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Influence of Organisational Cultural Capabilities on Customer Experience Management and Firm Performance: Evidence from the Hospitality and Tourism Industry in Australia

A thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone. The work has not been submitted previously, in whole or in part, to qualify for any other academic award. The content of the thesis is the result of work which has been carried out since the official commencement of the approved research program. Any editorial work, paid or unpaid, carried out by a third party is acknowledged. Ethics procedures and guidelines have been followed.

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Keywords

Customer experience performance (CEP)

Customer experience management (CEM)

Dynamic capability (DC)

Employee experience (EX)

Employee intrapreneurship orientation (EI)

Customer experience Human resources practices (CXHRP)

Customer experience IT/Database support (CXITDS)

Customer oriented Leadership (CXL)

Learning orientation culture (LCO)

Organisational cultural capabilities (OC)

Organisational performance (OP)

Service-profit chain (SPC)

Management created workplace experience (MCWE)

List of Abbreviations

AGFI: Adjusted goodness of fit index

AMOS: Analysis of the moment structure

AVE: Average variance extracted

CEM: Customer experience management

CEP: Customer experience performance

CFA: Confirmatory factor analysis

CFI: Comparative fit index

CR: Critical ratio

DC: Dynamic capability

DF: Degree of freedom

EX: Employee experience

EFA: Exploratory factor analysis

GFI: Goodness of fit index

GOF: Goodness of fit

ICT: Information and communication technologies

KMO: Kaiser-Meyer-Olkin

MI: Modification indices

NFI: Normed fit index

OCC: Organisational cultural capability

OP: Organisational performance

RMSEA: Root mean square error of approximation

SE: Standard error

SEM: Structural equation modelling

SFL: Standardised factor loadings

SPC: Service-profit chain

SPSS: Statistical Package for the Social Sciences

SR: Standardised residuals

SRMR: Standardised root mean residual

SRW: Standardised regression weight

TLI: Tucker-Lewis Index

Abstract

Studies on customer experience management (CEM) have suggested that CEM is about an organisation's ability to provide inspirational cultural expertise, excellent leadership and management, good human resources practices, procedures and technological support that customers and employees can trust, etc. CEM is increasingly becoming the next competitive advantage for companies operating in the service industries, where productivity, customer satisfaction and retention, loyalty, and positive word-of-mouth, and lowering operational costs are the objectives to get market share. Current research has explored in-depth CEM from an organisational perspective, as there has been an overemphasis on customer behaviours and customer-centric experiences based on emotional experiences, sense, and feel. A theory-based conceptual framework can serve as the basis for further research and investigate other essential attributes to CEM, for instance workplace culture, leadership, and employee experience. There is a lack of research on customer and visitor experience in the hospitality and tourism industries (H&T) in Australia, further compounded by not enough knowledge on the adoption of organisational cultural change, which has restricted the growth of hospitality and tourism industries and the expected high quality of customer experience.

This study investigates the critical organisational cultural capabilities. It aims to: (a) build on and extend existing research in CEM by exploring the body of organisational culture literature and connecting that to current customer experience literature and theory (e.g., dynamic capability, service profit chain); and (b) test the relationships between organisational cultural capabilities, employee experience, customer experience, CEM, and business performance. To achieve these objectives, the relevant literature is comprehensively reviewed, leading to a conceptual framework to better comprehend the organisational capabilities in CEM. This framework is then tested and validated using structural equation modelling (SEM) and data collected from professionals working in the H&T industry.

The findings show that, to provide a holistic customer experience, what is significant for CEM are organisational cultural capabilities such as learning culture orientation, customer orientation, and employee intrapreneurship. Results further confirm the effect of internal

quality as a result of CEM in human resources practices, database support, and leadership. Overall, the results support implementing both dynamic capability and the service-profit chain (SPC) theories in the customer experience management context. They also suggest that a combination of internal (i.e., between top-management team and employee) and external (i.e., between employee and customer) relationships coexist and jointly influence customer performance and, thus, the firm's financial performance. This study provides a comprehensive understanding of the topic comprising four themes: firstly, critical organisational cultural capabilities; secondly, direct management influence on employees; thirdly, CEM performance; and fourthly, CEM metrics. This study's major contribution is to expand on the existing customer experience literature as it applies to the H&T industry. Doing so will improve our knowledge of customer experience in Australia.

This study extends the applicability of the dynamic capabilities theory and the service profit chain framework (SPC) to understand the influence of organisational cultural capabilities on CEM and consequently, customers, employee, and how well organisations perform. It confirms the appropriateness of combining the dynamic capabilities theory and service profit chain framework, in order to assess the impact of these capabilities on the customer experience chain. In this way a more holistic view of the organisational perspective on CEM is provided.

The major contribution of the study is integrating constructs of dynamic capabilities theory and the service profit chain theory into a single framework. It offers a more comprehensive theoretical basis for explaining the organisational perspective of managing customer experience and measuring its impact on overall business performance. The other contribution is building on the existing customer experience literature and how it relates to the H&T industry. The Australian H&T industry as a case study offers useful findings and insights for practitioners to formulate appropriate strategies and plans, whereby their CEM is enhanced and so is firm performance.

Chapter 1: Introduction

1.1 Background

Customer experience management (CEM) describes the ability of an organisation to provide an inspirational culture, strong leadership, and effective human resources practices, procedural systems, and technology supports, all of which enable employees to provide good customer experience (Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012). CEM is a significant competitive advantage that enables a business to differentiate itself from competitors. Many researchers have provided evidence that effective CEM results in certain advantages, such as streamlined relationship between customers, employees and the organisation, improved brand loyalty and affinity, and growth in revenue and customer base (Gentile, Spiller & Noci 2007; Shaw & Ivens 2002).

As a result, many organisations worldwide are making customer experience management a top priority, while those not doing so struggle (Holmlund et al. 2020; Kuppelwieser & Klaus 2020). Researchers have shown that companies with a strong customer experience strategy can enhance their profits and customer loyalty by up to 60% (Witell et al. 2020). In contrast, poor customer experience can cause a 33% reduction in customers (Lemon & Verhoef 2016). Current research from PwC shows that CEM practices continue to evolve globally. By 2021, customer experience will overtake price and product as the key brand differentiation, and 86% of customers will pay more for better customer experience (PwC 2020). The increasing popularity of CEM has resulted in numerous studies seeking to understand how this concept functions in various circumstances (Becker & Jaakkola 2020; Bueno et al. 2019; Giannopoulos et al. 2020; Homburg, Jozić & Kuehnl 2017; Jaziri 2019; Raina, Chahal & Dutta 2019; Vakulenko et al. 2019; Varnali 2019). Such studies can generally be classified into conceptual and empirical validations of the concept.

Previous conceptual studies focus on devising various conceptual frameworks to better understand customer experience and enhance: CEM practices (Batra 2017; Berry, Carbone & Haeckel 2002; Hwang & Seo 2016; Jain, Aagja & Bagdare 2017; Kandampully, Zhang & Jaakkola 2017; Puccinelli et al. 2009); the organisational factors that predict CEM (Batra 2017;

Bharwani & Jauhari 2013; Bharwani & Talib 2017; Hwang & Seo 2016; Kandampully, Zhang & Jaakkola 2019); and the outcomes of CEM (Berry, Carbone & Haeckel 2002; Grewal, Levy & Kumar 2009; Jain, Aagja & Bagdare 2017). The findings of these studies contribute to existing literature by expanding the knowledge on marketing, management, and information technology. However, only a few scholars have systematically investigated customer experience (Homburg, Jozić & Kuehnl 2017; Hwang & Seo 2016; Jain, Aagja & Bagdare 2017; Kandampully, Zhang & Jaakkola 2017). Consequently, researchers have called for a theory-based conceptual framework that can serve a foundation for such investigations. Empirical validation requires measuring customer experience quality and brand experience from the client's perspective with various models and theories, including resource-based theory (RBT) (Mbama & Ezepue 2018), customer experience quality (Maklan & Klaus 2007; 2011; 2012), experience economy (Pine & Gilmore 1998), consumer behaviour theories (Brakus, Schmitt & Zarantonello 2009), and marketing capabilities theory (Blocker et al. 2011).

There have been investigations from an organisational perspective, such as that of Kouassi, Martins and Molnar (2016), who use dynamic capability theory, and Brown and Lam (2008), who use service–profit chain, service climate, and emotional contagion theories. Other researchers have only noted the role of organisational culture and knowledge management in providing a superior customer experience, in addition to the necessity of organisational ambidexterity (Chakravorti 2011; Homburg, Jozić & Kuehnl 2017). These studies do not generally agree on the critical factors of organisational culture that influence CEM. Furthermore, they have not presented empirical evidence for generating the findings to adequately evaluate how culture influences different contexts, such as the hospitality and tourism (H&T) industry.

The H&T industry is a significant contributor to the world economy. Advanced market economies like the United States, France, and Spain, have fought to position themselves as the world's first tourist power. The H&T industry not only generates revenue and cultural wealth but is also a significant source of income and employment. For this reason, many countries, such as Australia, Singapore, New Zealand, and the United Arab Emirates, have increased their investment in the tourism industry. This investment has resulted in several campaigns and strategies to highlight the attractiveness of the countries' main tourist destinations. In Australia, the tourism industry generates $94 billion in spending. As a sector, tourism contributed $34 billion in 2019, representing 2.6% of Australia's total GDP. Tourism is Australia's largest

services export earner, providing around half a million jobs, approximately 7% of Australia's workforce (Goh & Okumus 2020).

CEM is especially crucial to the H&T industry due to the requirement to keep customers loyal and engaged (Hwang & Seo 2016). H&T are the most well-known service industries where customer experience matters. This sector includes restaurants, hotels, casinos, amusement parks, events, cruises, entertainment, and other tourism-related services, such as lodging, food and drinks service, event planning, theme parks, transportation, cruise lines, and airlines (TRA 2009). Companies operating in these industries must establish a presence that differentiates them from competitors (Pine & Gilmore 2002). Product, service, price, promotion, and customer service segment the H&T industry. H&T organisations face a challenging and competitive environment wherein customers' experiences and expectations are paramount, followed by employees and management (Giannopoulos et al. 2020). In its report, KPMG states that

> Customer experience management continues to evolve in Australia. A significant part of delivering a good customer experience (CE) begins with the employee experience and this is something that the leading Australian organisations demonstrate a particular strength in. The research shows that Australian customers exhibit an appreciation of premium experiences, however, they also value those who deliver on the broader promise of their brand (KPMG 2019, p. 20).

Effective CEM helps businesses to create long-term relationships with customers and ensure they remain loyal (Homburg, Jozić & Kuehnl 2017). These improvements in customer experience are produced by antecedents to the overall employee experience (Hwang & Seo 2016). Currently, there is a lack of focus on customer experience in the Australian H&T industry. As well, a lack of knowledge—both soft and technical—is limiting the growth of revenue and the quality of customer experiences. The Tourism, Travel and Hospitality IRC's 2019 Skills Forecast acknowledges that although technical skills are imperative to performing job tasks, employers also desire soft skills above and beyond technical expertise. The Australian government has partnered with H&T organisations to drive industry growth through effective human resources (HR) practices and programs for a skilled tourism workforce to emerge.

The management of both customer and employee experiences in Australia is currently undergoing changes. As a result, organisational cultural capabilities that predict customer

experience have not been empirically tested, nor has the meditating role of employee experience on the overall experience performance. This justifies an empirical investigation of the influence of organisational cultural capabilities on CEM, for a better understanding of the impact of employee experience on customer experience and organisational performance.

