type. For this study, use of the same verbal trait labels for all three topics was decided for two reasons. First, it allowed us to investigate whether a set of verbal traits accessed the different aspects of basic assumptions across informants. Second, it provided us with a common platform for comparing and analysing the responses.

The interviews were carried out as follows: the informants were asked to randomly select three cards and explain how two are similar and yet different from the third. Initially this provided one (i.e. based on similarity) or two (i.e. based on both similarity and difference) constructs. Laddering was then used to elicit other constructs that were the antecedents and/or consequences of the initial constructs. According to Rugg et al. (2002), the use of laddering involves the systematic generation of domain superordinates and subordinates by the informant through answers to specific questions. Laddering down (also called pyramiding) is where you explore the person's understanding of a particular construct. Laddering up is where you ask the person to elaborate why a particular construct is important. While "why" questions lead to superordinate connections, questions like "how" and "what" lead to subordinate connections. To expand the graph at a single level, the informant can be asked to generate alternative examples from those already generated. The result of this technique is taxonomy of domain concepts.

Although basic assumptions were the main phenomenon of interest, the use of laddering questions avoided mentioning the word "assumptions". Instead, informants were asked either to elaborate on the first construct by giving an example ("What do you mean by that?") or to explain how that particular construct was related to others ("Why is this important?"). In this way, any a priori theory about the content of assumptions was "bracketed" and the model that emerged was derived from the informants' voice and perception of reality. The process of laddering of the constructs continued until the constructs that emerged became redundant. In addition, we used non-verbal stimuli, i.e. photographs of hotels as triads to elicit constructs. The types of hotels used as elements included the full range of chain and independent local hotels familiar to the informants.

3.3. Data analysis

Upon completion of each grid interview, the data containing a list of elicited constructs were transferred onto a spreadsheet where table-supported data displays were created. All unique constructs, the type of label applied during the interview, construct and informant number were registered in a database. By the end of the data collection procedures, the database contained 384 unique constructs.

Grid-data analysis may be done in different ways. In this study, content analysis was used to identify content categories, and this process was performed using several steps. First, we searched for the most frequent constructs or multiple examples of similar constructs to link them into construct clusters. This was done using the database of all registered constructs, where information on construct cluster affiliation was added to the spreadsheet as an additional column. Further into the analysis, we searched for higher levels of abstraction and grouped construct clusters first into sub-categories, and then into major dimensions on the basis of content themes.

To ensure validity, all constructs were carefully checked for adequacy of interpretation with the informants. To improve the reliability of the emerging patterns, we also included a frequency count of elicited constructs in our data analysis. To establish validity, quotes of elicited constructs are presented below. Also, the main results of the analysis are summarised in Tables 1–3 and Fig. 1 to ensure transparency of our analysis procedures.

3.4. Validity and reliability

According to Marsden and Littler (2000), the repertory grid technique, being an interpretive method, should be judged by its credibility, which is the ability of the researcher to understand and to refer to the informants' meaning. To make sure this criterion was met, the informants were always asked whether they agreed with the constructs and whether the constructs registered in the grid actually reflected their initial opinion. Yorke (1985) argued that one of the key determinants of the validity of the grid is the goodness of fit between the grid's context and its elements. The study meets this criterion by using industry-relevant content in both verbal and picture elements. Moreover, in order to strengthen the validity and reliability of the study, we introduced triangulation to (a) stimuli type (verbal and picture elements applied for construct elicitation), (b) type of interview setting (individual and focus group), and (c) type of data analysis conducted (content analysis and frequency count). The data collection process revealed that informants verbalised constructs in a very similar manner (e.g. "to have or not to have control", "predictable behaviour vs. unpredictable behaviour"). Thus, it is reasonable to believe that the established categories were not something highly idiosyncratic, but a reflection of the employee's basic assumptions that are

Table 2

Constructs by dimension and group of informants (manager–non-manager; frontline–back stage; hotel–travel; exposed to verbal or picture cards).

	Constructs	Manager	Non-manager	Frontline	Back stage	Hotel	Travel	Verbal	Picture
Guests									
Predictability	48	11	37	35	13	33	15	41	7
Control	28	19	9	16	12	17	11	15	13
Affect	21	8	13	16	5	11	10	15	6
Responsibility	14	5	9	10	4	4	10	13	1
Competence	23	8	15	20	3	4	19	20	3
Communication	18	10	8	4	14	9	9	11	7
Ethics	4	4	0	4	0	0	4	4	0
Total	156	65	91	105	51	78	78	119	37
Co-workers									
Predictability	25	10	15	17	8	13	12	21	4
Control	13	5	8	6	7	10	3	6	7
Affect	12	7	5	11	1	3	9	11	1
Responsibility	32	17	15	22	10	13	19	28	4
Competence	30	12	18	24	6	9	21	30	0
Communication	14	3	11	11	3	5	9	14	0
Ethics	15	5	10	9	6	9	6	13	2
Total	141	59	82	100	41	62	79	123	18
Competitors									
Predictability	12	4	8	9	3	4	8	11	1
Control	19	7	12	19	0	8	11	18	1
Affect	2	1	1	2	0	1	1	2	0
Responsibility	5	0	5	5	0	3	2	5	0
Competence	15	10	5	10	5	4	11	13	2
Communication	11	4	7	7	4	7	4	7	4
Ethics	23	11	12	16	7	12	11	19	4
Total	87	37	50	68	19	39	48	75	12
Sum	384	161	223	273	111	179	205	317	67

Table 3

The results of the frequency count of constructs elicited by different types of stimuli and from different informants.

Informants	Type of stimuli (grid elements)	Number of constructs elicited	Percentage of total
Laura	Picture	11	2.9%
Nadine	Picture	12	3.1%
Natalie	Picture	14	3.6%
Lisa	Picture	15	3.9%
Linda	Picture	16	4.2%
Lily	Verbal	17	4.4%
Ann	Verbal	22	5.7%
Eric	Verbal	23	6.0%
Marie	Verbal	23	6.0%
Connie	Verbal	28	7.3%
Mary	Verbal	30	7.8%
Jenny, Camilla, Ellen	Verbal	30	7.8%
Eva	Verbal	32	8.3%
Amy	Verbal	33	8.6%
Tom	Verbal	35	9.1%
Mark, Celeste, Heather	Verbal	43	11.2%
Total	Verbal and picture	384	100%

inherent to the hospitality industry. The results of the focus group grid interviews showed a great overlap with the constructs derived from individual interviews, thus ensuring the reliability of the data retrieved from the individual employees.

4. Findings

Seven major dimensions – predictability, affect, control, responsibility, competence, communication, and ethics – emerged as a result of content analysis of the elicited constructs. The dimensions are presented below. The empirical citations of the elicited constructs are presented in quotation marks.

4.1. Predictability

Informants described predictability very directly through a vast number of constructs (i.e. “predictable–unpredictable”, “foreseeable–unforeseeable”). These, along with the constructs describing uncertainty (e.g. “certain–uncertain”), security (“safe–unsafe”), and stability (“provides stability–undermines stability”) formed the “foreseeability” sub-category.

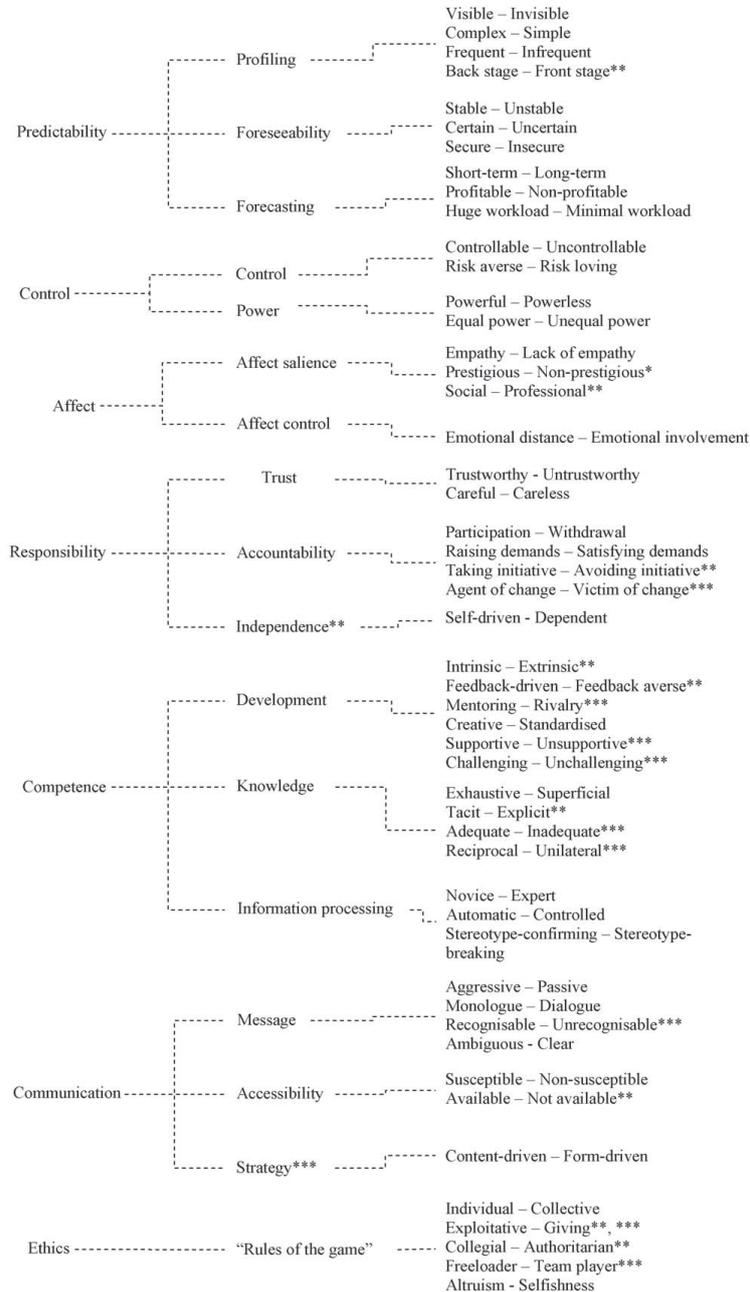
Interaction with guests was perceived as a powerful source of unpredictability. Thus, constructs describing guests in terms of random judgement (e.g. “outgoing–introvert”), visibility (e.g. “visible–anonymous”), or frequency of encounters (e.g. “a regular–a no-show”) were grouped into a sub-category named “profiling”.

Informants also attempted to differentiate between short-term and long-term relations with guests, co-workers, and competitors (e.g. “short-term–long-term relationship”) in order to increase the predictability of their own working routines. In relation to guests, the estimation of relationship length was often combined with profitability forecasting (e.g. “will bring us income–will drain us of resources”). In relation to co-workers, constructs describing the level of anticipated workload and expected work pressure (e.g. “huge workload–minimal workload”) emerged into a sub-category named “forecasting”.

In general terms, different employees assumed different levels of predictability in hospitality interactions. For some employees, a high predictability of interaction was assumed to generate the most successful performance outcomes. For others, a high degree of predictability was seen as a hindrance to creating a unique experience for the people involved in the interaction.

4.2. Control

Issues of perceived control were expressed quite directly through constructs such as “to have control–not to have control”,



Note. * Specific to guests. ** Specific to co-workers. *** Specific to competitors.

Fig. 1. The collated model of employee basic assumptions in hospitality. Note: *Specific to guests. **Specific to co-workers. ***Specific to competitors.

"being in charge–not being in charge", "gaining a grip–losing grip", and constructs describing risk (e.g. "taking a risk–playing it safe"). Similarly, the issues of having or not having power to execute decisions (e.g. "powerful–powerless") were explicitly connected to the issues of gaining or losing control by the majority of informants. Furthermore, informants saw control and power as a means of increasing feelings of security and predictability, because one can better protect oneself from the power incursions of others. Decreasing power was seen as a cause of anxiety and insecurity because others were viewed as having a greater ability to compel the employee to do something they did not want to do, in other words, losing control.

The assumed degree of control over the interaction varied greatly from informant to informant. For some employees, having as much control over the interaction as possible was seen as the best way to deliver reliable hospitality products. For others, letting guests take more control over the interaction was considered a more viable strategy.

4.3. Affect

A number of constructs were related to emotions. Informants described situations when feelings were considered appropriate (e.g. "feelings are allowed–no place for feelings"), or even prestigious (e.g. "feeling of prestige–feeling of being outdated"), along with constructs depicting the degree of emotional control (e.g. "emotions turned on–emotions turned off") and empathy (e.g. "compassion–indifference"). The elicited constructs revealed that some, but far from all, employees assumed that emotional involvement was a natural and salient part of hospitality work. Further, some constructs exposed assumed differences between the cognitive and the affective aspects of the hospitality interaction (e.g. "related to business–related to emotions", "work–feelings"). In addition, constructs such as "full control over feelings–no control over feelings" and "emotions on display–emotions hidden" revealed employee assumptions about expected emotional behaviour.

4.4. Responsibility

This dimension reflects various aspects of responsibility. Direct expressions of responsibility emerged through constructs such as "responsible–irresponsible", and "taking over responsibility–leaving responsibility to others". Constructs describing accountability (e.g. "accountable–unaccountable"), initiative (e.g. "taking the initiative–avoiding taking the initiative"), demands (e.g. "unreasonable demands on others–low demands on others"), and blame (e.g. "taking the blame–blaming others") constitute the accountability sub-category.

Matters of independence (e.g. "self-driven–dependent"), and trust (e.g. "reliable–unreliable") were also mentioned in close relation to responsibility. Employees clearly revealed a range of different assumptions about the domains of responsibility. Some simply assumed that the nature of hospitality work implies taking responsibility for other people. Others claimed that independence, not accountability, is the key to a successful hospitality encounter.