1.2 Motivation for The Research

The motivation to conduct this research was three-fold. First, previous scholars have called for a theory-based conceptual framework that can serve as a foundation for further investigations of other essential attributes to CEM, such as organisational culture, leadership, and employee experience (Becker & Jaakkola 2020; McColl-Kennedy et al. 2019). In addition, focus should shift from a static approach to more dynamic methods of creating the CE (Kranzbühler et al. 2018). As a result, a conceptual framework depicting the relationships between organisational culture, CEM, and performance underpinned by the dynamic capabilities theory and the service-profit chain (SPC) theory can lead to a better understanding of the dynamic nature of CEM. Second, not enough analysis has been done on CEM from an organisational perspective, as there has been an overemphasis on customer behaviours and customer-centric experiences based on emotion, sense, and feel. Only a few studies have explicitly embraced an organisational perspective, whereas scholars have mostly explored the subject using a systemic approach (Homburg, Jozić & Kuehnl 2017; Hwang & Seo 2016; Jain, Aagja & Bagdare 2017; Kandampully, Zhang & Jaakkola 2017; Witell et al. 2020).

For example, in their systematic literature review, Jain, Aagja and Bagdare (2017) indicate the impact of customer experience on perceptions of customer value, differentiation, customer satisfaction, image, and loyalty. They stress that CE can be managed as a holistic strategic process for improving business performance. Hwang and Seo (2016) assert that the customer experience is not an outcome but in fact an organisational process that leads to behavioural, emotional, brand-related, and financial outcomes. In a content analysis study, Chakravorti (2011) indicates that marketing departments support CEM by ensuring alignment between organisational values that reflect customer orientation and employee collaboration and communication. He contends that organisational performance is directly affected by marketing culture and strategy, citing that these strategies and culture reflect organisational values. He also calls for an empirical study to test this concept.

Few authors have mentioned the role of organisational preceptive in providing superior customer experience. Some have introduced CEM as a higher-order resource of cultural mindsets toward customer experiences, strategic directions for designing CEs, and firm capabilities for continually renewing CEs, with the goal of achieving and sustaining long-term customer loyalty (Homburg, Jozić & Kuehnl 2017). Some studies have focused mainly on business-to-consumer (B2C) settings, indicating the role of organisational ambidexterity to cover different touchpoints within the customer journey (Kouassi, Martins & Molnar 2016). Others have concentrated on the utility of CEM in business-to-business (B2B) settings (Lecoeuvre et al. 2021). This strongly suggests a need to enhance our understanding of CEM by integrating businesses' cultural capabilities, top management support, and employee/customer experience into a new model to investigate how cultural capabilities shape CEM (Grønholdt et al. 2015; Homburg, Jozić & Kuehnl 2017) and measure both customer and employee experiences (Holmlund et al. 2020; Kuppelwieser & Klaus 2020). The third reason is that despite the myriad studies on CEM in service industries, a critical industry such as H&T has received limited attention. Scholars have only performed conceptual studies in this area in recent times (Godoyykh & Tasci 2020; Hao 2020; Hwang & Seo 2016; Kandampully, Zhang & Jaakkola 2017). Other studies on this topic have been conducted in developing countries (Cetin & Dincer 2014; Jauhari & Sanjeev 2010).

The current body of literature lacks an exploration of organisational culture, customer experience, and visitor experience in the Australian H&T industry. Furthermore, the degree of importance of organisational cultural impact on these experiences has not been evaluated. There is also limited adoption of organisational cultural change, knowledge, and skills, which has restricted the growth and quality of customer experience in these industries (TRA 2019). The Australian federal government has worked with H&T leaders to enhance the country's tourism potential by developing the 'Tourism 2021' strategy. This strategy considers different aspects covered in the current study - HR practice, learning culture, education, IT/digital technology skills, and programs to develop a skilled tourism workforce. This demonstrates the need to explore the critical organisational culture and its impact on customer experience in the H&T sector, which this researcher seeks to do in the Australian context.

1.3 Problem Statement

Previous scholars have acknowledged the importance of CEM for organisations seeking to differentiate themselves. Most of these, however, have considered CEM from a customer-centric approach, while others have employed an organisational perspective. Not enough attention has been paid to organisational cultural capabilities required to implement a viable CEM strategy. It is important to understand how leadership and culture impact on the personnel who serve customers.

1.4 Research Objectives and Questions

In this thesis the researcher addresses the issue of a lack of empirical studies on CEM from an organisational perspective. Here the objective is to bridge the extant research gap by developing an integrated framework that explains organisational cultural capabilities' impact on CEM and organisational performance. Dynamic capabilities theory will serve as a lens to investigate the impacts of cultural capabilities on CEM and organisational performance. The second objective is to validate the SPC theory by comprehensively explaining the relationship between organisational cultural capabilities and CEM, employee experience, customer experience, and organisational performance. The H&T industry in Australia is the case study.

The research questions aim to identify the impact of organisational cultural capabilities on CEM and to gain insights into the nature of the relationship between these capabilities, management, employees, customers, and organisational performance. The main question that guides this study is: **How do organisational cultural capabilities influence management of experience, organisational performance and customer experience in the hospitality and tourism industry?**

The following two secondary research questions will be answered:

RQ1. How do organisational cultural capabilities affect customer experience management as contended by dynamic capabilities theory?

RQ2. How can service-profit chain theory be applied to customer experience management to depict the relationships between management, employees, and customers so that organisational performance is improved?

1.5 Research Methodology

The primary objective of this research is to investigate the critical organisational cultural capabilities that affect the management team in CEM from an organisational perspective. Such an objective can be achieved through confirmatory research with a focus on validating the conceptual framework and testing the proposed hypotheses. This will help to explain the causal relationships between various cultural capabilities and CEM. Since the research is confirmatory in nature, a quantitative method is considered the best approach to achieve the study's goal (Creswell & Creswell 2017). Quantitative methodology is most suitable for investigating causal relationships between specific factors using numerical, statistical or tabulated data (Fetters, Curry & Creswell 2013). It also enables researchers to derive findings that can be generalised to a large population or wider context, such as employees of all service industries (Straub, Boudreau & Gefen 2004; Vanderstoep & Johnson 2008). As a result, the findings can help to predict which critical organisational cultural capabilities affect the management teams most in CEM. Data are collected from leaders in the H&T industry and other service sectors in Australia.

The implementation of a quantitative methodology in this study consists of seven stages, as shown as in Figure 1.1. The first stage is related to the formulation of the research objectives and questions. The second stage is concerned with reviewing the related literature to obtain a better understanding of CEM from different perspectives. The third stage centres on developing a conceptual framework to investigate the critical organisational cultural capabilities that guide the management team in CEM. In this stage, the researcher devises specific hypotheses to investigate the relationship between the theoretical constructs identified in the conceptual framework. The fourth stage is concerned with the development of the survey instrument to collect data for analysis. The fifth stage involves collecting the research data from the H&T industry using a survey instrument. In the sixth stage, data are collected to answer the research question and again referring to this stage, various data analysis techniques are employed: (a) descriptive statistics and variance analysis for investigating the organisational cultural capabilities that are most influential in determining customer experience management; and (b) structural equation modelling (SEM) technique for testing hypotheses and validating the proposed conceptual framework. In the seventh stage, the research findings are interpreted to answer the research question.

Through this study, a new model to develop a theoretical foundation for linking CEM with an organisation's capabilities is proposed. It is more advantageous to analyse predictive research models that are in the early stages of theory development (Fornell & Bookstein 1982). Several key features of SEM have led to its increasing use in management, strategy, and marketing research (e.g., Bontis et al. 2007; Drengner, Gaus & Jahn 2008; Reinartz, Haenlein & Henseler 2009).
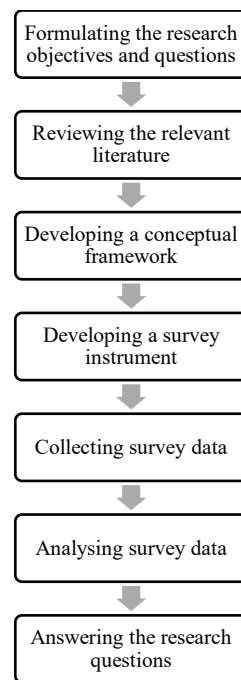
Figure 1.1 *Overview of the Research Process*

1.6 Research Contributions and Implications

From a theoretical perspective, this study contributes to the literature by developing and validating a conceptual framework for investigating the impact of organisational cultural capabilities on customer experience and the relationship between employee experience, customer experience performance, and organisational performance (Becker & Jaakkola 2020; Berry, Carbone & Haeckel 2002; Bueno et al. 2019; Giannopoulos et al. 2020; Varnali 2019). This study uses strategic management and customer-centric marketing theories to underpin the study from an organisational perspective, which helps to explain the organisational cultural capabilities factors impacting on CEM using dynamic capabilities and SPC theories. The findings extend the SPC theory to CEM in the H&T context and provide empirical evidence of

the capabilities impacting CEM and its outcomes through a new organisational perspective that connects various internal factors. Finally, the most common metrics employed to measure employees' and customers' experiences are identified.

From a practical perspective, findings of this study are valuable for different stakeholders in the H&T industry, including customer success managers (CSMs) and customer experience managers (CXMs)[1]. The findings may also inform the heads of departments, such as information technology, human resources management, and marketing in the H&T industry. With a better understanding of how the organisational culture shapes CEM, H&T businesses in Australia could more efficiently manage the dynamically changing needs of customers and align them with the organisational culture so that all employees working at different managerial levels can implement customer-centric approaches. These leaders must also take appropriate actions in advance to obtain information on both current customers and their future wants and needs.

The significant findings of this study have several important implications that might assist CE, IT, marketing, and HR managers, as well as decision-makers in the H&T industry to understand the potential market and financial benefit of CE. It is important for managers to put more focus and attention on aligning their organisation's CE vision with the learning required to achieve cultural change. Moreover, a reconfiguration of operations and a restructuring around customer centricity must occur in order to foster best CE practice. Finally, leaders must align organisational culture, HR strategy, and key performance indicators (KPIs) with the CE vision and facilitate collaboration between departments.

The findings strongly suggest that managers should become aware of what their customers want through aligning and automating internal workflows and processes with customers' experiences. It is also possible to implement new technologies to improve CE performance. Finally, the findings reveal that it is important for CE managers to treat employees as the most valuable resource in the business. In fact, managers should develop staff

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[1] Customer success managers (CSMs) support customers during the transition period from sales to active users. They focus on customer loyalty and building long-term relationships.

Customer experience managers (CXMs) ensure interactions meet customer needs and manage customer life cycle. They focus on proactively increasing customer satisfaction, through working closely with marketing managers to align goals and visions.

training, monitoring methods, evaluative standards, coaching techniques, incentives, and rewards to specifically acknowledge their ongoing CE accomplishment.

There is a highlighted need for a holistic understanding of all aspects of the firm to effectively manage customer experiences. Highly successful hospitality firms create a service environment that encourages employees to 'think on their feet' and cater to customers' unexpected needs. A positive customer experience cannot be created through marketing strategies alone. Rather, the customer experience must be part of the firm's strategic vision and represent the consistent efforts of the whole organisation. Lastly, the findings imply that organisations must consider different measurement tools for assessing current employee and customer experience, and to determine their impact on the organisation's overall profitability.

1.7 Structure of the Thesis

In **Chapter One**, the researcher introduces the study, focusing on the background of and motivation for the current research. Discussed here are the research objectives, the research questions and the research methodology.

In **Chapter Two**, the researcher reviews the body of previous literature related to the concept of CEM, organisational factors and capabilities, and how these factors are linked to customer experience, employee experience, and organisational performance from different perspectives. Examined here are the existing studies document on the customer experience management from an organisational perspective. The issues and concerns in these studies are then discussed.

In **Chapter Three** presents the conceptual framework and research hypotheses. This conceptual framework serves as a foundation for developing specific hypotheses to adequately answer the research question. It paves the way for developing the research instrument to empirically test and validate the SPC theory, in order to comprehensively elucidate the relationship between organisational cultural capabilities and performance, CEM, and the experiences of employees and customers.

In **Chapter Four**, the researcher explains the research design, including the paradigm, sample, respondents, instruments, and definitions of variables. Covered in this chapter are the examinations of items pooling, scale development, and validation of research instruments. Then the processes of data collection and analysis are described.

In **Chapter Five** are the details of the data cleaning and data analysis process. In this chapter, the results of the preliminary analysis are explained, as are the characteristics and demographics of the participants. The findings of the reliability and validity assessments are articulated.

In **Chapter Six**, the researcher presents the results of the data analysis identifying the critical organisational cultural capabilities that impact on CEM. Furthermore, this chapter validates the tests and proposed conceptual framework using SEM to estimate the causal relationships between organisational cultural capabilities and CEM in the Australian H&T industry.

In **Chapter Seven**, the conclusions based on the findings are presented, as is a revisit of the research question to ensure that it is adequately answered. Following this, the researcher summarises the findings, discusses the theoretical and practical contributions of the study, and suggests what their implications or ramifications are. Further, limitations of the study and suggestions for further research as an extension of the current study are elaborated.

Chapter 2: Literature Review

2.1 Introduction

The concept of customer experience was first conceived in the 1980s, with notable analysis of consumer behaviour done by Holbrook and Hirschman (1982)., They considered the consumer as a rational thinker, putting emphasis on the information process model and expanding the understanding of consumer needs. This created a new approach to consumer behaviours called 'the experiential of consumption' (Holbrook & Hirschman 1982). Holbrook and Hirschman (1982) theorised that consumption has an experiential aspect. Later in the 1990s, the concept advanced to focus on human social behaviours and how these are driven by control. Hui and Bateson (1991) confirmed the power of consumer density and control over the service sector, explaining the effects of consumer choice and consumer density on the emotional and behavioural outcomes of the service encounter. Schmitt (1999) expanded Holbrook and Hirschman's study by exploring how businesses create experiential marketing by allowing the customer to sense, feel, think, act, and relate to a company and its brands. Berry, Carbone and Haeckel (2002) later suggested that in order for organisations to satisfy clients, they needed to cover all the issues that customers may experience when they are purchasing goods and/or services.

Pine and Gilmore (1998) elaborated on this concept, indicating that most organisations shifted from commodities, products, and services to be more customer-oriented, which led to differentiation in the market. They stated that 'an experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event' (Pine & Gilmore 1998, p. 89). This indicates that the concept of customer experience was only related to theatres and theme parks; however, the focus of a modern business is to provide a memorable experience through e-commerce sites, physical shops, or retailers. Following these studies, an analysis of customer behaviour and experience in an online/website environment demonstrated that delivering experience was more important than offline resources. Websites provided an easy way for customers to access the product or service information. This contributes to WOM, which leads to website traffic and better performance (Novak, Hoffman & Yung 2000); it builds loyalty to brands, channels,

and services (Verhoef et al. 2009) and creates enormous economic value (Pine & Gilmore 1998).

This chapter explores the research gap in the customer experience management by extensively reviewing the relevant literature. To achieve this objective, the rest of the chapter is organised into six sections. Section 2.2 presents an overview of customer experience management. Section 2.3 describes extant studies on CEM. Section 2.4 investigates the factors affecting CEM, and Section 2.5 outlines the role of employee experience in CEM. Section 2.6 explains the outcomes of CEM. Section 2.7 ends the chapter with some concluding remarks, and Section 2.8 is a chapter summary.

2.2 Overview of Customer Experience Management (CEM)

2.2.1 The Origin of CEM

The origin of CEM stems from previous studies on customer relationship management (CRM). Building on the marketing literature, CEM can be considered as an evolution or evolving assumption of the CRM concept (Homburg et al., 2017).

Guerola-Navarro et al. (2021) and Meyer and Schwager (2007) defined CRM as an integration of processes, human capital and technology to capture and distribute what a company knows about a customer. CRM's current approach as a business management tool is to record the customer information after an interaction through point-of-sales data, market research, website clickthrough, automated tracking of sales in order to drive more efficient and effective execution and thereby obtain better business results.

2.2.2 Similarities and differences

In their study, Meyer and Schwager (2007) differentiated between the CRM and CEM. They concluded that the difference is that CRM captures what a company knows about a particular customer — his history with the companies and any inquiries he has made. It also tracks the customer's actions after an interaction with the organisation. Whereas CEM captures all the customer's data before and after the interaction with the organisation as well as the immediate response of the customer with the company.

Previous studies on the operational aspect of CEM focused on what, when, and how to use customer experience (CE). They claimed that CEM is an extension of CRM (Homburg et

al., 2017). Organisations need to specify how each function plays its role in CE including marketing (knowledge), operation (process, skill, practice), product development (design the experience), IT (collect data, analysis), HR management (communication and training strategy, employee's capabilities) and accounting (Meyer & Schwager 2007).

A review of the literature showed that CRM is a supportive factor of CEM. One of these studies is by Garrido-Moreno and Padilla-Meléndez (2011) which focused on knowledge management and CRM as a strategic tool in the competitive environment. They concluded that knowledge capability alone is not enough for the success of CRM. Instead, there are other organisational factors working as a bundle of capabilities, such as knowledge management capabilities/technological/customer orientation factors, that lead to the success. Their study confirmed and concluded that organisational variables (leadership of the top management, human resource management, functional integration, and organisational structure) are the major antecedents of CRM which mediate other variables or capabilities in enhancing CRM success.

Based on that, Garrido-Moreno and Padilla-Meléndez (2011) concluded that, whatever resources or capabilities that an organisation has, implementation of CRM or any other similar context will not be successful without the support from employees and the management of different departments. For instance, without reengineering at the organisational level and training the employees, introduction of a new technology can hardly strengthen the competitiveness or success of the organisation. However, previous studies did not mention CEM. Only more recent studies consider CRM as an extension of CEM. In this regard, Padilla-Meléndez and Garrido-Moreno (2014) regarded CRM as a key strategy for personalising CE and improving customer satisfaction and retention, particularly in the hotel industry. Their study analysed the main organisational factors of implementing CRM, which corroborates the findings of previous studies on the importance of leadership of top management, human resource management and organisational structure. In addition, employee training and motivation along with organisational processes were identified as primary factors of implementing CRM. Their finding revealed that technology capability as an enabler is necessary but not sufficient for achieving positive results with CRM.

Padilla-Meléndez and Garrido-Moreno (2014) revealed that organisational readiness is the most relevant factor that impacts on CRM implementation success. It also mediates the other factors inducing IT, knowledge management capability and customer orientation. In

terms of top management, CRM and CEM both are primarily dependent on staff attitude and commitment as well as trained, motivated and involved employees. Finally, participation of all employees in CRM implementation, via training and motivation, is also crucial for CRM implementation success. The study provided guidance for hotel managers to exercise effective leadership and motivate their employees to engage in the strategy of customer orientation. Their study called for future research to obtain data from employees and customer perceptions of CRM implementation.

A recent study by Homburg, Jozić and Kuehnl (2017) used both resource-based view (RBV) and dynamic capabilities (DC) theories to introduce a framework of CEM that concerns different contexts and uses other theories, such as hierarchical operant resource and service-dominant logic, to underpin CEM. The study proposed that CEM is an extension of CRM implementation and orientation in marketing. Moreover, the researchers introduced CEM as a higher-order resource of cultural mindsets toward CEs. They discussed the strategic directions for designing CEs and identified firm capabilities for continually renewing CEs with the goals to achieve and sustain long-term customer loyalty. They defined firm capabilities as "*continually renewing CEs extend Market Orientation and CRM by representing a dynamic system for organisational ambidexterity, that is the synchronisation and balancing of incremental and radical innovations*" (p. 396). The results shed light on using the DC theory to assess the relative importance of firm capability in the effectiveness of CEM and further support the links between the capability system of CEM and the theoretical concept of dynamic capabilities (Homburg, Jozić & Kuehnl 2017).

Palmer (2010), in a critical review about CEM, also mentioned the differences between both terms, noting how CEM is seen by practitioners as a "successor" of CRM. Based on a decade of research in the CRM field, it is clear that CEM constitutes an evolutionary concept, rooting in CRM assumptions and principles, but more focused on enhancing and measuring customer personal experience and directly oriented towards achieving customer satisfaction and retention.

2.2.3 Definition of Customer Experience

Building from previous insights, Pine and Gilmore (1998) explained the experience as a personal memory of an individual who has engaged in an emotional, physical, intellectual, or

even spiritual level. In their study, Gentile, Spiller and Noci (2007) defined the customer experience as originating:

> from a set of interactions between a customer and a product, a company, or part of its organisation, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual) (p. 397).

Another comprehensive definition is that:

> customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews and so forth (Meyer & Schwager 2007, p. 118).

Verhoef et al. (2009) added that the customer experience involves the customer's cognitive, affective, emotional, social, and physical responses to the retailer. They further revealed that the customer experience has a holistic nature under the retailer's control (e.g., the retail atmosphere) and factors outside their control (e.g., the customer's shopping goals). Furthermore, their findings recommended embracing the total experience, including the search, purchase, consumption, and after-sale phases. Duncan and Moriarty (2006) explained the total journey of touchpoints as any verbal or non-verbal events related to a firm or brand a customer perceived, such as advertising, usage of the product. It includes all avenues of contact between the customers and business, as well as the impression that the customer has of each touchpoint (Liang & Turban 2011).

Organisations face a range of challenges in managing the customer experience—not only from the customer side, but also from the employee side (Johnston & Kong 2011), which is due to the dynamic nature of customer experience over time (Chathoth et al. 2020). Table 2.1 summarises various definitions of CEM. It also confirms that extant researchers have explained CEM in different contexts or scenarios. Previous scholars have focused mainly on a single discipline; studies that integrate multiple disciplines were rare and mainly came in the form of a systematic review. Based on the previous summary and what the current study demands, the researcher defined customer experience management as an evolving relationship

between the company and customer to provide the following: an inspirational organisational culture, an excellent leadership and management team, good human resources practices, trusted procedures and systems, and technology that supports employees in order to facilitate great customer service (Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012).