4.5. Competence

Constructs describing competence were grouped into three sub-categories: knowledge, development, and information processing. Knowledge comprised constructs such as "superficial–exhaustive", "tacit–explicit", and "unilateral–reciprocal". Constructs concerning development included such themes as motivation (e.g. "driven by the pay–cheque–driven by the joy of it"), feedback (e.g. "feedback-averse–feedback-driven"), mentoring

(e.g. "mentor–competitor") and support (e.g. "supportive–reserved"). Information processing emerged through constructs such as "go by stereotypes–go by insight" and "comes automatically–comes with effort". In general, employees revealed differences in their assumptions concerning competence in hospitality. Some assumed that in order to deliver better hospitality products, employees should have specific competences and their knowledge about the product and the industry has to be exhaustive. Others insisted that general competences and common knowledge are enough to run a successful hospitality business.

4.6. Communication

The communication dimension comprised such sub-categories as message (e.g. "clearly defined message–vague message"), accessibility (e.g. "dialogue–monologue", "active–passive", "accessible–inaccessible"), and communication strategy (e.g. "playing with content–playing with presentation methodology"). Some employees assumed that in order to perform well in the highly competitive market, the hospitality enterprise should be as accessible and open as possible in its communication to the customers, the market, and its own co-workers. Other employees rather assumed that active and open communication could give the competitors an upper hand in making marketing decisions and even harm the enterprise.

4.7. Ethics

The foundation for the ethical dimension rests upon construct poles describing both the *intentions* (e.g. "selfishness–altruism") and the *moral consequences* (e.g. "gives us moral benefits–gives us moral costs") of behaviour. In relation to co-workers, professional ethics were expressed through constructs such as "collegial–authoritarian" and "individual–collective". Business ethics in the hospitality context were discussed using constructs "free riders–team players" and "network altruism–egocentrism". Interestingly enough, some employees assumed that high ethical standards might represent an obstacle to gaining a solid market share. Others, on the contrary, assumed that high professional ethics are the only way to succeed in the hospitality business on a long-term basis.

5. Discussion and implications

Based on the findings, we will first present a collated model of the basic assumptions in hospitality. Then we will explain how the different assumptions are related to the different components of hospitality, i.e. hospitality product (guests), hospitality organisation (co-workers), and the market (competitors). Subsequently, we will integrate our findings into a broader theoretical perspective and point out the implications of the study.

5.1. A collated model of basic assumptions: basic assumptions, basic issues and basic options

We used the empirical findings presented in the previous chapter to develop a model of the basic assumptions in hospitality, see Fig. 1.

The model depicts seven dimensions or domains of basic assumptions, each of which collects two or more basic issues which in turn includes two or more options, that is, positions that a person may take on the topic. Many of the basic issues noted are truly bi-polar in nature; that is, the options reflected in the poles are relatively mutually exclusive (i.e. the more a person's assumption reflects position on option X, the less it reflects position on option Y). For other basic issues, the options are not

mutually exclusive. In that case, each option is thus a sub-issue, a monopolarity of the form "A" vs. "not A" or "opposite of A".

For example, the predictability dimension reflects the employees' basic assumption about the need to predict their work environment. This dimension contains three basic issues: forecasting, foreseeability, and profiling. The forecasting issue reflects beliefs about whether or not reality and human relationships can be subjected to quantification and prediction. The options are "profitable–non-profitable" and "short-term–long-term". The profiling issue describes other people in terms of recognisable traits and refers to a belief about whether or not other people can be easily categorised into types. The options here are "visible–invisible", "complex–simple", "frequent–infrequent", and "back stage–front stage". The foreseeability issue reflects beliefs about the extent to which future behaviour can be foreseen, and includes options such as "certain–uncertain", "stable–unstable", and "secure–insecure". Similarly, the basic assumptions about control, affect, responsibility, competence, communication and ethics are depicted in Fig. 1 with their respective basic issues and basic options.

5.2. Who is most concerned about what?

Although each of the seven dimensions of the basic assumptions is valid for both guests, co-workers and competitors, they do not need to be equally vital for all areas. According to Rokeach (1972), not all beliefs may count equally to the individual; they usually vary along a central–peripheral dimension. The same rule would probably apply for the employee assumptions as well. The more central the assumption, the more it will resist being challenged. As a result, the more central the assumptions challenged, the more widespread the repercussions on the rest of the assumptions' system. To explore more closely the relative proximity of basic assumptions in this study, we performed a frequency count of all the elicited constructs. The results are presented in Table 2.

Our findings suggest that assumptions about predictability, control, and affect were more central in relation to guests; assumptions about responsibility and competence were more central in relation to co-workers; and assumptions about ethics were more central in relation to competitors. In the following sections, we elaborate more on the findings and how these apply to guests, co-workers and competitors in the hospitality.

5.2.1. Guest-related assumptions: control, predictability, affect, and communication

This means that for guests, the largest group of constructs was related to predictability. The second largest category appeared to be control. The topics about gaining or losing control over the interaction, or the level of the product delivery's predictability were often brought up by the informants as the focal theme of the hospitality product discussion. In our view, this is not coincidental. The hospitality context with its frequent guest encounters requires employees to be flexible. At the same time, flexibility can hardly be maintained by rules or routines. Clearly, drawing the line between flexibility and consistency is an issue that is addressed differently across hospitality enterprises. Assumptions about predictability and control provide guidelines for hospitality employees' behaviour when no other support in the form of rules is available.

Separating informants into groups according to whether or not they had managerial functions, whether they were employed in the travel or the hotel sector of hospitality, or whether they worked as frontline or back stage employees, gave some interesting results. Non-managers were much more concerned with the predictability of guest interaction than managers (37 constructs vs. 11 constructs). Managers, on the other hand, were more concerned

with issues of guest control than regular employees (19 construct vs. 9). Informants employed in hotels showed more concern regarding issues of control in relation to both guests (17 constructs) and co-workers (10 constructs) than informants employed in the travel sector (11 constructs and 3 constructs, respectively). The same goes for predictability of the guest encounter (33 constructs vs. 15 constructs). Previous research found that hospitality operations are dependent on a certain degree of standardisation, formalisation and rules to achieve efficiency (Hwang and Lockwood, 2006). There has been a tendency to focus on the unpredictability of guest interaction or customer needs as an argument for employee empowerment and less strict rules (Ford and Heaton, 2001). Our study shows that assumptions about control and predictability in relation to guests might be an important influence of employee behaviour during the service encounter. The findings also indicate that managers are aware of the delicate balance that exists between staying in control during the guest–host encounter on the one hand, and empowerment on the other.

Assumptions about affect provide guidelines for feelings with the affect dimension mostly brought up in relation to guests. Previous research suggests that the amount of emotional labour of frontline employees in the hospitality industry is influenced by cultural difference (Morris, 2003). In this respect, assessing assumptions about how much (and what kind of) emotion employees should display during hospitality interaction might help hospitality managers to tackle the problem of emotional burnout. Frontline employees produced more constructs in the predictability and affect dimensions than back stage employees (35 construct vs. 13 constructs and 10 constructs vs. 5 constructs, respectively). Back stage employees, on the other hand, were more explicitly concerned with issues of guest communication than frontline staff (14 constructs vs. 4 constructs). This is interesting, because back stage employees are traditionally seen as those who do not engage in direct interaction with customers. Back stage employees differentiated between guests who communicate with back stage personnel and guests who do not wish to see behind the scenes or be involved in any interaction with employees other than the frontline staff.

5.2.2. Co-worker-related assumptions: responsibility and competence

When the informants were addressing their view of co-workers, they most often mentioned different aspects of responsibility and competence, i.e. the type of knowledge co-workers should acquire as hosts. Variance in these basic assumptions provides the framework for differing managerial practices. Conflicts can arise when assumptions about co-worker responsibility and co-worker competence are unrecognised and not taken into consideration. On the other hand, when employees become aware of their basic differences, they can begin to appreciate the assumptions of others, or do something to challenge them, resulting in positive organisational development. In relation to co-workers, both managers and non-managers were more or less equally concerned with competence and responsibility. For managers, however, competence was equally important than for non-managers (18 constructs vs. 12 constructs), while non-managers were more concerned with responsibility (17 constructs vs. 15 constructs). Both managers and non-managers also expressed some interest in the ethical issues (10 constructs vs. 5 constructs). Recent research (Hetland and Sandal, 2003) suggests that operational and transformational leadership might rest on different basic assumptions in organisational cultures. For instance, in a culture dominated by control, leader sensitivity might be interpreted as weak, whereas in a culture with a more nurturing, affective assumption, the same sensitivity may prove essential for effective transformational leadership.

In relation to co-workers, frontline employees were much more concerned with both responsibility (22 constructs vs. 10 constructs), and competence (24 constructs vs. 6 constructs) than back line employees. Previous studies indicate that support from co-workers is crucial in order to deliver reliable services to guests (Susskind et al., 2007), and that co-worker support impacts on service providers' guest interaction. Our results indicate that different assumptions about responsibility and competence might influence the amount of support and cooperation co-workers give each other during the service delivery, which inevitably will impact on the quality of the product provided to guests.

5.2.3. Competitor-related assumptions: ethics

The hospitality market component, or competitor element, was most frequently described in terms of ethics. The "rules of the game", along with the question of what constitutes market ethics in hospitality were of major concern when addressing competitors. According to Minnett et al. (2009), ethical issues in hospitality are often discussed in relation to the non-economic impact of organisations on the environment, i.e. social responsibility and corporate governance. Assumptions about ethics seem to reflect the balance between competition and cooperation, and what forms of relations are most appropriate in a highly competitive environment. Frontline personnel seemed to be more occupied by the issues of controlling competitors (19 constructs vs. 0 constructs) than back stage employees. Informants employed in the travel sector were more concerned with the issues of competence in relation to competitors than informants employed in hotels (11 constructs vs. 4 constructs).

With the limited sample size and the explorative nature of this study, these findings should not be discussed as general tendencies. The findings can however serve other important purposes, i.e. forming hypotheses for further research.

5.3. Managerial implications

The mapping of basic assumptions offers a roadmap for hospitality managers who want to make informed decisions about the services they are providing and some of the management tasks they are facing. There are two areas where basic assumptions of hospitality employees are critical to a property's success. One is attitudinal (that is, what the employee thinks of the guests, co-workers, and competitors) and the other is operational (that is, making daily decisions regarding the hotel's functioning towards guests, co-workers and competitors). Although these two areas are highly intertwined, the distinction can be central to the application of our results in practice.

Proper assessment of basic assumptions will assist the hotel management in making employees aware of the attitudinal aspect of their service work. Owing to intangibility and frequent guest contact, it is nearly impossible to directly monitor or control the service delivery process through the use of supervisory personnel. In addition, much of the labour in service delivery is emotional rather than physical. Both these and other related factors make it very difficult to develop and effectively implement formal measurement systems for hospitality firm employees (Siehl, 1992). One appropriate means of control is through culture, by reinforcing and developing basic assumptions.

Assessment of basic assumptions can further help to improve operational matters, like improving cooperation between house-keepers and receptionists regarding accommodation of early arrivals (*predictability, responsibility, communication*), paying more attention to the needs of a returning guest (*control, affect*), creating opportunities for co-workers to work on new and challenging assignments (*competence, responsibility*), and handling competitors' queries (*ethics*).

Our data indicate that hospitality employees vary in their assumptions about guests, co-workers, and competitors. Hence, the ability to identify and help others discover their basic assumptions, and the capability to challenge those if necessary, are possibly among the most critical capabilities a human resource manager can possess (Pfeffer, 2005). Assumptions are learned responses, and as such are subject to change over time. However, once established they are enduring and may be resilient to change (Hofstede, 2003). Sometimes collective assumptions can have a negative impact on the organisation (Dixon, 1999). In a rapidly changing environment, collective meaning that was advantageous at one time may have become obsolete, and an organisation may maintain collective meaning that is dysfunctional without realizing it. On this basis, precise knowledge of the basic assumptions of hospitality employees will help managers to facilitate organisational learning, which is considered dependent on the collective cognitive processes of individuals (Yeo, 2005). In order to challenge employees' basic assumptions, the hospitality managers need to make assumptions available for examination. In order to do this, they need proper assessment tools. Currently, there is a lack of an adequate framework to assess basic assumptions in hospitality firms. The results of our research should therefore be considered as one of the necessary steps towards creating a new measure of basic assumptions in hospitality.

From a marketing standpoint, basic assumptions reveal how employees of hospitality firms perceive competition in the industry, and by what standards they judge their own position in that competitive market and their own hospitality product. Thus, knowledge of hospitality employees' assumptions might be used to guide the designing of proper hospitality practices, and, if needed, corrective actions. This knowledge might also be used strategically when developing the enterprise's marketing strategy.

5.4. Limitations of the study and implications for theory building and theory testing

This study has attempted to expand the understanding of the content and structure of basic assumptions in hospitality. However, several major limitations of the study should be recognised. First, this study does not allow generalizations to be drawn outside the design employed in this research. This is basically an emic study, which means that the framework generated is provided by the informants themselves. In addition, the empirical investigation of the assumptions is at the individual level. We have not provided any evidence for aggregation of assumptions from the individual to the departmental or organisational level. Although it seems reasonable to assume that the elicited dimensions are correlated to each other, it is impossible to conclude any multi-correlate or predictive relationship without additional research.

The sample and setting of the study may also limit the generality of the findings. Perhaps the most reasonable stance towards the issue of generalizing findings from a qualitative study would be the "naturalistic generalization" of Stake (1990). He suggests that generalizations across people, settings, and times are viable to the degree that people, settings and times are similar to the focal study. Although we cannot be certain about what type of basic assumptions are most influenced by the sample and setting of the study, we have, in line with Johnson (1997) carefully and accurately tried to report descriptive information about the participants, times and places to increase the intersubjective verifiability of the results.