Table 2.1 *Summary of Important Definitions of Customer Experiences*

Study	Definition	Orientation/focus
Focus on the Customers' Experience perspective		
Holbrook and Hirschman (1982, p. 132)	'Experiential perspective is phenomenological in spirit and regards consumption as a primarily subjective state of consciousness with a variety of symbolic meanings, hedonic, responses, and aesthetic criteria … and consumption experience is a phenomenon directed toward the pursuit of fantasies, feelings, and fun'	Operation and process / consumer behaviour
Hui and Bateson (1991, p. 175)	'The concept advanced to focus on the human social behaviours, and how it is driven by control, the effects of consumer choice and consumer density on the emotional and behavioural outcomes of the service encounter'	Service sector
Pine and Gilmore (1998, p. 97-99)	'An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event… the experience as a personal memory of an individual who has engaged in an emotional, physical, intellectual, or even spiritual level. Thus, no experience is similar; each has its state of mind…Experiences are a distinct offering, as different from services as services are from goods …an experience is not an amorphous construct; it is as real an offering as any service, good or commodity…..they are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level'	Theatre and theme park
Schmitt (1999, p. 57)	'Experience occurs as a result of encountering, undergoing or living through things. Experience provides sensory, emotional, cognitive, behavioural and relational values that replace functional values…organisations can create experiential marketing by allowing the customer to sense, feel, think, act and relate to a company and its brands'	Service sector
Gentile, Spiller and Noci (2007, p. 397)	'The customer experience is originating 'from a set of interactions between a customer and a product, a company, or part of its organisation, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual)'	Brand – Marketing
Verhoef et al. (2009, p. 32)	'Customer experience is one of the fundamental objectives in the current market added that the customer experience involves the customer's cognitive, affective, emotional, social, and physical responses to the retailer and further revealed that the customer experience has a holistic nature, created by retailer's control including the retail atmosphere, and factors outside their control such as the customer's goal of shopping. Furthermore, in their finding, they embrace the total experience, including the search, purchase, consumption, and after-sale phases of the experience'	Retailing
Focus on the Organisations' Customer Experience perspective		
Berry, Carbone and Haeckel (2002, p. 12)	'CEM is a company's first step toward managing the total customer experience is recognising the clues it is sending to customers…companies must manage the emotional component of experiences with the same rigor they bring to the management of product and service functionality'	Holistic
Shaw and Ivens (2002, p. 6)	'The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organisation, which provoke a reaction, this experience is strictly personal and implies the customer's involvement at different levels (rational, emotional, sensorial physical and spiritual'	Holistic/ Process and operation

Meyer and Schwager (2007, p. 118)	'Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer. Indirect contact most often involves unplanned encounters with representatives of a company's products, service or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews and so forth'	Holistic approach
Chakravorti (2011, p. 130)	'CEM is the knowledge management and organisational culture change management help in acquiring, comprehending, analysing and acting up on the wide variety of information needed to help customers derive a superior experience from interacting with the company and its products and services'	Culture, knowledge management and customer experience
Hwang & Seo (2016, p. 652)	'Customer experience management can be understood as the systematic identification, prioritisation and incorporation of right set of clues at touchpoints across all the stages; designing and developing interactive processes for experience creation; and measuring customer responses using appropriate performance metrics'	Holistic
Homburg, Jozić & Kuehnl (2017, p. 384)	'CEM refers to the cultural mindsets toward CEs, strategic directions for designing CEs, and firm capabilities for continually renewing CEs, with the goals of achieving and sustaining long-term customer loyalty'	Holistic, culture capabilities
Jain, Aagja & Bagdare (2017, p. 649)	'Customer experience is the aggregate of feelings, perceptions and attitudes formed during the entire process of decision making and consumption chain involving an integrated series of interaction with people, objects, processes and environment, leading to cognitive, emotional, sensorial and behavioural responses'	Holistic
Kandampully, Zhang & Jaakkola (2017, p. 25)	'Customer experience is an elusive and indistinct notion. It's a difficult construct to define, let alone measure, because of its multiple elements and individualized, personal nature. Think about the last time you went to a movie with someone. You both sat in the same theatre, ate the same popcorn, and saw the same film, yet you each walked out with a totally different experience. This is because each consumer is unique. Each person brings a different background, values, attitudes, and beliefs to the situation; everyone experiences it through individualized rose-coloured glasses'	Hospitality
Witell et al. (2020, p. 1)	'Customer experience is the capability to drive profits and growth'	B2C
Holmlund et al. (2020, p. 357)	'Customer experience management identifies four *organisational capabilities* required for keeping an organisational balance between incremental and radical market innovations: touchpoint journey monitoring, touchpoint prioritisation, touchpoint adaptation, and touchpoint journey design'	IT/Big Data analysis
Becker & Jaakkola (2020, p. 638)	'Customer experience should be defined as non-deliberate, spontaneous responses and reactions to particular stimuli'	Holistic
Godovykh & Tasci (2020, p. 5)	'Experience is the totality of cognitive, affective, sensory, and conative responses, on a spectrum of negative to positive, evoked by all stimuli encountered in pre, during, and post phases of consumption affected by situational and brand-related factors filtered through personal differences of consumers, eventually resulting in differential outcomes related to consumers and brands'	Tourist

2.3 Extant Studies on Customer Experience Management (CEM)

Previous researchers have focused on CEM from multiple perspectives considering the customer journey, feelings, thoughts, and behaviours. On the other hand, few researchers have focused on this topic from an organisational perspective. The primary approaches are summarised below and shown in Table 2.2.

2.3.1 Customer Perspective

Studies on CEM have looked at various conceptual frameworks to better understand the customer experience. For example, Pine and Gilmore (1998), Puccinelli et al. (2009), and Wibowo et al. (2021) considered holistic experiences of customers. Others have considered: the relationships between employee experience, job satisfaction, customer satisfaction, and perceived service quality (Brown & Lam 2008); customer experience and commitment in retailing (Khan et al. 2020); and service-related engagement, experience, and behavioural intent (Rather & Hollebeek 2021). Puccinelli et al. (2009) explored the decision-making processes and considered how these are influenced by organisational macro factors (see also Grewal, Levy & Kumar 2009). Finally, Izogo and Jayawardhena (2018) evaluated online shopping experience, while Wibowo et al. (2021) determined the role of social media marketing activity in customer experience. Blocker et al. (2011) evaluated the role of proactive customer orientation in creating customer value in global markets. More details about the studies on this topic are provided in Table 2.2.

2.3.2 Organisational Perspective

Some researchers have conducted systematic research on customer experience from an organisational perspective (Homburg, Jozić & Kuehnl 2017; Hwang & Seo 2016; Jain, Aagja & Bagdare 2017; Kandampully, Zhang & Jaakkola 2017). These authors called for a theory-based conceptual framework that can serve as a foundation for such analysis. A few studies have noted the role of organisational culture and knowledge management in providing a superior customer experience, in addition to organisational ambidexterity to renew customer experience touchpoints (Kouassi, Martins & Molnar 2016; Chakravorti 2011; Homburg, Jozić & Kuehnl 2017, Godovykh & Tasci 2020). More details are provided in Table 2.2.

Table 1.**2** *Extant Studies On Customer Experience Management (CEM)*

Study	Focus	Method Used/ Theoretical foundations	Setting	Key Findings	Limitations
Customer perspective					
Pine & Gilmore (1998)	Experience economy and different CE types	Applied/ case studies/ Experience Economy	Holistic	• The four realms of the experience • The characteristic of the experience • Designing the experience	Lack of conceptualisation of the experience
Brown & Lam (2008)	The relationships between employee experience, job satisfaction, customer satisfaction and perceived service quality	Meta-analysis / Service–profit chain conceptual framework, service climate and emotional contagion frameworks	Retail	• The high-quality interaction with customers often results in their satisfaction despite problems with other aspects of service delivery. • The employee experience or satisfaction should be a consistently important driver of customers' experiences with retail and other service businesses, which in turn result in meaningful increases in retention, loyalty, and equity, profitability and competitive advantage.	Lack of precise conceptual account of the relationships
Puccinelli et al. (2009)	Customer experience in various stages of the decision-making process	Conceptual / Consumer behaviour theories	Holistic/ Retail	• The study suggested that specific elements of consumer behaviour—goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices—play important roles when the customer is making decisions.	• Lack of retailing issues discussed in CE • Lack of conceptualisation of the experience
Grewal, Levy & Kumar (2009)	The organisational macro factors that influence the retailers' customer experience.	Applied	Retail	• Customer experience management as it represents a business strategy designed to manage the customer experience, the study focused on the role of macro factors in the retail environment and how they can shape customer experiences. It includes promotion, price, merchandise, supply chain and location. These factors are identified as resulting in better customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits. • The study discusses the organisational macro factors influencing the retailers and in turn affect the customer experience; consequently, the market and financial performance are impacted on.	It is a conceptual study
Brakus, Schmitt & Zarantonello (2009)	Scale development of brand experience	Interviews, scale development /Consumer Behaviour Theories, Philosophy	Brand	• The study focused on brand experience as subjective, internal consumer responses (sensations, feelings, and cognitions), as part of the customer experience management, which is based on experiential marketing,	Lack of focus on the antecedents and long-term consequences of brand experiences.
Maklan & Klaus (2011)	Customer Experience Quality (EXQ)	Scale development /Consumer	Bank	• The study measures customer experience through service quality (SERVQUAL) which does not adequately capture what firms want to achieve – better customer experience. • The study developed a measure for Customer Experience Quality (EXQ) to identify and explain its marketing outcomes: loyalty, word-of-mouth recommendation, and satisfaction.	Lack of agreement on which dimensions of customer experience are important for organisational performance

				• They concluded that EXQ can help organisations trying to achieve good management attention and investment in different market performance aspects	
Blocker et al. (2011)	Proactive customer orientation and its role for creating customer value in global markets	Survey /Marketing Capabilities Theory	ICT	• Their findings showed that in ICT firms in global organisations, the traditional way of capturing the customers' needs and be responsive to them is not enough; customers are now anticipating companies go beyond their expectations. • The study conceptualises and examines the notion of proactive customer orientation by using data across five countries and testing its strategic relevance for superior value creation. • The study investigates the capabilities required from organisations to be competitive and do well: Market orientation and Customer orientation. However, the study explained further the difference between the proactive approach and the responsive approach that effectively cover all the customers' current and future needs.	The study did not measure firm performance but instead customer loyalty and satisfaction which are linked to firm performance metrics, for example higher stock returns and profitability
Mbama & Ezepue (2018)	Customers' perceptions of digital banking (DB), customer experience, satisfaction, loyalty and financial performance (FP)	Survey / Resource-Based Theory/ service marketing theory	Bank	The main factors which determine customer experience in DB are service quality, functional quality, perceived value (PV), employee-customer engagement, perceived usability and perceived risk. There is a significant relationship shared by customer experience, satisfaction and loyalty, which is related to FP.	The study concentrates on UK bank customers
Izogo & Jayawardhena (2018)	The Online Shopping Experience (OSE)	Conceptual/ The customer engagement theory	E-Retail	• The online shopping experience (OSE) affect shoppers' affective and cognitive states, which consequently lead to four behavioural outcomes, namely, internal responses to service experience, external responses to service experience, repurchase intentions, and word-of-mouth intentions.	The study is limited to online shoppers of retail products.
Khan et al. (2020)	Customer experience and commitment in retailing: Does customer age matter?	Survey / Customer commitment (CC/CE) and experience	Retail	• Customer age has been identified as an influential driver of consumer behaviour, • A positive effect of (a) CX on customers' affective/calculative commitment, and (b) customer commitment on brand loyalty.	Looking at the experience as customer commitment only
Rather & Hollebeek (2021)	Customers' service-related engagement, experience, and behavioural intent: Moderating role of age	Survey / Customer engagement (CE) and experience	Tourism	• The impact of CE on experience and behavioural intent, which we explore in the tourism context. • CE dimensions exert differential effects on customer experience. The findings also reveal a stronger, significant effect of younger customers' (up to 39 years of age) cognitive engagement on experience, whereas a negligible effect is attained for older customers. • The effect of customer experience on behavioural intention intensifies as customers get older.	The study was conducted in a single industry
Wibowo et al. (2021)	The Role of Social Media Marketing Activity and Customer Experience	Survey, Customer Behaviour customer relationship management (CRM)	Holistic	• The results show that Social Media Marketing Activity and Customer Experience wield a significant influence on the quality of the customer relationship, which also leads to a positive impact on customer behavioural outcomes.	Focus is only on social media marketing

				Organisational perspective		
Berry, Carbone & Haeckel (2002)	Experience audit and design as part of customer experience	Applied/ Case studies	Holistic	• Merging the functional and emotional experiences of the customer provides advantages that beat the competitors. • The best way to compete and perform well is through ensuring customer loyalty • The managerial rules in CE are critical and include audit, interview customers • An organisation's first step to managing the total customer experience is recognising the clues it is sending to customers.	It is a conceptual study
Brown & Lam (2008)	A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses	Meta-analysis, Service–Profit Chain, Service Climate and Emotional Contagion	Retail industry	• The customer-perceived service quality completely mediates the relationship between employee job satisfaction and customer satisfaction. • The results show employee satisfaction to be a consistently important driver of customer responses.	The study focuses only on customer and employee relationship.
Chakravorti (2011)	Managing organisational culture change and knowledge to enhance customer experiences: analysis and framework	Literature review	Holistic	• Organisational performance is directly affected by marketing culture and strategy • Marketing teams should work alongside top management, HR, and frontline employees to ensure that customers' goals are set and centric. • The role of organisational culture and knowledge management in providing superior customer experience • The dual effect of knowledge management and organisational culture on customer experiences. • Absorptive capacity of an organisation and power relationships may moderate the effects of knowledge and cultural change.	• The study does not come to a general conclusion on the critical factors of organisational culture influencing CEM. • The lack of empirical evidence for adequately evaluating the influence of culture in different contexts
Bowen & Schneider (2014)	Service Climate & Customer Experience	Literature review, Service Climate Organisational Behaviour (OB) Human resource management (HRM)	Service	• A framework that displays service climate's antecedents and consequences and the links among them. • The study showed the link between service climate and customer experience as an output of providing the employee with policies and process that facilitate their job. • The customer experience measured by loyalty, quality and satisfaction • They emphasise that employee experience is a trigger for customer experience. • They found that service quality or service climate for employees required organisational antecedents (leadership issues, human resource management [HRM] practices, and systems support, e.g., operations, marketing, and information technology [IT], for those who serve customers).	The lack of the empirical evidence for generating an adequately evaluated antecedent on employee and customer experience
Kouassi, Martins & Molnar (2016)	Customer Experience Management System at a University's Student Support Services: An Organisational Ambidexterity Perspective	Interview, a grounded theory Dynamic Capability/ qualitative methods/ a grounded theory customer relationship management	Education	• The study predicts that customer experience adds both externally and internally – oriented value as it helps organisations to enhance their marketing capabilities, improve their business architecture, and helps to maximise long-term success and profitability, be flexible, and to face challenges and overcome them easily. • The study evaluated the current customer experience management system used in a university's student support services. • It has been inductively discovered that customer experience information obtained through the CEMS makes it possible to respond effectively to different student needs.	The lack of generalisation to different context

Hwang & Seo (2016)	Customer Experience Management leads to behavioural, emotional and brand related and other financial outcomes.	Literature review	General businesses and the H&T industry.	• A critical review of the general businesses and the H&T industry. • The study provides a comprehensive framework showing the antecedents of CE which include internal (socio-demographics, past experience, familiarity, customer engagement) and external factors (Product-service quality, physical characteristics, social /online environment, economic factors, self-service technologies). • In their study customer experience is not outcomes, but instead the process that leads to behavioural, emotional and brand-related and other financial outcomes.	• The lack of empirical evidence for adequately evaluating the antecedent and outcomes of the experience • The measurement of scale that suits measuring experience in the hotel and tourisms industry
Kandampully, Zhang & Jaakkola (2017)	A holistic perspective on managing a positive customer experience	Literature review	General businesses and the H&T industry.	The proposed model takes a holistic perspective on managing a positive customer experience, through collaboration among marketing, operations, design, human resources and strategy, in association with technology and social media.	The lack of empirical for adequately evaluating the antecedent and outcomes of the experience
Zhang, Kandampully and Choi (2014)	The role of employee wellness programme in the hospitality industry: a review of concepts, research, and practice	Literature review	H&T industry	• The role of employees in firm success through their engagement, and intimate interactions with the customer to create memorable experiences. • Providing and launching employee wellness program demonstrates the organisation's interest in its employees, which can produce profitability for the firm.	The study focuses on the relationship between the organisation and the employee
Jain, Aagja & Bagdare (2017)	The Impact of Customer Experience, Managing the Customer Experience and the metric to measure the experience	Literature review	Holistic	• The impact of customer experience on perceptions of customer value, differentiation, customer satisfaction, image and loyalty. • CE is regarded as a holistic interactive process, facilitated by cognitive and emotional clues, moderated by customer characteristics, and result in unique and pleasurable experiences. • CE experience is shaped by many determinants described as marketing mix, objectives, processes, people and environment.	• The lack of empirical evidence. • The lack of a holistic strategic process in CEM to improve business performance
Becker & Jaakkola (2020)	Customer experience: fundamental premises	Literature review	Holistic	• The study develops a set of fundamental premises that reconcile contradictions in research on customer experience and provide integrative guideposts for future research. • Establish a dual classification of research traditions that study customer experience as responses to either (1) managerial stimuli or (2) consumption processes. • Firms cannot create the customer experience, but they can monitor, design, and manage a range of stimuli that affect such experiences.	The lack of empirical evidence.
Witell et al. (2020)	Dynamics of Customer Experiences	Literature review	Holistic	Changes in customer desire, resource shortages, process innovations, or market changes can all lead to either incremental or disruptive evolution of the CE.	Focus is solely on B2B settings.
Godovykh & Tasci(2020)	Antecedents and outcomes of experience	Literature review	Tourism	• A comprehensive definition of customer experience in tourism • The culture is an antecedent for the experience and customer outcomes such as loyalty and business performance.	The lack of empirical evidence.
Van Esch, Arli & Gheshlaghi (2020)	Creating an effective self-managed service	Survey, service climate, Resource-based theory	Services industries, Hotel	• A framework for creating an effective self-managed service climate for frontline service employees with four antecedents – work facilitation, dedication, creativity and variety.	Lack of testing the relationship between earnings, management and employees.

	climate for frontline service employees			• The antecedents exert significant positive and direct effects on employee empowerment.	
Bahar, Nenonen & Starr (2021)	From channel integration to platform integration: Capabilities required in hospitality	Interview, grounded theory	Hotel	• Learning capability sets: understanding customers, understanding the hotel business performance and pricing competitiveness, and identifying core problems. • Learning is pursued by all hotel types irrespective of their size and ownership structure because they have access to platform-based data which leads to new knowledge.	• Did not described the role of learning capabilities. • Focus only on capabilities
Gerea, Gonzalez-Lopez and Herskovic (2021)	Omni-channel Customer Experience and Management: An Integrative Review and Research Agenda	Literature review	Service industries	• The omni-channel CX management based on interdisciplinary teams integrating marketing, management, technology, design, and social sciences capabilities. • Understanding customer behaviour during the entire customer lifecycle will enrich this segmentation. • An omni-channel strategy requires the entire organisation to adopt a customer-centric culture, requiring a strong emphasis where the human factor—not only customers (meaning all teams and ecosystem)—will be fundamental.	Focus only on omni-channel organisations

2.4 Factors Affecting CEM

Here the factors affecting CEM are discussed, and more precisely the 'antecedents', which is a term used in both conceptual and empirical studies. The purpose is to develop an idea of what organisational factors may cause--or at least precede—CEM practices.

2.4.1 Internal Factors

A comprehensive systematic review, as shown in Figure 2.1, explained the antecedents of CE. These include internal brand- and situational-related antecedents, as well as external factors that concern customers (Godovykh & Tasci 2020; Hwang & Seo 2016; Kandampully, Zhang & Jaakkola 2017).
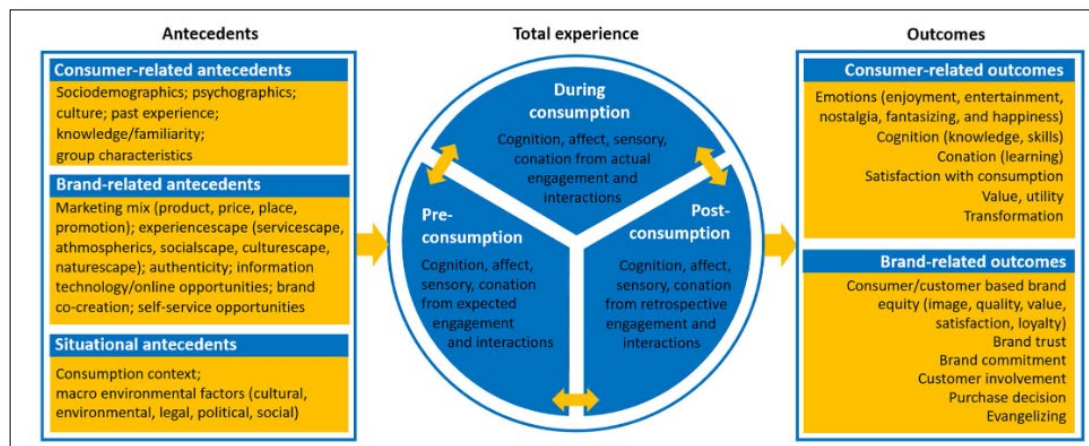
Figure 2.1 *Essential Factors for Creating an Organisation-Wide Collective Focus on CEM* by Godovykh & Tasci, 2020

Bowen and Schneider (2014) asserted that creating a good service quality or service climate for employees required antecedents such as leadership issues, human resources management practices, and good systems support. Included here are operations, marketing, and information technology (IT) used by those who serve customers. The current researcher categorised these antecedents into types based on culture, customer orientation, leadership, and IT/HR practices. They are explained in more detail below.

2.4.1.1 Culture

In the literature review on the topic of CEM, researchers have stated that customer relationship management (CRM) supplements customer experience management. This study expanded on those factors that influence CRM, in an effort to hypothesise and predict how CEM will actually work. Garrido-Moreno and Padilla-Meléndez (2011) focused on knowledge management and CRM as both strategic tools in a competitive business world. These researchers concluded that certain variables (leadership of senior management, human resources management, functional integration, and organisational structure) were the major antecedents of CRM, mediating the other variables. Elsewhere, Chakravorti's (2011) study was the first investigation of CEM that expanded the role of knowledge management and cultural capabilities to enhance customer experience management. This author indicated that to enhance employees' ability to implement meaningful CEM, the organisation had to firstly recruit staff with the right attitudes, then train them so that they knew how to collaborate with others in the workplace. The creation of a business model that encourages collaboration between divisions and implements a measurement system for employees and customers can ensure that customer experiences are treated in the right way by staff.

Garrido-Moreno and Padilla-Meléndez (2014) confirmed that whatever resources or capabilities organisation have, without a sense of collaboration and support from employees and management from different departments, CRM will not be successful. For instance, having a new technology without re-engineering the specific levels and training the employees will not add any success to the business. He, Li and Lai (2011) emphasised the separate dimensions of the workplace culture in relation to the service climate, focusing on customer orientation, managerial support, and work facilitation. These authors added a vital mediator—employee commitment—to examine the relationship between service climate and customer satisfaction. Other studies by Gong, Huang and Farh (2009) and Kang and Busser (2018) supported the results reported by He, Li and Lai (2011). Creating a customer experience and enabling creativity in employees can be achieved through transformational leadership (Jaussi & Dionne 2003; Shin & Zhou 2003), learning orientation (Redmond, Mumford & Teach 1993), and good managerial support. Their results indicated that organisations should pay attention to customer orientation in the hotel industry by offering high-quality service for all customers. They also indicated that employees should be provided with a system to measure customer feedback.