The external validity of the findings may also be enhanced by the degree to which the findings fit into known theoretical networks. Some of the dimensions of the found basic assumptions relate well to general dimensions of social and organisational

theories as discussed above, thus strengthening the external validity.

The most important documentation of external validity will however be in the replication of the study and findings: the more time a research finding is shown to be true with different sets of people, the more confidence can be placed in the finding and conclusions that the finding generalizes beyond the people in the original research study (Cook and Campbell, 1976). Apparently, more research is needed to see whether or not the same pattern of basic assumptions could be found in different sets of hospitality employees (other national cultures, and other socioeconomic backgrounds).

Further research is therefore needed to study the validity of the elicited constructs, the relationship between them, as well as their relationship to the employees' and organisational functioning and performance in general. In our view, future studies of employee basic assumptions should focus on (a) the extent to which assumptions are shared within a unit or an organisation, (b) the strength of relationships along the dimensions and their relative importance, and (c) how these shared assumptions relate to the performance of the unit or organisation. In order to do that, quantitative designs are required. A natural step in this direction would be to develop a scale assessing employee assumptions about guests, co-workers, and competitors in hospitality, and to put it to the test in a quantitative study. Additionally, we know little about how to induce influence on basic assumptions. Further research should investigate ways to challenge and influence assumptions in the hospitality context once they are assessed.

This study also has several methodological implications. Our investigation confirms that the repertory grid and laddering are useful tools for gaining a deeper understanding of hospitality-related phenomena. However, recent findings in other research field have indicated that the output of elicitation interviews might be influenced by the choice of elicitation technique (Breivik and Supphellen, 2003). In our case, using picture elements, for example, turned out to be far less productive than using verbal labels. On average, informants who were asked to compare triads of picture elements managed to come up with far fewer constructs than those who were asked to work with verbal trait cards, see Table 3.

Few of the hotel employees were able to verbalise comparisons between these elements due to their limited knowledge of other hotels, short working experience, or a combination of both. To obtain patterns of basic assumptions with a higher validity, future research should attempt to combine different elicitation techniques. Our study also showed that a focus group interview with two to three informants is highly effective in determining constructs of collective importance to hospitality employees. Focus group grid interviews not only clarified the agreement patterns among the employees; they also clarified the meaning of this agreement.

The purpose of this research was to explore, among hospitality employees, the content of the basic assumptions about guests, co-workers and competitors. Based on our empirical findings, we developed a collated model comprising basic options, basic issues and basic assumptions in hospitality within seven dimensions. Although there are limitations of such general theorizing about underlying structure and content of assumptions both from a theoretical and a methodological point of view, we believe that this work provides a useful start point for understanding the nature of employee basic assumptions in hospitality firms. Many questions merit further investigation. Now that some important dimensions of basic assumptions have been identified empirically and discussed theoretically, researchers can go on and test the collated model of basic assumptions in several independent and preferably larger samples. At this point, researchers would be able to see whether the structure and dimensionality discovered in this study can be repeated in other samples and other hospitality enterprises,

or whether aggregating responses of hospitality employees by some criteria important in hospitality (e.g. frontline-back stage) would add to the explanatory power of the construct. As for practitioners, our study offers an insight into how hospitality employees conceptualise their guests, co-workers and competitors. This is vital knowledge for managers who want to understand factors that impact upon employees' behaviour during interactions with guest, co-workers and competitors.

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Paper 3

Gjerald, O., & Øgaard, T. (in press). Exploring the measurement of basic assumptions about guests and co-workers in the hospitality industry. *International Journal of Contemporary Hospitality Management*.

**Exploring the Measurement of Basic Assumptions
About Guests and Co-Workers in the Hospitality Industry ¹**

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Abstract

Purpose: The purpose of this paper is to develop and validate a measure of employee basic assumptions about guests and co-workers in the hospitality industry.

Design/methodology/approach: Data were collected from two independent samples using self-administrated questionnaires and analysed using correlational and reliability analyses, exploratory and confirmatory factor analyses, and one-way ANOVA.

Findings: The analyses identified two dimensions of basic assumptions about guests, *control* and *affect*. Assumptions about co-workers also consisted of two main dimensions termed *responsibility* and *competence*. The results showed that assumptions about *guest control* positively correlated with subjective job performance; assumptions about *guest affect* and *co-worker competence* positively correlated with organisational commitment and job satisfaction; and assumptions about *co-worker responsibility* positively correlated with intentions to stay with the organisation.

Research limitations/implications: The findings are based on a limited sample of service employees. Even though we validated hospitality employees' basic assumptions about guests and co-workers in a service context, the suggested conceptualisation still needs a more comprehensive validation. Assumptions about competitors may be important determinants of hospitality employees' behaviour towards guests, and such assumptions should be analysed in future studies.

Originality/value: The present study is the first to investigate simultaneously assumptions about guests and co-workers in a hospitality environment and the effect that such assumptions have on outcome variables. Altogether, the study demonstrates that basic assumptions may be a viable construct for HR management. They are easily identifiable and related to employee job satisfaction, job performance, organisational commitment, and staff turnover intentions.

Keywords: basic assumptions, organisational culture, socially shared cognition, job performance

Paper type: Research paper

1. Introduction

Recent publications in the hospitality industry has generated increasing awareness of the role of employees' basic assumptions that can be the sources of destructive (e.g. Bloisi and Hoel, 2008) or constructive (e.g. Davies, 2008) employee behaviour at work. Basic assumptions are described in the literature as internal knowledge structures, tacit beliefs that exist in long-term memory and guide information processing and behaviour in various domains (Schein, 2004). Schein (1991, p. 247) stated that "a pattern of shared basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration", is the basis of organization culture. Assumptions that have worked well enough to be considered valid are taught to new members of the organization as the correct way to perceive, think, and feel in relation to external or internal problems.

Every organisational intervention or management practice—be it a form of incentive compensation, performance management system, or a set of organisational practices—necessarily relies on some implicit model of human behaviour containing a set of basic assumptions. Therefore, recent advancements in human resource literature offer a strong argument stating that the ability to diagnose and sometimes change employees' basic assumptions about the business is of critical importance for organisational performance and success (Roehling *et al.*, 2005).

Hospitality employees develop basic assumptions about important aspects of their work environment, i.e. guests or co-workers, and these assumptions influence their behaviour at work. For instance, Wood (1997) reported that some employees (e.g. chambermaids) are often spurned by their co-workers, are treated as a cheap and easily replaceable resource by employers, and are ranked among the lowest of the low in hospitality work. Such a view of employees in a hospitality enterprise may result in deteriorating service, poorer quality of the hospitality offered and, eventually, lower performance. A recent study from the restaurant sector has suggested that basic assumptions about the nature of work in hospitality venues relate to the occurrence of bullying behaviour (Mathisen *et al.*, 2008). Powell and Watson (2006) observed that certain assumptions about hospitality employees and about some parts of hospitality work can suggest "a social stigma" while, in fact, these employees and their work are essential for the comfort and safety of the guests.

Despite the growing recognition that employee assumptions influence the success of hospitality business, the structure and content of basic assumptions about guests and co-workers in hospitality management have gone under-researched. Hospitality research has generally focused more on the structural aspects of the service enterprises (e.g. systems of rules and routines, or operating procedures). Studies on organisational structure in the hospitality organisations include research on design and organisation of work roles (Guerrier and Deery, 1998), and organisational practices and their patterns (Øgaard *et al.*, 2008). On the other hand, research and management have largely overlooked the *cultural* knowledge structures of employees (e.g. basic assumptions about the working environment) (Ingram, 1999).

Our present knowledge of employees' basic assumptions in hospitality is limited. The aim of this study is to investigate the structure and dimensionality of employees' basic assumptions about guests and co-workers in hospitality. The present study simultaneously tests employees' assumptions with respect to two components of hospitality management, (a) co-workers (organisational component) and (b) guests (hospitality product component).

The main purpose of this study is to develop an instrument that would assess basic assumptions of hospitality work by empirically examining specific assumptions of employees about guests and co-workers.

2. Theoretical foundation

Basic assumptions are general beliefs about reality, an individual's or a group's answer to the question of "what explains why things are as they are" (Holland *et al.*, 1993, p. 145). A person's assumptions define what can be known in the environment and how it can be known; it defines what can be accomplished and how. In addition to defining what goals one *can* seek in life, basic assumptions define what goals one *should* pursue. Basic assumptions also define proper or improper types of behaviour and relationships (Koltko-Rivera, 2000). In the organisational context, employees' basic assumptions constitute a company's "theory of the business": they shape employees' behaviour, influence decisions about proper or improper behaviour, and define what the management considers as meaningful results (Drucker, 2006). Existing conceptualisations of basic assumptions can be divided into two broad, overlapping categories: assumptions about life in general and more specific assumptions about work life. Assumptions about life in general are studied in general social sciences like applied psychology (e.g. Berzonsky, 1994) or anthropology (e.g. Lawler *et al.*, 2008). In this literature, the dimensions of basic assumptions are identified in relation to human nature, will, behaviour, interpersonal relations, and the world in general. For example, Koltko-Rivera (2000) conceptualised a person's assumptions as a six-dimensional construct, where *Mutability* refers to the possibility of changing human nature; *Agency* is the degree to which behaviour is chosen or determined; *Relation to authority* identifies hierarchical versus egalitarian partnerships; *Relation to group* assesses priority given to individual goals versus reference group goals; *Locus of responsibility* describes perceived responsibility for the person's situation in life; and *Metaphysics* refers to the reality or unreality of a spiritual dimension in life.

Work-related assumptions are the products of socialisation into an organisational or a professional culture; therefore, they are studied within the framework of human resources management (Deadrick and Gibson, 2009). Most authors in their attempt to assess work-related assumptions have applied assumptions about life in general to the organisational context (e.g. Mikkelsen and Einarsen, 2002). For instance, Schein (2004) adapted the following six basic assumptions as a framework for organisational purposes: *Nature of human nature* (assumptions that define what it means to be human and what human attributes are considered intrinsic and ultimate); *Nature of human activity* (assumptions about the appropriate level of activity or passivity); *Nature of human relationship* (assumptions about the right way for people to relate to each other, to distribute power); *Nature of time and space* (assumptions about the appropriate focus of one's activities, future, present, or past, and about how space should be allocated and owned); and *Nature of reality and truth* (assumptions that define what is real and what is not, how truth is ultimately to be determined, and whether truth is revealed or discovered). According to Schein, shared basic assumptions form around these "deeper dimensions" in any organisation. For example, organisational missions, primary tasks, and goals reflect basic assumptions about the nature of human activity and the relationship between the organisation and its environment. Similarly, the measurement or control systems, along with assumptions about how to take corrective action, reflect assumptions about the nature of truth and the appropriate psychological contract for employees.

Usually, qualitative research designs investigate the content of work-related assumptions (Cassell *et al.*, 2000; Yauch and Steudel, 2002). There is, however, a lack of research examining the content of basic assumptions in the hospitality management literature. Several researchers have called for a better integration of existing conceptualisation of basic assumptions into industry-specific contexts (Kekäle and Kekäle, 1995; Nahm *et al.*, 2004; Wendorff, 2002; Yauch and Steudel, 2002). This is an important claim since basic assumptions apply to the entire employee environment and the functioning of the world in

general. Some of those assumptions may be of lesser importance to industry-specific job-performance, and some may be crucial to understanding employee behaviour and performance. In hospitality management, the employees' assumptions about the "parameters of hospitality" (Brotherton, 1999), i.e. the hospitality product and the hospitality employees' interaction with guests and co-workers, stand out as some of the most promising areas to investigate.

Taken together, assumptions about guests and assumptions about co-workers represent the main components of hospitality (cf. Brotherton, 1999). Basic assumptions about guests represent the hospitality product component, i.e. host-guest interaction and hospitality product delivery. Basic assumptions about co-workers provide insight into the organizational component, i.e. operational, professional, and organizational matters in hospitality enterprises. These chosen areas of basic assumptions relate to most parts of service production and delivery, the value generated by the hospitality establishment through the process of transforming input to output. The nature of hospitality input tends to be eclectic in nature and provides a greater diversity of sources than in other industries, with interaction being a vital part of the input. The experiences of pre-consumption as well as post-consumption become part of both the input and output and inevitably involve interactions between hosts, guests, and other hospitality suppliers. As Nonaka and Takeuchi (1995) explained, an organization can and should benefit from knowledge possessed by individual employees in order to become a learning organization. This requires externalization of tacit knowledge, the knowledge of internal procedures and routines, as well as cultural knowledge, i.e. basic assumptions.

2.1. *Basic assumptions about guests*

Assumptions about guests can give researchers and practitioners additional insight into how employees conceptualise host-guest interaction and the process of hospitality product delivery (i.e. external relationships). According to Schein (1992), some basic assumptions include learned responses to problems of survival in the external environment or responses to problems of internal integration. The primary external problems are, for example, the core mission of the enterprise or reason for the organization's existence, the objectives based on this mission, strategies for attaining these objectives, and ways to measure success in attaining these objectives (Yukl, 2006). Recent publications in the hospitality industry journals and daily newsletters show that hospitality practitioners are most concerned with making their guests feel at home in the hospitality environment (e.g. Nedry, 2009). Insight into the basic assumptions about guests can reveal some additional aspects of the hospitality product component beneficial to both practitioners and researchers, for instance whether guests seem to have some intrinsic or innate qualities that make the hospitality interaction and product delivery special or different from interactions in other service contexts.

Another aspect of hospitality work, which is relevant to the assessment of basic assumptions about guests, is emotional labour. Research in this area has generated a good understanding of the numerous aspects of emotional labour (Johanson and Woods, 2008). Several studies in hospitality have identified links between emotional labour and the quality of guest service (e.g. Guerrier and Adib, 2003). The evidence indicates that the management of emotional labour throughout the industry requires a complex combination of strategies. Most of these strategies are based on introducing employees to the "required emotional rules of the job" through the informal socialization or targeted training (Johanson and Woods, 2008; Seymour, 2000). There is, however, a lack of research into the source of these "emotional rules of the job", i.e. the basic assumptions about guests and host-guest interactions.

2.2. Basic assumptions about co-workers

Basic assumptions about co-workers deal with the problems of internal integration in the hospitality venue. Internal problems include the criteria and procedures for determining membership of the organization, for determining status and power, for allocating rewards and punishments, and for determining the ideology to explain unpredictable and uncontrollable events, among others (Yukl, 2006). Gaining insight into employee assumptions about other co-workers is important in order to understand how employees conceptualise organisational interactions and managerial practices associated with the hospitality product delivery (i.e. internal relationships). In a recent study, Martin (2004) described four types of hospitality employees' orientation to work. The instrumentally oriented employees viewed work as a means to an end and they worked to support a specific lifestyle outside of the workplace. The craft oriented employees viewed work as an end in itself and attached importance to preserving craft skills and maintaining prestige and reputation. The solidarity-oriented employees' lives and work were so tightly bound that their out of work existence was based on work relationships. The professionally orientated employees viewed work as a mechanism for self-development and part of a career path and revised each job in line with progressive economic and status advancement. This study demonstrates that different types of work orientation among hospitality employees can be found within the same establishment or context. At the same time, many hospitality products require joint effort of many employees in order to be delivered properly. Exploring the content of the basic assumptions about co-workers would expand our understanding of the service organization and service management in general, but especially in the hospitality industry. Basic assumptions about co-workers serve as basis for role expectations, role divisions, and cooperation during complex product deliveries. Previous research has shown that some employees perceive the hospitality industry as obstructive to one's career and personal and professional growth, i.e., the "glass ceiling" effect (Knutson and Schmidgall, 1999). The perceived dimensions of the "glass ceiling" may be rooted in assumptions about what the industry can and cannot provide for its employees, what sub-industries of the hospitality sectors, if any, are lagging behind in retaining, training, and developing their employees' careers. The basic assumption about what it takes to change is equally important. To date, we know little about the content of basic assumptions about co-workers. The lack of evidence from the industry highlights the need for further research.

Above all, it has been suggested that assumptions about guests and co-workers are of major importance in the hospitality sector. The ability to identify and help others discover their basic assumptions, and the capability to challenge those assumptions if necessary, are possibly among the most critical capabilities a human resource manager can possess (Pfeffer, 2005). Assumptions are learned responses, and as such are subject to change over time. However, once established, they are enduring and may be resilient to change (Hofstede, 2003). Sometimes collective assumptions can have a negative impact on the organization (Dixon, 1999). In a rapidly changing environment, collective meaning that was advantageous at one time may have become obsolete, and an organization may maintain collective meaning that is dysfunctional without realizing it. On this basis, precise knowledge of the basic assumptions of hospitality employees will help managers facilitate organizational learning, which is considered dependent on the collective cognitive processes of individuals (Yeo, 2005). In order to challenge employees' basic assumptions, the hospitality managers need to make assumptions that would be available for examination. In order to do this, they need proper assessment tools.

Currently, there is a lack of adequate measures to assess basic assumptions in hospitality firms. Our research aims at developing and validating a new measure of basic assumptions in hospitality. We are primarily concerned with approaching the construct of basic assumptions from the perspective of hospitality interaction between guests and co-

workers – people who are involved in the hospitality product delivery.

It has been suggested that basic assumptions influence job outcomes of employees (Roehling, 2005), and consequently one may assume that different dimensions of basic assumptions are related to job outcomes. For criterion related validation purposes (Churchill 1979), we included four attitudinal measures of individual job outcomes in the study. We based our choice of outcomes on recommendations by Ingram (1997), which is to emphasize those performance outcomes that can lead to organizational success in competitive hospitality environments and the challenges which are posed for management. Although “bottom line” performance measurement is important, “softer” indicators – e.g. attitudinal measures of individual outcomes – may offer greater opportunities for organizational effectiveness in the longer term (Ingram, 1997). Among attitudinal measures of individual outcomes that have been well documented to relate to actual performance (see for example Harris and Mossholder 1996), we chose the following four job outcomes: organizational commitment; job satisfaction; subjective performance evaluation, and turnover intentions. Although they are not the only determinants of performance-related outcomes, organizational commitment and job satisfaction generally predict performance (Donavan *et al.* 2004; Homburg and Stock, 2004; Parker *et al.*, 2003). Subjective performance evaluations (i.e., employees’ self-assessments of performance) have been systematically related to actual performance (see, e.g. van der Heijden, 2001). Turnover intention refers to an employee’s tendency to stop being an organizational member (Jaros 1997). Jaros *et al.* (1993) suggest that turnover intention is the direct precursor of turnover behavior and reflects a combination of withdrawal-related attitudes. Since the actual dimensionality of the basic assumptions is not yet known and the research in this field is scarce, exact hypotheses for relationships cannot be generated.

3. Methods

Our process for developing measures of basic assumptions follows the procedure suggested by Churchill (1979). The first step relates to generating a pool of items that cover the domain of the construct. To do this, we conducted an exploratory study based on repertory grid and laddering techniques (Kelly, 1955; Russell *et al.*, 2004). The second step involved measure purification, i.e. the deletion of items that do not have the desired properties. To accomplish this step, we first did a content analysis and frequency count of the qualitative data. Then we conducted a questionnaire-based quantitative study to further assess and improve the measurement properties. For validation purposes, we maximised the differences between subjects by including two samples, one from hospitality sector and one from the finance sector. Finally, we tested the performance of the new measure (criterion validity) by a) inspecting whether the measure differentiated between groups of respondents and b) inspecting how it related to other relevant constructs in hospitality management. Below is a description of the studies and findings.

3.1. Study 1: Exploring the content of basic assumptions in hospitality

We conducted an exploratory study where we applied repertory grid and laddering to elicit basic assumptions among hospitality employees.

3.1.1. Setting and Sample

We wanted to gain a broad understanding of basic assumptions in the hospitality context. We assumed that individual employee assumptions relate to the general assumptions in hospitality. However, there is a risk that the individual description could be limited to some idiosyncratic views of single employee type (e.g. receptionists) and thus may be of lesser generality. To reduce the risk of this reverse ecological fallacy, we sampled subjects across

different positions and job contexts. We varied the general context of the research procedure and selected individuals from different socioeconomic backgrounds, in line with Triandis *et al.* (1984). We expected such variety of informants to yield rich, if not comprehensive, description of the hospitality context, which, eventually, would lead to models that were characteristic of hospitality basic assumptions.

To secure this fair amount of variance in the sample, we included (a) employees of various sub-branches of the hospitality sector (accommodation, dining, tourist information services, guides and travel counsellors), and (b) employees with a varying degree of guest contact, managerial responsibilities, and industry experience. Although we did not ask our informants about their age directly, we did make sure that people of different ages were represented in the sample.

The data collection was carried out in a region of Western Norway with approximately 200,000 inhabitants, which annually receives approximately 150,000 tourists². The sample comprised of eleven hospitality enterprises and involved twenty hospitality employees. All interviews were conducted in Norwegian. The number of years participants had been employed in hospitality companies varied greatly indicating a fair variance in the industry experience. Most participants had either vocational training (e.g. chefs, receptionists) or higher education in hospitality or tourism management (e.g. tourist hosts, sales executives). The data collection process was completed when the interviews did not provide additional information. The data constituted the foundation for the emerging theory and provided a background for future refinements of the ideas.

3.1.2. Data Collection

The data collection comprised three different steps. First, we asked a set of informants to use free-association to generate descriptions of guests and co-workers. Three persons were included in this step and the following list of verbal trait labels was generated: (1) satisfied, (2) demanding, (3) attractive, (4) difficult, (5) tiresome, (6) one everybody in our firm likes, (7) one everybody in our firm dislikes, (8) easy, (9) profitable. Then we used these descriptions as elements in individual repertory grid interviews. We produced paper cards (elements) where each of the two components (guest or co-worker) was coupled with each of the nine verbal trait labels (e.g. demanding guest, or a co-worker everybody in our firm likes). This resulted in two sets of cards; nine cards for each guest and each co-worker. We also conducted two repertory grid-based focus group interviews to check for constructs that are common not only to one individual but also to other members of the organisation. For this study, we decided to use the same verbal trait labels for both topics for two reasons. First, it allowed us to investigate whether a set of verbal traits assessed different aspects of basic assumptions across informants. Second, it provided us with a common platform for comparing and analysing the responses.

The interviews were carried out as follows: the informants were asked to randomly select three cards and explain how two are similar and yet different from the third. Initially this gave us one (i.e. based on similarity) or two (i.e. based on both similarity and difference) constructs. Laddering was then used to elicit other constructs, the antecedents and/or consequences of the initial constructs. According to Rugg *et al.* (2002), use of laddering involves the systematic generation of domain superordinates and subordinates generated by the informant through answers to specific questions. Laddering down (also called pyramiding) explores a person's understanding of a particular construct. Laddering up explores why a particular construct is important to a person. While "why" questions lead to superordinate

²

http://www.regionstavanger.com/Stavanger/Brosjyrer/08_%C3%85rsrapport%20per090402.pdf?epslanguage=no

connections, questions like “how” and “what” lead to subordinate connections. To expand the graph at a single level, informant can be asked to generate alternative examples from those already generated. The result of this technique is taxonomy of domain concepts.

Although basic assumptions were the main phenomenon of interest, the use of laddering questions avoided mentioning the word “assumptions”. Instead, informants were asked either to elaborate on the first elicited construct by giving an example (“What do you mean by that?”) or to explain how that particular construct relates to others (“Why is this important?”). This way, any a priori theory about the content of assumptions was “bracketed” and the model that emerged was derived from the informants’ voice and perception of reality. The process of laddering of the constructs continued until the constructs that emerged became redundant. In addition, we used non-verbal stimuli to elicit constructs, i.e. photographs of hotels as triads. Types of hotels that were used as elements included the full range of chain and independent local hotels familiar to the informants.

3.1.3. *Data analysis*

After the completion of each grid interview, the data containing a list of elicited constructs were transferred onto a spreadsheet to create table-supported data displays. Unique constructs, types of labels used during the interview, construct and informant numbers were registered in a database. By the end of the data collection procedures, the database contained 297 unique constructs.

Grid-data analysis may be done in different ways (Russell *et al.*, 2004). In this study, content analysis was used to identify content categories. This process was performed in several steps. First, we searched for the most frequent constructs, or multiple examples of similar constructs, to link them to construct clusters. Using the database containing all registered constructs, information on construct cluster affiliation was added to the spreadsheet as an additional column. Further, we searched for higher levels of abstraction and grouped construct clusters first into sub-categories, and then into major dimensions based on content themes. To improve the reliability of the emerged patterns, we also included a frequency count of elicited constructs in our data analysis.

3.1.4. *Validity and reliability*

According to Marsden and Littler (2000), the repertory grid technique as an interpretive method should be judged by its credibility, which is the ability of the researcher to understand and to refer to the informants’ meaning. To make sure this criterion was met, the informants were always asked whether they agreed with the constructs and whether the constructs registered in the grid actually reflected their initial opinion. Yorke (1985) argued that one of the key determinants of the validity of the grid is the goodness of fit between the grid’s context and its elements. The study met this criterion by using industry-relevant content in both verbal and picture elements. Moreover, in order to strengthen the validity and reliability of the study, we introduced triangulation to (a) stimuli type (verbal and picture elements applied for construct elicitation), (b) type of interview setting (individual and focus group), and (c) type of data analysis conducted (content analysis and frequency count). The data collection process also revealed that informants verbalised constructs in a very similar manner (e.g. “to have or not to have control”, “predictable behaviour vs. unpredictable behaviour”). Thus, it is reasonable to believe that the established categories were not highly idiosyncratic, but reflected employees’ basic assumptions inherent in the hospitality industry. The results of the focus group grid interviews showed a great overlap with the constructs elicited in individual interviews, thus ensuring the reliability of the data obtained from individual employees.

3.1.5. Results and their implications for the subsequent instrument development

The results of the qualitative content analysis suggested that there are seven dimensions of basic assumptions - predictability, affect, control, responsibility, competence, communication, and ethics. The predictability dimension reflects the employees' basic assumptions about the need to predict their work environment and hospitality interactions. The control dimension reflects the employees' basic assumptions about whether or not work relations and hospitality interactions could be subjected to control. The affect dimension reflects the employees' assumptions about whether or not it is appropriate to show feelings in the work environment or during hospitality interactions. The responsibility dimension reflects the assumptions about the need to be responsible for other participants of the hospitality interaction and work environment. The competence dimension reflects the employees' assumptions about how the competence should be divided among those involved in the work environment and hospitality interactions. The communication dimension reflects employees' assumptions about the need to communicate with others in the work environment and hospitality interactions. The ethics dimension reflects the employees' assumptions about the need to relate to the moral principles and ethical standards of the society during all hospitality interactions.

The frequency count of elicited constructs showed that, in relation to guests, far more constructs appeared in the dimensions of predictability, control, and affect. In relation to co-workers, more constructs appeared in the dimensions of responsibility and competence. For guests, the largest group of constructs related to predictability (48 constructs of total 156). The second largest category appeared to be control (28 constructs of total 156). The affect dimension proved to be proximal in relation to guests (21 constructs of total 156). When the informants were addressing their view of co-workers, they most often mentioned different aspects of responsibility and competence. For co-workers, the largest group of constructs related to responsibility (32 constructs of total 141) and the second largest groups related to competence (30 constructs of total 141).