They recommended that managerial support and work facilitation are critical dimensions that have been neglected in most research (He, Li & Lai 2011; Mosley 2007).

The concept of intrapreneurship has been noted in the literature. It is defined as is an organisational style characterised by freedom, autonomy, and fun at work (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007). It is similar to the concept of the service climate, in that both refer to employees' overall cultural perceptions; however, service climate focuses more on individual attributes than intrapreneurship, which is considered to be a managerial strategy that stimulates entrepreneurial behaviour among employees to become entrepreneurs with the support of the organisation (Carrier 1996). At the organisational level, intrapreneurship is critical for business survival, profitability, growth, renewal and being innovative if necessary (Audretsch et al. 2021). Scholars have sought to identify the factors that influence indicators of employee experience, such as less turnover, retention, and good citizen behaviour (Deery & Jago 2015; Karatepe 2013; Milman & Dickson 2014). Other studies in different fields have mentioned that organisations need to continuously enhance an employee intrapreneurship culture if they are to survive in a dynamic environment (Dorabjee, Lumley & Cartwright 1998; Echols & Neck 1998; McDowell 2005; Zahra 1996).

Zhang, Kandampully and Choi (2014) expanded more on the role of employees to firm success through their engagement, and intimate interaction with the customer to create memorable experiences. These researchers proposed the concept of wellness in the workplace, and how it influences employees, customers, firms, and society. They offered some managerial implications for managers to recognise the importance of employee wellness programs, corporate wellness cultures, and CSR. They also explained the benefits for individuals (i.e., employees and customers), firms, and the wider society, especially for hospitality industry employees who have substantial, specific wellness needs due to their working conditions. They concluded that providing employee wellness programs demonstrates a genuine interest in workers, which can produce fruitful investment and profitability returns.

Similarly, Pandey, Gupta and Arora (2009) expanded on the spirituality of employees which could help the workplace. This, in turn, affects the quality of the service delivered to the customers. They cited that employees derive meaning from their jobs based on factors such as organisational philosophy, nature of the work, workplace policies, type of leadership, and human resources. Their findings indicated it is useful to consider organisational development (OD), which enables employees and leaders to find meaning and purpose in their work. OD

includes, but is not limited to, the efforts for building authenticity and a sense of community in the workplace. Both studies considered spirituality and wellness programs as a prerequisite to providing a culture that generates a positive employee and customer experience.

With reference to customer experience management, a few scholars have mentioned that employees and management play a crucial role in creating a unique, memorable, and positive customer experience. This creates a culture that encourages freedom, supports ideas, and risk-taking. At the same time, when employees consider work as playful and fun, an entrepreneurial spirit can be cultivated and so employees can cope with external changes such as shifting customer needs and technological advances (So & King 2010; Kandampully, Zhang & Jaakkola 2017).

2.4.1.2 Customer Orientation

The concept of customer orientation is well-established among marketing theorists, who have concluded that firms focusing on the needs of their customers do better than those that ignore them. Narver and Slater (1990) and Jaworski and Kohli (1993) empirically tested the potential of a firm's customer orientation. The customer orientation theory was extended by Gazzoli, Hancer and Kim (2013), who explained why customer orientation affects a client's perception and why employee-level customer orientation (CO) influences what happens in a service setting. Their study looked at the employee level and from an organisational behaviour (OB) perspective, with job satisfaction and organisational commitment as mediators. Practically, scholars have stressed the importance of role of human resources in those relationships. Kang and Busser's (2018) study of the factors affecting employee engagement and its mediating role led to important findings on turnover intention for both hospitality frontline employees and managers. Service climate (i.e., an environmental factor) and PsyCap (i.e., a personal resource) enhance employee engagement, which consequently affect turnover. They cited the importance of focusing on positivity in the workplace through selection, training, development, and education of the right employees. They also stressed the role of HR to consider criteria for hiring people who are naturally service-oriented, have a high level of PsyCap and will have a good reputation among customers (Folkes et al. 2003).

Larivière et al. (2017) emphasised managerial support and training as the key to enhancing employee skills, recommending that organisations should stay tuned to the dynamic changes occurring in the service environment. Therefore, they must develop capabilities that

make it possible to anticipate changes in the industry (i.e., market orientation), promote adaptive capabilities to adopt changes, and cultivate strong relationships with technology through employee training and a learning orientation. Despite the critical role of customer orientation, being proactive so that customer needs are known, is equally crucial. A study by Blocker et al. (2011) drew on the customer experience in different ICT firms in a global organisation. Their focus was on exploring the notion of proactive customer orientation and testing the degree to which this capability makes competitiveness worthwhile. Guided by marketing capabilities theory, their findings showed that for ICT firms in global organisations, the traditional way of fulfilling customers' needs is not enough. Customers now expect businesses to go beyond their expectations, and proactive customer orientation is the most consistent driver of customer value and good marketing.

2.4.1.3 Management team and Leadership

The role of the management team and leadership has been expanded in the literature for different settings. On the subject of CRM, Garrido-Moreno and Padilla-Meléndez (2014) discussed the role of leadership in personalising the experience and improving customer satisfaction and retention, particularly in the hotel industry. Their study analysed the main organisational factors of implementing CRM, which confirmed previous findings on the importance of top management, human resources management, and organisational structure, adding employee training, motivation, and processes as primary factors. Their findings revealed that technical capabilities are prerequisites and supportive of—but not sufficient for—achieving positive results with CRM.

Bharwani and Talib (2017) explained leadership in customer experience by focusing on senior level management and proposed a leadership competency model for the hospitality industry. They categorised it into four broad dimensions: cognitive competencies (i.e., knowledge), functional competencies (i.e., skills), social competencies (i.e., attitudes and behaviours), and meta-competencies (i.e., motives and traits). These competencies are required if employees are to have a good workplace experience. Additionally, Wong and Lee (2017) focused on functional competencies such as skills and training professionals in the Hong Kong hotel industry. They found that 'people skills and commitment' and 'awareness of quality' are the most critical competencies. In their study of present and future restaurant management competencies from an industry perspective, Vega (2016) stated that the most important competency was organisational leadership. However, while these studies discussed these

competencies in the hotel industry, they did not consider either customer experience or firm performance.

More emphasis has been placed on the relationships between leadership practices and innovation performance in organisations. Findings suggest that three organisational capacities are required of executives in a hospitality marketplace: to connect, energise, and refresh. These are associated with the continuous innovation that leads to good customer experiences (Sipe 2016). Other researchers have added that knowledge management is also an important innovation-enabling competency (Beesley & Cooper 2008; Leal-Rodríguez et al. 2015) that can also establish a positive CE.

2.4.1.4 Information Technologies (IT)

While previous studies focused on culture and customer orientation, others assessed the precursors of CEM practices that guide employees, including human resources management (HRM) practices and systems support (e.g., IT and database) for those who serve customers. Some industry papers discussed the emerging areas of CE investment which practitioners must prioritise subject to their goals. They revealed there are many factors forcing organisations to embrace CEM practices, such as aligning technologies to support customer experience analysis and design such as big data, SaaS, API, omni-channel integration, mobile platform, and customer personalisation (Batra 2017; Holmlund et al. 2020). These technologies can enhance the experience and be used individually for a certain purpose.

Liang and Turban (2011) and Wibowo et al. (2021) focused on social commerce within social media networking sites, sharing the belief that customers can also help co-creating value. They posited that technology and social media are only tools to support interaction between customers and the organisation to assist in the purchase of products and services. They also mentioned that technology itself would not benefit the organisation if it not controlled or offered strong commercial benefits in return. They concluded that the IT platform for customers and HRM for training employees able to handle customers could benefit CE in the long-term. Larivière et al. (2017) developed a conceptual framework where technology affects both employee and customer experience, since they depend on each other. The emphasis was on the role of employees and customers, as neither can be replicated or copied.

Pine and Gilmore (1998) added that technology plays a significant role in shaping the customer experience, particularly the millennial generation, who experience gaming, virtual reality, and advanced use of the Internet and social media as everyday parts of their lives. In the retail context, many retailers have realised the importance of providing technology which makes the difference in customer satisfaction and loyalty, and in turn leads to profit and growth (Puccinelli et al. 2009). For instance, simple interactions between customers and firms, consistency of the theme and messages across the website, and social media channels and adding such things as a chat online, is more a more immediately responsive way than the traditional email or phone (Grewal, Levy & Kumar 2009).

In their study of social customer relationship management, Trainor et al. (2014) looked at CRM from the firm-level perspective and determined how social media usage and customer-centric management contribute to business performance. They concluded that both customer-centric systems and social media technologies have an interactive effect on improved business-customer relationships. Finally, Neslin et al. (2006) focused on other ideas of facilitating the whole journey for the customer by providing more channels, such as online purchasing through a mobile app, website, or both. As well as social media, other technologies have been considered to support customer journey with the business in each touchpoint they visit. Verhoef, Neslin and Vroomen (2007) set out to understand the customer when that person is searching and purchasing. Their findings showed that Internet store 'research shopping' is the most common form of this kind of shopping. Other technologies such as self-service technologies (SST; i.e., the service interface for the customers) include telephone banking and automated hotel checkouts. Nevertheless, they did not focus directly on the customer experience; instead, they explored the key factors that influence the initial SST trial decision, in which the consumer has a choice of delivery modes to consider. Weijters et al. (2007) focused on evaluating the benefits of SST for both customers and retailers, the actual time spent by customers in the store, perceptions of waiting time and, subsequently, the level of satisfaction with the shopping experience.

In their work, Roy et al. (2017) examined the use of smart technologies in the retail industry to improve customer experience. Their findings were that smart customer experience directly enhances satisfaction and reduces perceived risk towards smart retail technologies. Consequently, behavioural intentions, word-of-mouth intentions, loyalty to the retailer, shopping efficiency, and customer well-being will increase. Another study by Rose et al.

(2012) focused on the online customer experience with e-retailers and developed a model using the S–O–R or input–response–output framework (as found in many online purchase intention models) to test the relationship of different antecedents and outcomes of the online customer experience.

The studies cited above focused on technologies provided to customers, without looking at employees' perspectives and needs about how the tools or systems should operate, and other soft skills that are essential to providing a great customer experience.

2.4.1.5 Human Resources (HR) Practices

In addition to leadership, technology and IT tools, HR is another critical organisation macro factor that affects CEM practice in the H&T industry. Tracey (2014) focused on HR practices at the top management level in the areas of (a) strategic HR, (b) staffing, (c) training, (d) performance appraisal, and (e) compensation and benefits. This author found that HR is a crucial aspect in all workplaces, and especially so for hospitality companies compared to other firms since there is such a high turnover of staff. The intangible nature of services, seasonality and demand fluctuations, the reliance on low-wage/low-skill workers, high fixed costs, and related industry characteristics present several unique challenges from an HR perspective.

Rogg et al. (2001) discussed the relationship between human resources practices and customer satisfaction, and the mediating role of organisational climate. Their results revealed an indirect effect of HR practices on customer satisfaction and organisational outcomes. The climate in this study covered employee commitment, managerial competencies, customer orientation, and cooperation. They concluded that in HR practices, what has the greatest impact on customer satisfaction are hiring the right people, providing them with a clear job description, and establishing relevant training and education systems to match customer needs. In terms of organisational climate, customer orientation and managerial support were the most significant factors that lead to good client satisfaction (Rogg et al. 2001).