The overall aim of the qualitative study was to create a broad understanding of basic assumptions about guests and co-workers in hospitality. The use of repertory grid and laddering allowed us to maximize the variance and broaden the amount of elicited constructs about guests and co-workers. Combining qualitative content analysis with quantitative frequency count of elicited constructs gave us the opportunity to explore the possible sources of this variance, i.e. different degrees of assumptions proximity. Apparently, although each of the seven dimensions of the basic assumptions is valid for both guests and co-workers, they do not seem to be equally vital for both. However, given the explorative nature of the study and the limitations of the purposeful and small sample, we could not treat these results as general tendencies. Hence, we decided to apply all seven dimensions in the following quantitative analysis.

3.2. Study 2: Developing an instrument of basic assumptions

Based on the results of the qualitative investigation, we developed items describing seven domains of hospitality basic assumptions: predictability, control, affect, responsibility, competence, communication, and ethics. This procedure resulted in 75 statements that reflected the seven domains of basic assumptions about guests, and 64 statements that reflected the seven domains of basic assumptions about co-workers.

3.2.1. Subjects and procedures

This study is comprised of two independent samples. Sample 1 consisted of undergraduate students of hotel and tourism management ($N = 203$) with part-time employment and/or previous work experience in the hospitality industry who completed questionnaires in class. Participants were asked to think about their current or most recent job, and to respond to the survey questions based on their current or most recent work experiences. Of the 203 participants in Sample 1, 99% currently worked in the hospitality industry, had approximately 2 years of work experience, and reported on an average 20 work-hours per week. The remaining 1% had been employed only recently. In terms of their employment, 35% were employed in hotels, 31% were employed in catering businesses, 21% were employed in retail services (department and grocery stores, banks, post-offices), 9% were employed in tourist offices, tourist attractions, travel or airline agencies, and 4% did not specify the nature of their employment. The sample was 70% female, and the average age of the participants was 25 years. This female-to-male ratio reasonably approximates the gender mix in schools of hotel management (Knutson and Schmidgall, 1999) and at universities in general (Cho *et al.*, 2006).

In Sample 2, questionnaires were administered at work to approximately 210 bank employees by their supervisors. Completed questionnaires were returned to the researchers, yielding 124 usable questionnaires. In Sample 2, the participants were employed as front-line service consultants (advisers and call-centre employees), financial analysts, and operation managers. The sample was 60% female, and the average age of the participants was 34 years. A total of 73% of the respondents reported that they held full-time positions. The mean duration of current employment was 5 years.

3.2.2. Measures

The data were collected through pen and paper questionnaire. The items were measure on a 7-point Likert scale ranging from 1 (very poor description) to 7 (very good description).

Basic Assumptions about guests and co-workers in hospitality were measured using the original item pool of 139 items.

For validation purposes, the questionnaire included measures of job satisfaction, job performance, intention to stay with the organisation, organisational commitment, work experience, and current employment.

Job satisfaction was measured using two items adapted from the Michigan Organizational Assessment Questionnaire (Cammann *et al.*, 1983): "All in all, I am satisfied with my job", and "I would recommend a good friend to apply for work at this hospitality venue".

Job performance was measured with two items adapted from Singh *et al.* (1996) that asked each employee to evaluate him- or herself in comparison to co-workers and to hospitality industry employees in general.

The intention to stay with the organisation was assessed with one item from the Michigan Organizational Assessment Questionnaire: "I do not consider leaving my present job".

Organisational commitment was measured using the short form of the Organizational Commitment Questionnaire that measures affective or attitudinal commitment (Mowday *et al.*, 1979). In line with Mathieu (1991), nine positively worded items were used.

3.2.3. Data analysis strategy

The data analyses were performed with SPSS 15.0 for Windows (SPSS, 2006)

Because the primary objective of this research was to identify the dimensions of basic assumptions about guests and co-workers in hospitality, we used exploratory factor analysis (EFA) as our primary statistical tool. We chose to use the primary sample for scale development purposes, and the secondary sample for scale validation and confirmation. Data from Sample 1 were used to compute alphas, evaluate items, adjust scale length, and decide on a final version of the scale that seemed optimal. Then data from Sample 2 were used to replicate the findings from Sample 1, in line with DeVillis (2003). Separate factor analyses were performed on these two samples and the results were compared.

Scale development and refinement were based on information gathered from the factor analysis, reliability analysis (item to total correlations and Cronbach's alpha), and evaluations of item meaning. First, a meaningful factor structure of the assumptions was established with a factor analysis. Items with low loadings (<.30) on all factors were deleted. Then, any item that showed a near-zero or negative loading on its underlying factor but had a significant loading on a second factor, was reassigned to be scored with items defining the second factor if its content seemed to fit the content of items defining that factor.

After the initial factor structure was determined, scale reliability was evaluated. If a factor's reliability (alpha) score could be improved by removing one or more of the initial items, that item was eliminated and a new alpha computed. This process continued until no further improvements in alpha scores could be made on each respective component.

Using multiple rounds of EFA and evaluations of Cronbach's alpha, we reduced the number of items to 31 across four dimensions (see Table 1). To further evaluate convergent and discriminant validity of the measures, a confirmatory factor analysis (CFA) was performed. The measurement properties of the scales are more thoroughly evaluated in section 4.1.

[Insert Table 1 about here]

At this stage, we generated composite scores for all variables measured by multiple items. To evaluate the criterion validity, we ran a one-way analysis of variance to compare the assumptions' scores between different groups of subjects within Sample 1. Criterion validity was further investigated by correlating different basic assumptions with general job satisfaction, intentions to continue or terminate present employment, and affective commitment to the current workplace.

4. Results and discussion

In the following sections, we briefly account for the results of the factor analysis and outline psychometric and validity evidence for the basic assumptions' constructs based on the response processes, the internal structure of the tests, and the relation to other variables.

4.1. Reliability

An exploratory principal component analysis (with varimax rotation) was initially performed on the undergraduate sample and then on the control sample of bank employees. The results were then compared. Initial rounds of EFA on the undergraduate sample could be interpreted in favour of a three-factor solution for the guest-related items. A closer examination of the scree test and the Kaiser test suggested inconsistent results for the third factor. Using the K1 criterion, factor three had an eigenvalue that was above 1; however, it

was significantly lower compared to the first and second factors. In addition, Cronbach's alpha was not satisfactory. The results of EFA performed on the control sample yielded two factors, and the two-factor solution was therefore preferred. The first factor consisted of items from the initial dimension of affect, dealing with emotional aspects of hospitality guests' work (e.g. emotional display, and affective guest attachment). Therefore, the factor was labelled as the *guest affect assumption*. Items from the initial predictability and control dimensions loaded on the same factor. These sets of items both address the need for control and predictability of service interaction in order to maintain the quality of the product (e.g. dealing with complaints and unforeseeable guest demands, guest power, gaining control over interaction, and the preferred level of predictability). Therefore, it made sense to combine them into one factor, which was labelled as the *guest control assumption*. To test the robustness of the two-factor solution versus the three-factor solution, CFA were run using LISREL version 8.72 (Jöreskog and Sörbom 2005). The RMSEA value was used to evaluate the goodness of fit. The results indicated that the two-factor solution had a better fit to the model (RMSEA = 0.054) compared to the three-factor solution (RMSEA = 0.078).

EFA of the co-worker related items in the main sample initially pointed in the direction of a three-factor solution. However, items from the third factor cross-loaded on other two factors, and only two factors were common in both samples. To make a better-informed decision, we ran a CFA of the competing solutions which indicated similar fits for the two models (RMSEA = 0.04 and 0.05). However, some of the third factor items overlapped with the second factor, and since the third factor had a less than satisfactory Cronbach's alpha, we decided to adopt the two-factor solution, which was also more parsimonious. In the two-factor solution, mainly items from the responsibility dimension that address matters of co-worker independence, self-reliance, accountability, and trust defined the first factor, which was therefore labelled as the *co-worker responsibility assumption*. Items from the initial competence and communication dimensions dealing with co-worker efficiency in relation to task-solving, communication style, and the ability to evolve and improvise had enough common variance to load together and form the second factor. Consequently, this factor was labelled as the *co-worker competence assumption*. In general, fit indices for both the guest and co-worker assumptions' scales indicated a moderate fit, suggesting that there is some room for improvement.

To purify the scales, items with low items to total correlation coefficients (i.e. .3 or lower) were removed from the scales, in line with Pett *et al.* (2003). The results of the reliability analysis showed that the Cronbach's alphas for the scales either exceeded or were close to the recommended level of 0.70 (Nunnally and Bernstein, 1994); therefore, the reliability of these scales was established (see Table 1).

4.2. Convergent and discriminant construct validity

Next, we examined the convergent and discriminant validity of the measures using CFA. We performed a two-factor CFA to establish convergent validity of the items underlying each factor of the guest assumptions scale and discriminant validity of items across factors, and then ran a two-factor CFA to establish convergent and discriminant validity of the items underlying each factor of the co-worker assumptions scale.

According to Kline (1998), evidence of convergent validity is provided when indicators (measurement items) specified to measure a construct (factor) all have relatively high factor loadings in CFA analysis. Thus, convergent validity can be assessed by reviewing the *t*-test for the factor loadings. All factor loadings for indicators measuring co-worker responsibility and co-worker competence were statistically significant at $p < .05$, with values ranging from .44 to .73. Goodness-of-fit measures for the co-worker assumptions scales were $\chi^2(34) = 51.03, p = .03, RMSEA = 0.05$, the *p*-value for test of close fit = 0.47. Factor loadings for indicators measuring guest affect and guest control were statistically significant at *p*

<.001, with values ranging from .37 to .67. Goodness-of-fit measures for the guest assumptions scales were $\chi^2 (89) = 141.03, p = .000, RMSEA = 0.054$, the p-value for test of close fit = 0.34.

Evidence of discriminant validity is supported when intercorrelations between constructs are not excessively high. As a rule of thumb, Kline (1998) suggested that each pairwise correlation between factors should not exceed .85. Our data had correlation coefficients of .47 (between co-worker responsibility and co-worker competence dimensions) and .10 (between guest affect and guest control dimensions).

In sum, the tests showed that the two-factor solutions for both guest and co-worker assumptions were adequate, although the small sample size could have influenced the parameters (Byrne, 1998).

4.3. Criterion-related construct validity

First, we correlated the four assumptions scales with outcome variables using Pearson's product-moment correlation coefficient. The results presented in Table 2 show that *guest affect assumption* and *co-worker competence assumption* correlated positively with organisational commitment and job satisfaction. *Co-worker responsibility assumption* correlated positively with intentions to stay with the organisation, while *guest control assumption* correlated positively with subjective job performance.

[Insert Table 2 about here]

A one-way between-groups analysis of variance was conducted to explore the impact of hospitality work experience and the duration of current employment on the four summated assumptions' scores. The findings show that the mean score on *guest affect assumptions* for participants who have just started in their current jobs was significantly higher compared to those who have worked for their current employer for over two years. In addition, the mean scores on *guest control assumptions* for participants with the least hospitality work experience were significantly higher than for those with moderate hospitality work experience, see Table 3.

[Insert Table 3 about here]

The tests indicated that the new scales perform adequately; thereby, establishing the criterion-related validity of the instrument.

In the literature, basic assumptions are described, for example, in terms of the interpersonal relationships that they address, i.e. what forms of relationship a person prefers (Koltko-Rivera, 2000). The results of this study may shed some light on the type of interpersonal relationships that hospitality employees would prefer to use with guests. *Affect assumption* emphasises the emotional attachment to guests, the display of feelings in front of guests, and the sharing of emotions during host-guest interaction. *Control assumption*, on the other hand, emphasises remaining in control over host-guest interaction, reducing guest power, and enhancing the predictability of the host-guest interaction outcome. Overall, the *control assumption* emphasized more the transaction itself and its results, rather than guests' well-being, while the *affect assumption* emphasizes more creating an emotional relationship

with guests. The two assumptions appear to be quite opposite in meaning and can be understood in terms of *transactional* (control) and *relational* (affect) orientations. The results of the correlation analysis also showed that the *control assumption* correlated positively with subjective job performance, while the *affect assumption* correlated positively with affective organisational commitment and job satisfaction.

Another theoretical aspect that attracts our attention concerns basic assumptions about the mutability of human nature, i.e. whether or not people are liable to change. Is human nature mutable or immutable, stable or flexible? The results of our study suggest that employees “judge” their co-workers in similar terms. On the one hand, the *responsibility assumption* accentuates stability, responsibility orientation towards colleagues, the promotion of self-reliance, and the avoidance of radical changes, if possible. On the other hand, the *competence assumption* relates to being flexible, taking the initiative, and looking for alternative solutions. Although not complete opposites, these two may represent immutability and liability to change in relation to co-workers, respectively. In addition, the *responsibility assumption* correlated positively with intentions to stay with the organisation, while the *competence assumption* showed positive correlations with organisational commitment and job satisfaction.

Furthermore, when considering basic assumptions about the preferred human activity, the *competence assumption* corresponds to “being-in-becoming” activities and behaviour that aims at development; the *affect assumption* reflects “being” activities and behaviour that spontaneously expresses personality; the *control assumption* relates to “doing” activities that focus on measurable external achievement.

5. Implications for hospitality managers and researchers

The basic assumptions measurement scales developed here may provide important information for hospitality organisations in terms of measuring and understanding implicit and subjective employee knowledge. Although this study only provides rudimentary information on the basic assumptions and their relationship to other management-related organizational aspects, we have demonstrated that basic assumptions indeed have criterion related validity and relate to important employee outcomes such as commitment, job satisfaction, and staff turnover intentions. Of special interest to managers is the positive relationship between the *guest control assumption* and subjective job performance. Hospitality operations are dependent on a certain degree of standardisation, formalisation, and rules to achieve efficiency (Hwang and Lockwood, 2006). However, there has been a tendency to focus on the unpredictability of guest interaction or customer needs as a means for employee empowerment and less strict rules (Ford and Heaton, 2001). Our study shows that handing control over to the guest might have a negative influence on individual job outcomes. The findings indicate that managers should be aware of the delicate balance that exists between staying in control during the guest-host encounter on the one hand, and empowerment on the other. In addition, acquiring knowledge of employee assumptions about co-workers will allow managers to design better training routines and practices, and increase employees’ capabilities to perform tasks successfully.

The findings may also indicate a certain relevance to studies on different types of leadership and their antecedents. Recent research (Hetland and Sandal, 2003) suggested that operational and transformational leadership might rest on different basic assumptions in organisational cultures. For instance, in a culture dominated by control, leader sensitivity might be interpreted as weak, whereas in a culture with a more nurturing, affective assumption, the same sensitivity may prove essential for effective transformational leadership. The results of our study offer a starting foundation for exploring relations between basic assumptions made about guests (the hospitality product component), co-workers

(organisational component), and transformational leaders in hospitality enterprises. This will allow researchers and managers to broaden their understanding of leadership antecedents, which in turn might improve managerial practices.

Previous studies show that support from co-workers is crucial in order to deliver reliable services to guests (Susskind *et al.*, 2007), and influences service providers' guest orientation. Our results indicate that different assumptions about co-workers might influence the hospitality enterprise's market orientation. Previous research has shown that a firm's ability to generate and exploit market knowledge is dependent on the use of employees from most of the firm's functional areas (Ellis, 2006). Thus, employees become market orientation resources. Different views of the co-workers might influence the dissemination of, and responsiveness to, information by various employees. Therefore, future studies should investigate the variation patterns that exist between *competence assumption* (mutability co-worker orientation), *responsibility* (stability co-worker orientation), and *market orientation* using a large population sample.

In terms of generalisability, one could argue that the samples used in this study are small and have characteristics that limit the external validity of the findings (i.e. relatively inexperienced part-time hospitality employees and participants from different service industries). The fact that the samples were drawn from different service contexts introduced an additional source of variance to the study, but the results of the factor analysis showed that individual differences in the responses were small and that a somewhat robust factor structure across these different samples could be established.

We recommend that future studies validate the scales on full-time hospitality employees and incorporate the market component (i.e. assumptions about hospitality industry competitors) into the theoretical framework and analysis. To further validate the predictive and concurrent validity of the basic assumptions, the relationships between assumptions and other important hospitality management variables should be tested, i.e. market orientation, transformational leadership, and, of course, customer satisfaction and service quality. It may be interesting to investigate further organisational differences in assumptions and their influence on employee outcome variables relevant to the hospitality industry, i.e. commitment, job satisfaction, and staff turnover intentions, and eventually, their influence on department and company performance.

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Table1. Factor loadings and psychometric properties of the basic assumptions' scales in the main sample (control sample in parentheses)

Factor and items	Factor loadings	α
Guest affect (relational) assumption (6 items)		0.72
Some guests are just easy to like.	.657 (.714)	(0.81)
Putting your emotions on display makes you feel closer to the guest.	.579 (.509)	
It is important in my work to feel that I have someone to work for.	.558 (.791)	
In this occupation, you develop a strong sense of connection to "the other".	.663 (.594)	
Being open minded is important in order to treat everyone fairly.	.722 (.610)	
Whenever something good happens, I feel we have earned it.	.635 (.565)	
Guest control (transactional) assumption (11 items)		0.74
It is important in this job to know what kind of day you will have.	.433 (.535)	(0.69)
We prefer guests who behave the way we expect them to.	.562 (.624)	
We do not let our guests' demands keep us from doing things we scheduled for the day.	.652 (.718)	
Guests' complains are their way of demonstrating power.	.593 (.535)	
Rules and practices that have been around for many years should determine what would happen to a complaining guest.	.496	
In my work with guests, I prefer predictability.	.655	
Distance from the guest gives me safety.	.522 (.805)	
In this job, strict rules and routines are necessary to make guest interaction as predictable as possible.	.512	
In this organisation, we are good at setting limits for how much the guests can demand.	.590	
We take control when interacting with guests.	.449	
In this organisation, we sometimes give less priority to the flexibility of products offered to achieve more control over the service interaction.	.391(.385)	
Co-worker responsibility (stability) assumption (5 items)		0.74
Resourceful and self-sufficient co-workers are highly appreciated in this organisation.	.685 (.740)	(0.72)
A good co-worker is someone who acknowledges his/her responsibility to their colleagues.	.742 (.889)	
Good co-workers are willing to deal with issues on their colleagues' behalf.	.647 (.616)	
It is important in this job to be able to trust your co-workers.	.615 (.593)	
Being self-reliant is an advantage in this job.	.815 (.565)	
Co-worker competence (mutability) assumption (9 items)		0.71
Efficient task-solving is rewarded in our organisation.	.613 (.757)	(0.80)
A competent co-worker knows his/her job better than a "training manual".	.680 (.622)	
Good co-workers can improvise.	.700 (.783)	

A good co-worker is someone who contributes largely to teamwork.	.629 (.658)
In this job, you depend on having good dialogue with your colleagues.	.575 (.691)
Good co-workers are very open to alternative solutions.	.705
Team players are the best co-workers.	.688
Being able to take criticism is an important part of this job.	.529
It is crucial to be able to communicate freely with your colleagues in order to succeed in this job.	.543 (.496)

Table 2. Inter-correlations between variables, means, and standard deviations (in parentheses) of summated assumption scales in the hospitality sample

Scales	Means (SD)	Organisational commitment	Job satisfaction	Intention to stay	Subjective job performance
Guest Affect	5.19 (.91)	.213*	.213*	.134	.187*
Guest Control	3.57 (.83)	.014	.014	.067	.266**
Co-worker Responsibility	5.46 (1.04)	.172*	.040	.208*	.172*
Co-worker Competence	5.31 (.89)	.264**	.264**	.170*	.043

Note. * $p \leq 0.05$; ** $p \leq 0.00$.

Table 3. The results of ANOVAs, means and standard deviation (in parentheses)

Basic assumptions scales	Employment duration (in years)			Hospitality industry experience (in years)			
	≤0.5	0.6-2	≥2.1	≤1.5	1.6-4	4,1-6	≥6.1
	M	M	M	M	M	M	M
Guest affect	5.41* (.85) <i>n</i> = 64	4.99 (.85) <i>n</i> = 70	4.98* (.84) <i>n</i> = 38	5.19 (1.02) <i>n</i> = 41	5.41 (.74) <i>n</i> = 44	5.29 (.92) <i>n</i> = 32	5.16 (.72) <i>n</i> = 35
Guest control	3.59 (.70) <i>n</i> = 59	3.57 (.90) <i>n</i> = 69	3.59 (.85) <i>n</i> = 38	3.82* (.80) <i>n</i> = 42	3.51 (.85) <i>n</i> = 41	3.28* (.89) <i>n</i> = 32	3.52 (.83) <i>n</i> = 33
Co-worker responsibility	5.59 (.95) <i>n</i> = 65	5.33 (1.02) <i>n</i> = 75	5.31 (1.23) <i>n</i> = 41	5.41 (.98) <i>n</i> = 43	5.60 (.98) <i>n</i> = 47	5.64 (1.05) <i>n</i> = 33	5.62 (.72) <i>n</i> = 36
Co-worker competence	5.49 (.82) <i>n</i> = 63	5.13 (.95) <i>n</i> = 69	5.31 (.98) <i>n</i> = 39	5.26 (1.04) <i>n</i> = 40	5.52 (.70) <i>n</i> = 45	5.42 (.80) <i>n</i> = 32	5.47 (.70) <i>n</i> = 33

Note. * $p \leq 0.05$.

Paper 4

Gjerald, O., & Øgaard, T. Basic assumptions of service employees: Influence on employees' job performance and market-oriented behaviors. *Submitted to Journal of Business Research.*

Basic assumptions of service employees:

Influence on job performance and market-oriented behaviors

Olga Gjerald and Torvald Øgaard

Abstract

Understanding what drives frontline service employees in their interactions with guests and customers is a focal question in service management. Employees' basic assumptions have been suggested as a determinant of employee performance and work behavior in several domains. This study investigated how service employees' basic assumptions about customers and co-workers relate to subjective job performance and market-oriented behaviors of service employees. The study sample consisted of 241 hotel employees. The analyses revealed that basic assumption about co-worker competence associated positively with customer intelligence generation, intelligence dissemination, and responsiveness. Basic assumption about customer control correlated positively with subjective job performance towards customers but negatively with customer intelligence generation and responsiveness. The results of the study suggest that basic assumptions about co-workers should be taken into account as a predictor of customer-related behavior and that basic assumptions about customers should be considered a significant factor in relation to job performance towards customers.

Keywords

Basic assumptions, market orientation, job performance, service management

1. Introduction

Customers' satisfaction with services and service quality often depends on the service employees' personal performance when interacting with the customers (Hartline and Ferrell, 1996). Understanding what drives frontline service employees with guests and customers has thus been a focal question in service management, and the problem has been conceptualized and analyzed using a number of different theoretical approaches, for example employee empowerment (Lashley, 2001), employee involvement (Baker et al., 2009), employee self-efficacy (Hartline and Ferrell, 1996), and knowledge sharing (Reychav and Weisberg, 2009).

People's basic assumptions about the way the world works have been suggested as an important construct for understanding human behavior (Hochwalder, 1995; Lord and Maher, 1993). Basic assumptions are knowledge structures that exist in long-term memory, guide information-processing in several domains, generate behavior, form social perceptions, and guide social interactions (Lord and Maher, 1993). The ability to identify and help others discover their basic assumptions, and the capability to challenge those assumptions if necessary, is possibly the most critical capability a human resource manager can possess (Pfeffer, 2005). Contributions to the literature on basic assumptions have come from psychology (Janoff-Bulman, 1989), social psychology (Lord and Brown, 2001), sociology (Moscovici, 2000), and anthropology (Kluckhohn, 1951). In relation to work life, basic assumptions can be defined as a socially constructed understanding of the world (or its particular parts) derived from social exchanges and interactions among multiple individuals in a group or organization (cf. Lord and Emrich, 2000). In service interactions, customization is quite often a goal in itself. With heterogeneous customers with varying needs and wants, adequate employee performance will have to go beyond rote behavior, roles, rules, and scripts. If the service employee can no longer rely on the guidance of rules and scripts, basic assumptions may form a backdrop on which the employees improvise their behavior. Basic

assumptions thus may be of particular relevance for understanding the performance of the service worker. In the literature, high-contact service work has often been described as “emotional labour” (Hochschild, 1983), “performative work” (Bærenholdt and Jensen, 2009), or working “under the gaze” of consumers (Urry, 1990). Employees’ performance and behavior during customer interaction is especially crucial because for many, interaction *is* the service from the customer’s point of view (Bitner, 1990).

Even though it has been suggested that basic assumptions influence job outcomes of employees (Banse and Greenwald, 2007), there has been a shortage of empirical studies on implicit assumptions and their relation to major focus areas of service management such as employees’ work outcomes and market orientation. Recent contributions (Gjerald and Øgaard, 2010) have however provided conceptual as well as empirical definitions of basic assumptions that allow for a more careful empirical investigation. In this study, we applied these new insights to investigate the relation between basic assumptions about customers and co-workers and service employees’ job performance and market-oriented behaviors. The paper has four parts. First, we review the available literature on basic assumptions. Based on the literature, we propose a conceptual model. Then, we present the research methodology and discuss the data collection and analysis techniques. Finally, we present and discuss the findings. The paper concludes with some implications of the study.

2. Theory

The available literature defines basic assumptions as taken-for-granted perspectives of viewing the world that guide behavior (Lord and Maher, 1993; Schein, 2004). Basic assumptions are suggested to be central to the mental life of individuals. Koltko (2000) suggested that basic assumptions about the reality are required for “any sort of human logic or rational processes to function.” In his description of organizational basic assumptions, Schein (1985) proposed that basic assumptions are similar to what Argyris (1976) termed “theories-in-use,” that is, the implicit theories that actually guide behavior and tell organizational members how to perceive, think about, and feel about things (Argyris, 1976; Argyris and Schön, 1974).

The traces of the study of basic assumptions during the past four decades appear in research traditions such as (a) "implicit personality theory" (Heslin et al., 2005), which pertains to people's implicit assumptions about the types of personality attributes that tend to co-occur (e.g., conscientiousness and friendliness), (b) "implicit theories" research (Wentzel et al., 2010), which studies two distinct types of implicit person theories or assumptions about people - entity and incremental implicit theories; (c) "implicit leadership theories" (Lord and Brown, 2004), which deal with assumptions about the traits and abilities that characterize an ideal business leader; (d) "social representation theory" (Moscovici, 2000), which addresses formation and functioning of social representations, i.e., cognitive systems, which people use to organize information about the social world.

Existing conceptualizations of basic assumptions can be divided into two broad, overlapping categories: assumptions about life in general and more specific assumptions about work life. Assumptions about life in general are studied in general social sciences like applied psychology (e.g., Berzonsky, 1994) or anthropology (e.g., Lawler et al., 2008). In this literature, the dimensions of basic assumptions are identified in relation to human nature, will,

behavior, interpersonal relations, and the world in general. For example, Koltko-Rivera (2000) conceptualized a person's assumptions as a six-dimensional construct where *Mutability* refers to the possibility of changing human nature; *Agency* is the degree to which behavior is chosen or determined; *Relation to authority* identifies hierarchical versus egalitarian partnerships; *Relation to group* assesses priority given to individual goals versus reference group goals; *Locus of responsibility* describes perceived responsibility for the person's situation in life; and *Metaphysics* refers to the reality or unreality of a spiritual dimension in life.