Solnet, Ford and McLennan (2018) revealed that all organisations must make efforts to manage employees well (e.g., quality of supervisors, HR practices, internal service, and service climate), who, in turn, help the customers. This can influence revenue whereas profits appear to be guided by external factors beyond the control of management. Their findings reinforced the importance of effective HR management practices in service organisations. Similarly, Little and Dean (2006) recommended that HR is worthy of special consideration by managers which

is measured by items addressing organisational policies and procedures, training in new products, development of interpersonal and problem-solving skills, technology and resources to support employees, the role of learning in the call centre, and employees' attitude, which were relevant to the hospitality and tourism industry, which is studied in this thesis.

Schmitt (2010) explained the critical tasks of the organisation in terms of CEM, one of the most significant aspects of which is enhancing employee experience. He explained further that applying the CEM to HR practice involves more than just a few procedures or policies; instead, CEM will provide a new HR philosophy that goes far beyond the standard practices by offering employees more control, challenging work, teamwork, and better reward systems, as well as more professional and personal development, which will lead them to be more satisfied, productive, and motivated to deliver a great experience to customers. In their work, Gazzoli, Hancer and Kim (2013) proposed methods to support employees such as good supervisor leadership, empowerment training, how to serve customers, and hone the ability of staff to 'pamper' customers, predict their needs, develop personal relationships with them, and to deliver excellent service on time.

In another study, Li and Huang (2017) focused on the functional factor of frontline service employees in restaurants in China. Their findings shed light on the process of how service climate promotes good service by enhancing the service orientation for employees. The emphasis on service orientation in the hospitality industry is equal to customer orientation, and it links what the employee sees and does. They indicated that when employees perceived the service quality as a management priority, it will shape their values and consequently help them work better. Finally, their study highlighted the importance of employees' service orientation and career aspirations in hospitality industry human resource management practices; it plays a role in frontline service of employees (Li & Huang 2017).

The study by Nasution et al. (2011) looked at the interaction effect and the relationship between entrepreneurship, learning orientation, market orientation, human resources practices, and their impact on innovation and customer value. These scholars concluded that both entrepreneurship and human resources management were the most significant drivers of innovation and customer value, whereas all entrepreneurship, market orientation, as well as human resources practices do strongly impact on customer value and innovation. However, they did not mention CE directly, but considered customer value to be an outcome of the experience.

Conversely, a conference paper by Beyari, Abareshi and Elferjani (2017) investigated the emotional factors guiding the customer experience in the context of social commerce. They concluded that word-of-mouth and social influence are built by a strong sense of trust between the customer and the employee or the organisation. They subsequently emerge as strong factors influencing the CE. However, Beyari's analysis did not account for the roles played by actors, nor does did the author examine the relationship between the study variables. Table 2.3 below summarises the main studies centring on the factors affecting CEM.

Table 2.2 *Factors Affecting CEM*

Factor	Subfactor	Impact					Reference
		EX	MCWE	L	CEP	OP	
Culture	Knowledge management Organisational culture Capabilities change management	✓					Chakravorti (2011) Garrido-Moreno and Padilla-Meléndez (2011)
Service climate	Customer orientation, managerial support and work facilitation, and added a vital mediator – employee commitment				✓		He, Li and Lai (2011)
Employee culture	Spirituality/ wellness	✓					Zhang, Kandampully and Choi (2014)
	Self-managed service climate		✓				Van Esch, Arli & Gheshlaghi (2020)
	Innovative		✓				Dorabjee, Lumley & Cartwright (1998), Echols & Neck (1998), McDowell (2005), Zahra (1996)
	Fun at work Freedom		✓	✓			He, Li and Lai 2011, So & King 2010; Kandampully, Zhang & Jaakkola (2017)
	Service orientation			✓			Li & Huang (2017)
	Employee capability			✓			Larivière et al. (2017)
Management & Leadership	Creating a great customer experience	✓					Gong, Huang and Farh (2009), Kang and Busser (2018)
	Employee innovativeness	✓					Bharwani and Talib (2017), Shaw and Ivens (2002), Garrido-Moreno and Padilla-Meléndez (2014)
	Leadership service climate (managerial support and work facilitation)		✓				He, Li & Lai (2011), Mosley (2007)
	Knowledge and support knowledge management to enable innovation competency	✓					Beesley & Cooper (2008), Leal-Rodríguez et al. (2015) Mosley (2007), Sipe (2016)
Customer orientation	High-quality service and system	✓			✓		He, Li & Lai (2011), Gazzoli, Hancer and Kim (2013), Mosley (2007)
	Proactive to estimate customer needs		✓		✓		Blocker et al. (2011)
	Personalising the experience				✓	✓	Dorotic, Bijmolt and Verhoef (2012)
Learning	Learning orientation				✓		Redmond, Mumford & Teach (1993)
	Dynamic changes, new learning capabilities		✓				Larivière et al. (2017)
IT / data base support	Employee knowledge, System	✓			✓		Garrido-Moreno and Padilla-Meléndez (2014), Trainor et al. (2014)
	Analysis and design such as big data, SaaS, API, omni-channel integration, mobile platform, and customer personalisation.						Batra (2017), Holmlund et al. (2020).
	Social commerce, social media networking sites				✓		Liang and Turban (2011), Wibowo et al. (2021)
	New technology	✓			✓		Larivière et al. (2017)
	Customer satisfaction and loyalty which leads to profit and growth				✓	✓	Puccinelli et al. (2009)
	Customer journey and mapping				✓		Verhoef, Neslin and Vroomen (2007)
	Self-service technology- smart retail technologies	✓			✓		Roy et al. (2017), Weijters et al. (2007)
	Online experience				✓	✓	Rose et al. (2012)
HR practice	Positivity in the workplace through selection, training, development, and education of employees	✓					Garrido-Moreno and Padilla-Meléndez (2014), Kang and Busser (2018), Gazzoli, Hancer and Kim (2013)
	HR system	✓					Tracey (2014)
	Challenging work, teamwork, and better reward systems, as well as more professional and personal development	✓					Schmitt (2010)
	Organisational climate				✓		Rogg et al. (2001)
	Policies and procedures, training in new products, development of interpersonal and problem-solving skills, technology and resources to support employees	✓			✓	✓	Solnet, Ford and McLennan (2018), Little and Dean (2006)

*EX Employee experience, **MCWE** Management- created workplace experience, **L** leadership, **CEP** Customer experience performance**, OP** Organisational performance

2.5 Role of Employee Experience (EX) in CEM

The literature review and empirical studies on customer experience address CE in different ways. Scholars have discussed the issues affecting CEM. Empirical scholars have hypothesised and tested the extent to which CEM practices can play a role in the employee experience. Employee experience (EX) is defined as overall employee satisfaction, loyalty, and engagement with their place of work, as well as their level of emotional intelligence when dealing with customers (Meyer & Schwager 2007). Satisfied and loyal employees are more willing to listen to customers and understand their needs (Lashley 2008; Matira & Awolusi 2020; Lemke, Clark & Wilson 2011; Payne, Holt & Frow 2000). In the literature, the emphasis is on the role of employees as a customer interface that facilitates the experience, gains the customer's trust and/or commitment (Bharwani & Jauhari 2013), and promotes customer retention (Schmitt 2010). The employees provide the customer with the quality of service that matches their expectations (He, Li & Lai 2011; Namasivayam, Guchait & Lei 2014). They also act as brand ambassadors who deliver the service and the value to customers (Aburayya et al. 2020; Prentice & Nguyen 2020; Schmitt 2010).

Referring to the employee level of analysis, little attention has been paid to evaluating how training may create skilled employees that shape the overall experience. A study by Harris (2007) focused on the importance of considering the employees in the process of building customer experience, there has been no comprehensive research explaining the role of employee in creating the experience. There has since been a call for research to supply employees with the tools, technology, and guidelines interpret and apply organisational attributes to provide a high-quality customer experience. Bharwani and Jauhari (2013) focused on identifying and mapping competencies required by frontline employees to enhance the customer experience in the hospitality industry. These authors concluded that the hospitality intelligence (HI) construct is useful in recruiting and training frontline employees, as well as designing a curriculum that designates the right skills set for hospitality. They elaborated that HI encompasses a set of competencies that hospitality staff should have. HI is composed of three dimensions: emotional intelligence, cultural intelligence, and hospitality experiential intelligence dimensions. Similarly, Liaw (2007) added interactive sales skills for employees like technical know-how, and other kinds of professional knowledge which will influence customers in getting their business and loyalty.

Little and Dean (2006) linked the perceived service climate of employees and the level of service quality that is perceived by customers. They tested the quality of service from an employee perspective by drawing on the relationship between service climate, employees' commitment and their service quality capability (SQC). Their results indicated three factors contributed to global service climate: managerial practices, customer feedback, and human resources management. Also, SC affects an employee's commitment and self-reported feelings about the service quality delivered to customers. In his thesis, Rovere (2017) used a multiple case study to address an essential part of the customer experience management, which is the employee experience of voicing how they understand the work environment. They identified multiple applications for practice, including management training support, organisational assessment, individual assessment and continued development of enhanced employee experience. Tang and Tsaur (2016) argued that frontline employee needs to be supported by managers in the hotel industry because it affects organisational citizenship behaviour (OCB). This study was not directly about the customer experience; however, it explained the impact of a management support climate on service-oriented OCB for frontline employees.

In summary, the employee experience is shaped by the organisational culture as a prerequisite to providing a great customer experience. Measurements of the employee experience vary in the literature and this due to researchers' samples, methods, assumptions, etc., in their studies. Table 2.4 below summarises the key research done on employee experience in different settings. The measurement used in this study will be discussed later in Chapter 3.

Table 2.3 *Role of Employee Experience in CEM*

Study	Focus	Role of Employee	Prerequisite	EX Measurement
Mittal and Lassar (1996)	Retail	Personalisation the service	Reliability, responsiveness, or the willingness to help customers; assurance, or knowledge, empathy, and tangibles,	Customer satisfaction, patronage behaviour and service quality
Little and Dean (2006)	Service	Commitment and self-reported feelings about the quality of service given to customers	Global service climate: managerial practices, customer feedback, and human resource management	Service Quality Capability (SQC)
Harris (2007)	Holistic	Brand ambassador	To supply employees with tools, technology, and guidelines that interpret and apply organisational attributes to provide a high-quality customer experience.	N/A
Liaw (2007)	Sales	Influence customers' buying emotions	Interactive sales skill for service employees such as technical quality, function quality of the service and professional knowledge Design factors and store employee perceptions	Customer satisfaction
Schmitt (2010)	Holistic	Promotes customer retention	HRM/ IT/organisational	The employee experience
He, Li & Lai (2011)	Hospitality	Service quality delivered to customers	Customer orientation Managerial support Work facilitation	Service quality Customer satisfaction
Namasivayam, Guchait & Lei (2014)	Restaurants	To be committed to the organisation	Leader empowerment Psychological empowerment	Employee satisfaction
Bharwani and Jauhari (2013)	Hospitality	To gain customer commitment and enhance the customer experience	Recruiting and training frontline employees, as well as designing curriculum for developing the right skill set for the hospitality industry	Emotional intelligence, cultural intelligence, and hospitality
Tang and Tsaur (2016)	Hotel	Customer satisfaction	Management support in hotel industry and how does that affect organisational citizenship behaviour (OCB)	Customer satisfaction
Rovere (2017)	Holistic	To elicit their voice to understand their experience of how the work environment can be better	Management training support, organisational assessment, individual assessment and continued development	The employee experience, employee voice
Van Esch, Arli & Gheshlaghi (2020)	Services industries, Hotel	Dedication, innovation	Creating an effective self-managed service climate for frontline service employees	Employee empowerment

Based on the above, the employee experience is the extent to which workers in a business are enabled or constrained by culture, work environment, collective work habits, hardware, software, or other tools that shape how they serve the customer and provide a high-quality service experience (see Figure 2.2).
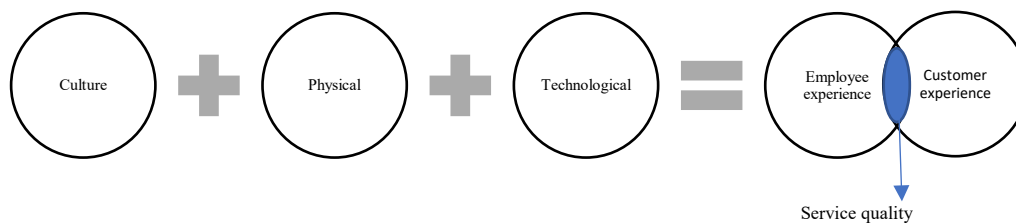
Figure 2.2 *The Employee Experience*

2.6 Outcomes of CEM

The outcomes of CEM have been explained in comprehensive systematic reviews by Hwang and Seo (2016) and Godovykh and Tasci (2020). They posited that the customer experience can be measured as co-creation experience, total customer experience, authentic experience, transformational experience, or transcendent experience. Their findings suggested that organisations should identify the sequences of experiences and the most powerful one will lead to desired outcomes. They also categorised the outcomes from CE practices into three primary outcomes: emotional/behavioural related to customer behaviours, brand, and financial. The current study looks at customer experience performance and organisational performance.