Work-related assumptions are the products of socialization into an organizational or a professional culture; consequently, they have been of interest to, for e.g., human resources management (Deadrick and Gibson, 2009), leadership (Epitropaki and Martin, 2004), and organizational culture (Schein, 2005). Most attempts to assess work-related assumptions have departed from assumptions about life in general, and they have been adapted to the organizational context (e.g., Mikkelsen and Einarsen, 2002). For instance, Schein (2004) developed the following six basic assumptions as a framework for organizational purposes: *Nature of human nature* (assumptions that define what it means to be human and what human attributes are considered intrinsic and ultimate); *Nature of human activity* (assumptions about the appropriate level of activity or passivity); *Nature of human relationship* (assumptions about the right way for people to relate to each other, to distribute power); *Nature of time and space* (assumptions about the appropriate focus of one's activities, future, present, or past, and about how space should be allocated and owned); and *Nature of reality and truth* (assumptions that define what is real and what is not, how truth is ultimately to be determined, and whether truth is revealed or discovered).

Two basic assumption dimensions seem to be of particular importance to service interaction management: assumptions about customers and assumptions about co-workers

(Gjerald and Øgaard, 2008). They relate to the human nature, nature of human activity, and nature of human relationships (cf. Schein, 2004) and are considered to be of particular importance to services since they relate to the most important elements of interactions; customers and colleagues involved in the interaction production.

Basic assumption about customer control refers to a general belief that customer-employee interaction outcomes are contingent on employees' own efforts and actions. Employees who strongly hold the customer control assumption believe in increasing predictability of the interaction, gaining control over customer interaction, and emphasizing standards and rules in their service production.

Basic assumption about customer affect refers to a general belief that emotional exposure toward customers is a part of service creation and delivery. Employees who strongly hold the customer affect assumption believe that emotional aspects of their work (e.g. emotions display, affective customer attachment) are natural to service creation and delivery.

Basic assumption about co-workers competence refers to a general belief that service delivery outcomes are contingent on co-worker competence. Employees who hold co-worker competence assumptions believe that co-workers' knowledge, efficiency in relation to task-solving, communication style, and the ability to evolve and improvise are of vital importance to service creation and delivery.

Basic assumption about co-worker responsibility refers to a general belief that service co-workers have inherent responsibility over service production. Employees who hold co-worker responsibility assumption believe that co-workers' self-reliance, accountability, and independence are crucial to service creation and delivery.

If basic assumptions are important for employee behavior during interactions, the assumptions should relate to service outcomes. In competitive service environments, the general focus is on performance outcomes that can lead to long-term organizational success

(Ingram, 1997). Although “bottom line” performance measurement is important, “softer” indicators, e.g., attitudinal measures of employee perceptions and outcomes, may offer greater opportunities for influencing organizational effectiveness in the long run (Ingram, 1997). For this study, subjective performance evaluation was chosen from among attitudinal measures of individual outcomes, which have been well documented to relate to actual performance (e.g., Harris and Mossholder, 1996). Subjective performance evaluations (i.e., employees’ self-assessments of performance) have been systematically related to actual performance (e.g., Van der Heijden, 2001). We expect basic assumptions about co-workers and customers to relate to subjective performance evaluations.

Since basic assumptions of employees are assumed to be important drivers of employee behavior (Lord and Brown, 2004), basic assumptions about customers and co-workers should related to market orientation, which is defined as a set of behaviors directed at customers and co-workers (Kaur and Gupta, 2010). Market orientation has been suggested as a critical determinant of service firms’ success (Jaworski and Kohli, 1993). Three types of employee behavior, i.e., customer intelligence generation about present and future customer needs, the dissemination of the generated information to other co-workers, and the response to the customer based on the intelligence generated, identify a market orientation (Kohli et al., 1993). In service companies, customer needs, customer expectations, and customer behavior are constantly changing, driving companies to give special attention to their markets and the business environment, which they should monitor continuously (Silva et al., 2009). Market-oriented companies should develop an internal, customer-oriented culture, and should develop employee skills in order to produce creative solutions to market demands. Few studies have investigated the relationship between implicit knowledge structures about customers or co-workers and individual-level perceptions of market orientation activities. We suggest that if a market orientation is integrated in the company, there should be a reciprocal relationship

between the employees' market orientation and basic assumptions, that is, there should be a relation between the basic assumptions employees hold about customers and co-workers and employees behavior toward customers and co-workers (intelligence generation and response to customers on one hand, and intelligence dissemination between co-workers on the other). Based on the above discussion, we developed a conceptual model for the study (see Figure 1).

Insert Figure 1 here

The model guided the formulation of two sets of hypotheses. The first set consists of hypothesis regarding the relationships between the four different dimensions of basic assumptions and employee job performance (H1). The second set contains hypotheses regarding the relationships between the four dimensions of basic assumptions and three types of market-oriented behavior (H2). The overview of the hypotheses is presented in Table 1.

Insert Table 1 here

3. Methods

3.1. Participants and procedures

Since the primary aim of the study is to test a theory, we aimed at reducing error and increasing power by collecting data from a single industry. We chose hotel as our sample

industry because the delivery of hotel services requires considerable contact with both customers and co-workers. Moreover, to secure a reasonable amount of variance in the focal variables, less homogenous industry would be needed. The hospitality industry seemed particularly well suited. The basic operation of hotels is similar; however, individual hotels face quite different customer groups, different markets and competition, and different labor markets and have quite distinct histories that will have allowed different basic assumptions to develop. We tried to maximize variance in the sample by including a wide spectrum of hotel operations, hotels of different chains and different concepts within chains, from small units (three employees) to large (30 employees), from city locations to remotely located hotels, business and convention venues as well as leisure market operators.

An invitation was sent out to general managers of 183 hotels and resorts in 7 major hotel chains in Norway. After two waves of follow-up, 41 managers agreed to participate and distribute the questionnaire to the employees. Two versions of the questionnaire were developed: One electronic and one pen-and-paper. 35 managers chose the electronic version and 5 chose the pen-and-paper version. The final sample consisted of 241 hotel employees. A description of the sample is included in the results section.

3.2. Measures

The electronic and pen-and-paper versions of the questionnaire were identical (except for the format). All items were measured on a 7-point Likert scale ranging from 1 (very poor description) to 7 (very good description).

Basic assumptions about customers and co-workers were measured by an assessment instrument developed by Gjerard and Øgaard (in press). The instrument containing 31 items was used in the study. The measure covered four dimensions of basic assumptions. The two dimensions of basic assumptions about customers were represented by 11 items evaluating

basic assumption about customer control (e.g., “In this organization, we sometimes give less priority to the flexibility of products offered to achieve more control over the service interaction”), and 6 items evaluating basic assumption about customer affect (e.g., “Putting your emotions on display makes you feel closer to the guest”). The two dimensions of basic assumptions about co-workers were represented by 5 items evaluating basic assumption about co-worker responsibility (e.g., “A good co-worker is someone who acknowledges his/her responsibility to their colleagues”), and 9 items evaluating basic assumption about co-worker competence (e.g., “A competent co-worker knows his/her job better than a “training manual”).

Subjective job performance was measured with two items adapted from Singh et al. (1996) that asked each employee to evaluate him- or herself in comparison to co-workers and to hospitality industry employees in general (e.g., “Compared to others employees in this hotel I do an excellent job toward the guests”).

Market orientation was measured by Jaworski and Kohli’s (Kohli et al., 1993) Market Orientation instrument. The measure has 32 items covering three dimensions of market-oriented activities: 10 items represent intelligence generation (e.g., “In this hotel, we meet guests at least once a year to find out what products or services they will need in the future”), 8 items represent information dissemination (e.g., “Data on guest satisfaction are disseminated at all levels in this hotel on a regular basis”), and 14 items capture information responsiveness (e.g., “For one reason or another, we tend to ignore changes in our guest’ product or service needs”). Minor word revisions were applied to the original scales to ensure that the items were applicable to the hotel context (e.g., “guests” instead of “customers”, “hotel” instead of “business unit”).

3.3. Data analysis strategy

The data analyses were performed with SPSS 15.0 for Windows (SPSS, 2006). After the sample description, the measurement properties of the constructs, i.e., the reliability and convergent- and discriminant validity of the measures, were established by evaluating Cronbach's alphas and factor analysis (Churchill, 1979). The hypotheses were tested with regression analysis.

4. Results

4.1. Sample characteristics

The final sample consisted of 241 hotel employees, and a closer analysis suggested that we have secured a rather heterogeneous set of employees: The respondent's mean age was 32.3 years ($SD=9.3$) with age ranging from 18 to 65 years old; 62 percent were women and 38 percent were men. On an average, they had worked for their current employer for 4.7 years ($SD=4.7$) and reported an average of 9.8 years ($SD=6.5$) of work experience in the tourism and hospitality industry. Overall, 84 percent of the respondents reported that they held full-time positions. About 51 percent of the respondents were regular employees with no managerial functions while 35 percent were middle-level managers, and 14 percent were in top manager positions. In terms of their main occupation at work, 12 percent were in sales, 6 percent in revenue and finance department, 10 percent in housekeeping, 7 percent in restaurant, 6 percent in kitchen, 42 percent in reception, 8 percent in convention and conference department, 5 percent in booking, and remaining 4 percent were employed in ancillary services.

4.2. Measurement scale validation

First, the unidimensionality of each individual dimension of the basic assumptions measures was assessed with factor analyses of the items of each scale, and the reliability of

each scale was evaluated with Cronbach's alpha. In addition, range of communalities, range of factor loadings, and variance extracted by the first factor were inspected for all scales. The results are listed in Table 2.

Insert Table 2 here

Next, the convergent and discriminant (Churchill, 1979) validity of the basic assumptions measures was checked with a factor analysis, where all items from all scales were included. The results are displayed in Table 3. The results indicate that all basic assumption scales have adequate measurement properties for this kind of research and that the variances of individual questions are well taken care of by the composite. Cronbach's alpha values of the scales are above or close to the recommended value of .7 (Nunnally, 1978).

Insert Table 3 here

Similar analyses were performed on the dependent variables (market orientation and subjective job performance). The results are presented in Table 2 and indicate that all variables have good measurement properties except for the intelligence generation dimension of market orientation, which had a less than desirable alpha value of .55. Since the reliability of the intelligence generation dimension has been quite well documented in former studies (e.g., Morgan et al., 2009), and the factor analysis suggested that the scale was fairly unidimensional, we decided that the measurement quality was acceptable also in this setting. The results of the analyses above demonstrated the reliability and validity of the measurement scales. The composite scores (i.e. the means) were calculated for each scale and descriptive

statistics, including the means, standard deviations, and reliability estimates for the composite scores are presented in Table 4.

Insert Table 4 here

4.3. Relationships between basic assumptions about customers and co-workers, employee job performance, and market-oriented behaviors

The first set of hypothesis concerning the relationship between basic assumptions and subjective performance (H1) was evaluated with regression analysis. The dimensions of basic assumptions were entered into the equation simultaneously. The model reached statistical significance ($p < .05$) and explained about 10% variance in the dependent variable (see Table 5). The second set of hypotheses concerning the relationships between basic assumptions and market-oriented behaviors of intelligence generation, intelligence dissemination, and responsiveness (H2) was tested with regression analysis (see Table 6).

Insert Table 5 and 6 here

First, we investigated the influence of four basic assumption dimensions on intelligence generation (H2a1, H2b1, H2c1, and H2d1). All four assumption dimensions were entered simultaneously into the regression analysis. The model had a R^2 of .10 and was significant at .001 level. Two basic assumption dimensions were significantly associated with intelligence generation: basic assumption about customer control and basic assumption about co-worker competence. Basic assumption about customer control demonstrated a negative association with intelligence generation, thereby confirming H2a1. Basic assumption about co-worker competence showed a positive association intelligence generation, thereby

confirming H2d1. The two remaining dimensions of basic assumptions did not show any significant relation to the dependent variable of intelligence generation.

Second, the relationships between the four basic assumption dimensions and intelligence dissemination were investigated (H2a2, H2b2, H2c2 and H2d2). The model had a R^2 of 0.08 and was significant at the 0.005 level. Out of four independent variables in this model, one turned out to be a significant predictor of intelligence dissemination, that is, basic assumption about co-worker competence. Basic assumption about co-worker competence was positively associated with intelligence dissemination, thereby confirming H2d2.

Third, we investigated the relationship between the four basic assumptions dimensions and intelligence responsiveness (H2a3, H2b3, H2c3, and H2d3). The model had a R^2 of 0.17 and was significant at the 0.001 level. Three out of four basic assumption dimensions showed significant relationship with the dependent variable. Both basic assumption about customer affect and basic assumption about co-worker competence were positively associated with responsiveness, thereby confirming H2b3 and H2d3. Basic assumption about customer control demonstrated a negative association with responsiveness, thereby confirming H2a3. Discussion of the results is presented in the following section.

5. Discussion and implications

The results of the study show that two out of four basic assumption dimensions related significantly to subjective job performance towards customers. Subjective job performance is a cognitive appraisal of own customer-related performance while basic assumptions are cognitive appraisals of the two important job components in the service co-creation: customers and co-workers. The findings show that basic assumption about customer control and basic assumption about co-worker competence account for about 10% of variance in subjective job performance toward customers. When controlled for the effects of market orientation activities, the effects of dimensions did not change significantly.

Basic assumption about customer control related positively to employees' performance towards customers. This partly contradicts and partly supports previous findings. Studies in the organizational culture field have shown that large amount of rules and regulations within organizations may negatively influence employee's job outcome (Philip and McKeown, 2004). At the same time, previous research on sales and marketing personnel has revealed that the focus on the task and strict regulations may actually be seen as a willingness of the employer to take the responsibility for the employee, which in turn positively affects employee job outcomes (Oliver and Anderson, 1995).

Basic assumption about co-worker competence also appears to have a positive effect on employee job performance towards customers. This finding can be explained by the nature of service work and service delivery. Production of services is a collective undertaking, a "performative work" (Bærenholdt and Jensen, 2009). As in any performance, co-workers play a vital part in delivering the product to consumers (Pine and Gilmore, 1999). While the responsibility assumption accentuates stability, responsibility orientation towards colleagues, and the promotion of self-reliance, the competence assumption accentuates being flexible, taking the initiative, and looking for alternative solutions. The results are especially interesting because they suggest that flexibility in back-stage production of services (which is very much reliant on co-workers) may interact with or even occur simultaneously with increasing predictability and control over customer interaction (front-line production). Both have a positive association with subjective job performance of service employees towards customers.

The results of the study also indicate that basic assumptions about customer control and co-worker competence have a significant effect on market-orientated behaviors (see Table 5). Market orientation comprises three sets of customer-related and co-worker related behaviors: intelligence generation (from customers to other employees), intelligence dissemination (from

employee to other employees), and intelligence responsiveness (from employees to customers). Market orientation activities create a continuous flow of information and clues between customers and co-workers. Thus, successful market orientation activities are dependent on interaction and cooperation between customers and co-workers.

The results of the study show that three out of four basic assumptions dimensions are significantly associated with different market orientation behaviors. Intelligence generation correlated positively with basic assumption about co-worker competence and negatively with basic assumption about customer control. These findings confirm a positive association between employees' belief in importance of co-worker competence for overall service production and such market research behavior as detecting shifts in the industry and changes in the business environment. On the other hand, employees who believe that they are solely in control of the customer-employee interaction outcomes care little about polling customers about the quality of the product and services the firm offers.

Another set of market-oriented behaviors, intelligence dissemination, was positively associated with basic assumption about co-worker competence. The results indicate that those service employees who assume co-worker competence is essential to service co-creation are also good at discussing customers' needs with co-workers from different departments, disseminating data on customer satisfaction, and alerting co-workers on important customer information.

Third set of market-oriented behaviors, intelligence responsiveness, was associated positively with basic assumption about co-worker competence and basic assumption about customer affect and negatively with basic assumption about customer control. The results suggest that service employees who believe that emotional aspects of service work are natural to their relationship with customers also tend to be responsive towards customers' needs and wants. On the contrary, employees who believe that they control the outcomes of the service

interaction respond badly to changes in customers' product or service wishes. In addition, employees who believe that co-worker competence is important for service production are also concertive in their efforts to modify a product or a service and respond to the customers immediately.

Among the dimensions of basic assumptions employed in this study, only basic assumption about co-worker competence was associated with both customer-related and co-worker-related behavior. Service employees who believe that co-worker competence is essential for service co-creation and delivery seem to engage in all three sets of market-oriented behaviors: gathering information from and about customers, disseminating this knowledge across the organization, and responding to the customers' changing needs. Previous research on market orientation has criticized the construct of market orientation for not taking into account internal market, i.e., own employees (George, 1990). This request emphasizes the need for service managers to achieve effective internal exchanges within the organization and between the organization and its employees, which are a pre-requisite for successful exchanges with external markets (Kaur and Gupta, 2010). The results of our study suggest that basic assumptions about co-workers may be an important antecedent of such internal market orientation, in addition to customer or competitor orientation.

Two other dimensions of basic assumptions, which have produced significant correlations with market-oriented behaviors, were associated with generation of and responsiveness to customer-related intelligence. Service employees who believe in holding control over interaction with customers seem to do little customer intelligence. Moreover, customer control assumption correlated negatively with responsiveness to customer intelligence. On the other hand, employees who assume emotions as a natural part of service work seem to also manage intelligence responsiveness. In terms of a service-dominant logic for marketing (Vargo and Lusch, 2004), a belief in control over customers may be seen as a

belief in control over the process of service value co-creation (Gronroos, 2008). In this sense, customers may not be considered as full co-producers of service but only as receivers of a “pre-packed” product. Such a product-dominant logic places more emphasis on the needs of the service producer rather than on the needs of consumers (Vargo and Lusch, 2008). Overall, based on the results of the study, we argue that basic assumption about customer control may be seen as an antecedent of a product-dominant logic, as it places the emphasis on controlling the service production and relates negatively to customer intelligence generation and responsiveness towards consumers.

It is also interesting to notice that basic assumption about co-worker responsibility did not yield any significant results in the current study. On the other hand, basic assumption about co-worker competence demonstrated significant relationships with all outcome variables. Although these two assumptions dimensions should not be seen as complete opposites, they accentuate different orientations. While basic assumption about co-worker responsibility can be associated with stability, basic assumptions about co-worker competence can be linked to an orientation toward flexibility. In the current sample, a belief in flexibility of operations turned out to be more significant for service employees’ performance than a belief in stability of operations.

Our results suggest that by acquiring knowledge about the content and influence of service employees’ basic assumptions, marketing managers may develop a better understanding of the internal market (i.e., own employees) and thereby contribute to the success of their organizations. Enacting market-oriented behaviors represents a challenge to the organization. Adopting market orientation requires a committed effort by the organization (i.e., employees) to identify the wants and needs of customers and to use this information to create offers that will add value for customers.

The results of the study demonstrate that a basic assumption about customer control was negatively associated with generation of customer intelligence. A practical implication of this finding may relate to motivation of service employees. Obtaining more information about a complex problem (e.g., customer intelligence) or more detailed instructions on how to deal with an issue without having a certain mental model or implicit assumption to interpret the information will not necessarily help a person to solve the problem. By helping employees understand their own implicit assumptions, a leader can increase their ability to learn and solve problems. In this way, service managers can also help employees understand that they are powerful agents of change and can collectively influence events in the organization.

6. Limitations and future research

A limitation of this study is that there may be more than just the four dimensions of basic assumptions about customer and co-workers discussed herein that influence employee job performance toward customers and market-oriented behaviors. Furthermore, this study associated basic assumptions about customers and co-workers only with self-evaluated individual employee outcomes. Future research should examine other performance measures: aggregated performance or customer outcomes. The present study examined the relationships between cognitive appraisals of service employees (basic assumptions and self-rated performance). Future research efforts should also be directed towards investigating how basic assumptions about customers and coworkers relate to other types of manifest behavior in service employees.

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Figure 1. The hypothesized relationships between basic assumptions, employee job performance, and market orientation behaviors.

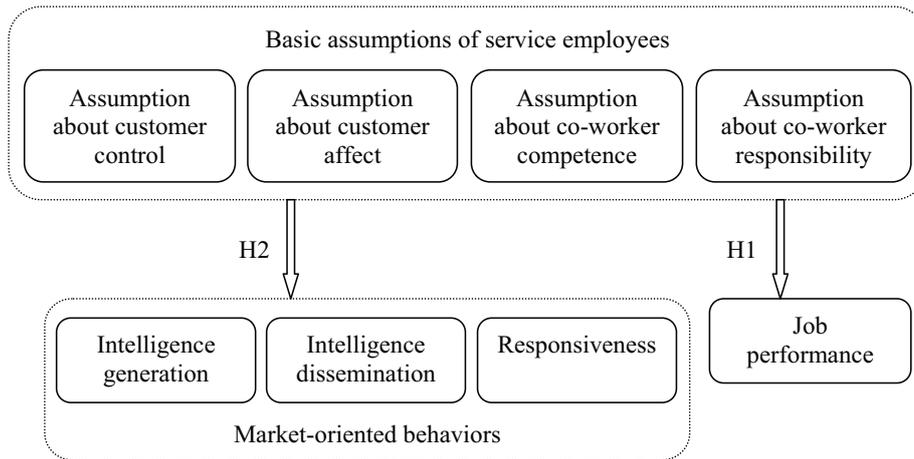


Table 1. Hypotheses investigated in the study.

N	Hypothesis
H1a	Basic assumption about customer control is positively related to employee job performance.
H1b	Basic assumption about customer affect is negatively related to employee job performance.
H1c	Basic assumption about co-worker responsibility is positively related to employee job performance.
H1d	Basic assumption about co-worker competence is positively related to employee job performance.
H2a1	Basic assumption about customer control is negatively related to intelligence generating behavior.
H2a2	Basic assumption about customer control is negatively related to intelligence disseminating behavior.
H2a3	Basic assumption about customer control is negatively related to responsiveness behavior.
H2b1	Basic assumption about customer affect is positively related to intelligence generating behavior.
H2b2	Basic assumption about customer affect is positively related to intelligence disseminating behavior.
H2b3	Basic assumption about customer affect is positively related to responsiveness behavior.
H2c1	Basic assumption about co-worker responsibility is positively related to intelligence generating behavior.
H2c2	Basic assumption about co-worker responsibility is positively related to intelligence disseminating behavior.
H2c3	Basic assumption about co-worker responsibility is positively related to responsiveness behavior.
H2d1	Basic assumption about co-worker competence is positively related to intelligence generating behavior.
H2d2	Basic assumption about co-worker competence is positively related to intelligence disseminating behavior.
H2d3	Basic assumption about co-worker competence is positively related to responsiveness behavior.

Table 2. Means, standards deviations, factor analysis results, and reliabilities of the constructs.

	N of items	Scale Mean (SD)	Variance extracted first factor (%)	Range of factor loadings	Range of communalities	Coefficient alpha
Basic assumption about customer control	11	3.34 (1.09)	41	.54-.74	.33-.55	.85
Basic assumption about customer affect	6	5.82 (0.73)	39	.60-.76	.46-.70	.68
Basic assumption about co-worker responsibility	5	6.34 (0.65)	45	.51-.76	.52-.79	.69
Basic assumption about co-worker competence	9	6.17 (0.68)	42	.50-.70	.38-.58	.82
Intelligence generation	10	4.88 (.96)	31	.41-.63	.17-.48	.55
Intelligence dissemination	8	4.86 (1.22)	52	.53-.78	.28-.67	.74
Responsiveness	14	5.25 (.93)	36	.50-.72	.25-.52	.77
Subjective job performance	2	5.56 (1.14)	79	.88-.89	.78-.79	.74

Table 3. Standardized factor loadings for the four dimensions of the 31-item basic assumptions scale.

Questionnaire items	Factor loadings			
	1	2	3	4
Basic assumption about customer control				
It is important in this job to know what kind of day you will have.	.558			
We prefer guests who behave the way we expect them to.	.608			
We do not let our guests' demands keep us from doing things we scheduled for the day.	.575			
Guests' complains are their way of demonstrating power.	.718			
Rules and practices that have been around for many years should determine what would happen to a complaining guest.	.685			
In my work with guests, I prefer predictability.	.660			
Distance from the guest gives me safety.	.646			
In this job, strict rules and routines are necessary to make guest interaction as predictable as possible.	.580			
In this organisation, we are good at setting limits for how much the guests can demand.	.640			
We take control when interacting with guests.	.614			
In this organization, we sometimes give less priority to the flexibility of products offered to achieve more control over the service interaction.	.635			
Basic assumption about customer affect				
Putting your emotions on display makes you feel closer to the guest.		.697		
It is important in my work to feel that I have someone to work for.		.722		
In this occupation, you develop a strong sense of connection to "the other".		.654		
Being open minded is important in order to treat everyone fairly.		.457		
Whenever something good happens, I feel we have earned it.		.569		
Some guests are just easy to like.		.383		
Basic assumption about co-worker responsibility				
Being self-reliant is an advantage in this job.			.646	
Resourceful and self-sufficient co-workers are highly appreciated in this organization.			.773	
A good co-worker is someone who acknowledges his/her responsibility to their colleagues.			.749	
Good co-workers are willing to deal with issues on their colleagues' behalf.			.552	
It is important in this job to be able to trust your co-workers.			.365	
Basic assumption about co-worker competence				
Being able to take criticism is an important part of this job.				.452

Efficient task-solving is rewarded in our organization.	.642
A competent co-worker knows his/her job better than a “training manual”.	.647
Good co-workers can improvise.	.647
In this job, you depend on having good dialogue with your colleagues.	.599
Good co-workers are very open to alternative solutions.	.600
Team players are the best co-workers.	.703
A good co-worker is someone who contributes largely to teamwork.	.663
It is crucial to be able to communicate freely with your colleagues in order to succeed in this job.	.572

Table 4. Correlations among all scales (N=241)

Subscales	1	2	3	4	5	6	7	8
1.Customer control	1							
2.Customer affect	-0.076	1						
3.Co-worker responsibility	-0.072	0.374**	1					
4.Co-worker competence	-0.099	0.390**	0.458**	1				
5.Intelligence generation	-0.153**	0.201**	0.182**	0.271**	1			
6.Intelligence dissemination	-0.089	0.171*	0.179**	0.257**	0.533**	1		
7.Responsiveness	-0.274**	0.237**	0.240**	0.284**	0.597**	0.593**	1	
8.Subjective job performance	0.149*	0.157*	0.190**	0.274**	0.051	0.163*	0.171*	1

Note: * $p < .05$, ** $p < .01$

Table 5. Summary of regression analysis for variables predicting subjective employee job performance ($N = 241$)

Variables	<i>B</i>	<i>SE B</i>	β
Basic assumption about customer control	.185	.063	.177*
Basic assumption about customer affect	.073	.110	.048
Basic assumption about co-worker responsibility	.165	.137	.091
Basic assumption about co-worker competence	.373	.124	.227**
	<i>R</i>	<i>R</i> ²	Adjusted <i>R</i> ²
	.336	.113	.097

Note. * $p < .01$, ** $p < .005$

Table 6. Summary of regression analysis for basic assumptions scales predicting market-oriented behaviors ($N=241$)

Variables	Intelligence generation	Intelligence dissemination	Responsiveness
	β	β	β
Basic assumption about customer control	-.12*	-	-.24*
Basic assumption about customer affect	-	-	.12*
Basic assumption about co-worker responsibility	-	-	-
Basic assumption about co-worker competence	.20*	.20*	.17
	$R^2=.10$	$R^2=.08$	$R^2=.17$

Note. * $p \leq .05$, ** $p \leq .10$