2.6.1 The Customer Experience Performance (CEP)

Previous researchers have provided academics and practitioners with standard tools and data analytics to design, map, and measure the customer experience. One of the most cited studies in the field of CE is by Holbrook and Hirschman (1982). These authors posited a theory of experiential experience based on consumer behaviour. They measured the experience by how fun, leisurely, and educational the experience was. In his experiential marketing article, Schmitt (1999) expanded more on the experience and stated that organisational involvement aims to assess the customer experience through what they think, feel and express.

A different perspective when examining the retail industry focused on customer experience management as it represents a business strategy designed to manage the customer experience. They measure CE based on higher customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits (Grewal, Levy & Kumar 2009). Batra (2017) expanded more on the measurement tools and analytics emerging from the latest technology to make accurate measurements and help the organisation make better decisions. These decisions, in turn, drive customer acquisition, retention, and growth. Some of these tools and techniques include customer sentiment analytics, text analytics, big data analytics, stress analytics, net promoter score systems, and customer journey mapping.

Berry, Carbone and Haeckel (2002) added in their study of total customer experience that 'experience audit' tools, in which organisations can observe and get closer to their customers, and actually measure body language. They added that auditing is not enough to measure this construct, recommending a sequential in-depth interview with customers and

employees to discover their emotional associations with the experience. Other studies focused on the customer experience and how it will appear in the future in the retail industry. Verhoef et al. (2009) proposed a holistic model to discuss the CE consisting of the social environment, self-service technologies, and the store brand. Regarding measurement, they discussed a wide range of studies and tools that have measured the experience, but also questioned how the customer experience can be measured in order to capture all facets of this construct.

Two studies from the marketing and customer performance perspective measured the customer experience based on loyalty, quality, and satisfaction (Bowen & Schneider 2014). These analyses identified the following customer relationship outcomes: commitment, purchase, retention, and word-of-mouth (Lemke, Clark & Wilson 2011). In a study about the extraordinary hedonic experiences on commercial multi-day river rafting trips in the Colorado River basin, Arnould and Price (1993) measured the interaction between customer and guides, considering the overall emotional factor of customer satisfaction. Drawing upon these strands of research by Arnould and Price (1993), Beyari, Abareshi and Elferjani (2017), and Srivastava and Kaul (2016), the current researcher attempted to measure the customer experience based on overall satisfaction and loyalty, which are relevant measurements of the customer experience in H&T.

In conclusion, each of these tools and analytic techniques has benefits and drawbacks, and each is used based on the customer experience goal, as well as the organisation's context and industry. In the current study the customer experience was measured from an organisational perspective based on overall satisfaction, loyalty, and retention of by frontline employees. Table 2.5 below summarises the findings of the main studies on this topic.

Table 2.5 *Customer Experience Performance (CEP)*

Study	Focus	CEP Measurement
Holbrook and Hirschman (1982)	Consumption experience Leisure activity	They measured the experience by how fun, leisurely, and educational the experience was
Schmitt (1999)	Experiential marketing	Measured the experience by how customers feel, think, sense, and act
Grewal, Levy & Kumar (2009)	Retail industry	Customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits
Batra (2017)	Holistic	Customer acquisition, retention, and growth
Berry, Carbone and Haeckel (2002)	Total customer experience	Customer loyalty, differentiation in service or product
Bowen & Schneider (2014)	Service	The level of loyalty, quality, and satisfaction
Lemke, Clark and Wilson (2011)	B2B, B2C	Commitment, purchase, retention, and word-of-mouth
Arnould and Price (1993)	Hedonic experiences on commercial multiday river rafting	Emotional outcomes and overall satisfaction

2.6.2 Organisational Performance

Scholars have posited that customer experience management leads to satisfied, loyal customers, which will consequently affect the profitability and firm performance. Much of the research on customer experience management to date has been descriptive in nature, and few researchers have drawn on empirical and holistic models to explain the relationship between CEM and performance and the role of EX. Although few extensive studies have been carried out on customer experiences and firm performance, Pine and Gilmore (1998), Hwang and Seo (2016), Kandampully, Zhang and Jaakkola (2017), and Batra (2017) all affirmed that customer experience management could lead to good financial outcomes, but they did not provide an empirical investigation to support their view. Others have connected the customer experience to market performance in terms of better customer satisfaction, more frequent shopping visits, larger wallet shares, or higher profits (Kandampully, Zhang & Jaakkola 2017). These researchers did not address the holistic approach of CEM empirically (Homburg, Jozić & Kuehnl 2017; Hwang & Seo 2016; Izogo & Jayawardhena 2018; Kandampully, Zhang & Jaakkola 2017). No single study explains the holistic view of all CEM factors and organisational predictors, employee experience, and their impact on performance.

The current researcher's focus was on empirical studies in the CEM field. For instance, in a grounded theory study by Kouassi, Martins and Molnar (2016), the authors predicted that customer experience management in university systems adds both externally and internally-oriented value, as it helps organisations to enhance their dynamic capabilities, improves their business architecture capabilities, and maximises long-term success and profitability. Their findings revealed that business performance was enhanced with the integration of different

areas such as marketing, human resources management, operations, and information systems management into the wider customer experience system (Verma et al. 2012).

A study by Grønholdt et al. (2015) linked CEM to business performance in order to find the relationship between the organisational dimensions in CEM. They concluded that these seven factors influence differentiation, market performance, and financial performance. They expanded that through differentiation in market and innovation, an organisation will be able to achieve a competitive advantage in their CEM; this, in turn, can improve firm performance. In the case studies done by Frow and Payne (2007), their findings indicated that providing a perfect customer experience can improve customer loyalty and enhance firm profitability. Similarly, Beatty et al. (1996) emphasised that a good relationship between customers and employees can lead to employee loyalty and customer loyalty; other studies in the marketing field have evidenced that both can lead to excellent firm performance. In a study on the airline industry, Laming and Mason (2014) measured customer experience and airline performance, using the overall satisfaction derived from cabin features, crew and pilot performance, and inflight food and drink. They claimed that these elements of the airline passenger journey most strongly related to overall satisfaction, loyalty, and advocacy, which is how they measured performance (Laming & Mason 2014).

Maklan and Klaus (2011) considered the customer experience quality as first-order that leads to market performance such as loyalty, word-of-mouth recommendation, and satisfaction. They concluded that EXQ could help organisations who are trying to achieve a focus for management attention and investment on different market performance. They recommended that researchers should explore which dimensions of customer experience are essential for organisational performance. All the previous studies concluded that providing a great customer experience can lead to market advantages of satisfaction and loyalty—which, in turn, increase business performance and profitability.

In terms of service, a few years ago Solnet, Ford and McLennan (2018) applied the service-profit chain (SPC) to the restaurant industry in order to comprehensively clarify the relationship between organisational practices, employee attitudes, and customer and financial outcomes. Their findings revealed a fascinating outcome in terms of measuring the financial aspects, in which stable revenue is superior to profit in the SPC, as all organisations need to meet their obligations regarding supervisors, HR practices, internal and external clients, etc. In

turn, the employees through their interactions with customers improve revenues. Profits appear to be influenced by external factors beyond the control of management.

A similar study by Schlager et al. (2011) used service logic and SPC theories to connect employees' attitudes to customers' experiences by creating favourable attitudes that are relevant to the creation of service brand and experience. These researchers created a framework for the relationship between the perceived employer brand and service branding. They determined the influence of drivers for employee attitudes, including economic, reputation, development, diversity, and social value. Moreover, they stated that a strong employee brand could foster employee outcomes, which consequently influences the customer experience. These authors recommended using the service-profit chain to leverage a company's profits through this process. Other studies concentrated on measuring the relationship between customers and front-line employees. For instance, Brown and Lam (2008) conducted a meta-analysis in the retail industry to measure the relationship between customers and frontline employees and determine how this affects the perceptions of the customer shopping and consumption experiences. This relationship was moderated by service quality, adopting service-profit chain, service climate, and emotional contagion frameworks.

In their research, Limpanitgul et al. (2013) used social exchange theory to measure the importance of customers and co-workers in providing excellent service delivery in the airline industry. They identified that the relationships between the employee and the customer (i.e., the willingness of employees to endorse the organisation to customers), as well as that between the employee and the organisation (i.e., employees' involvement in improvements process) were fully mediated by job satisfaction and organisational commitment.

All the above-cited studies explained the 'mirror effect' between employee and customer outcomes, since the organisation, employee, and customer outcomes are not independent of or isolated from each other. As such, it is critical to account for all entities involved in the experience when attempting to understand their roles and outcomes.

2.7 Concluding Remarks

This chapter delivered a comprehensive review of the relevant literature on CEM. Although these studies did not address CEM from an organisational perspective, some evaluated the extent to which CEM factors predict and explain firms' performance. Some

discussed this directly by explaining the macro factors influencing the CEM, operationalised the CEM, and how this influences the performance, or indirectly by explaining other term related to the customer experience management such as customer relationship management, customer value, etc. It should be noted that only a few studies have mentioned the role of organisational cultural capabilities and knowledge management in providing superior customer experience, in addition to organisational ambidexterity to renew customer touchpoints. Even though scholars have explored CEM from an organisational perspective, they have focused mainly on the conceptual aspects. There are, however, other relationships such as organisational culture and CEM that need to be investigated.

CEM has become so vital that researchers have predicted that it will overtake price, profit, and product as the top competitive advantage (Holmlund et al. 2020; Kuppelwieser & Klaus 2020). It is shaping a new environment requiring collaboration between top management, marketing, IT, and human resources departments (Becker & Jaakkola 2020; Bueno et al. 2019; Giannopoulos et al. 2020; Homburg, Jozić & Kuehnl 2017; Jaziri 2019; Raina, Chahal & Dutta 2019; Vakulenko et al. 2019; Varnali 2019; Witell et al. 2020). Shaw and Ivens (2002) and Schmitt (2010) indicated that great customer experiences are a source of long-term competitive advantage, citing that businesses should be aware of the importance of customer experience as a new strategic weapon that can ensure long-term success. In most organisations, there are four primary functions: sales, marketing, service, and support (which includes HR, IT, finance, and systems). Focusing on CE from this department is important on building great customer experiences. These authors also suggested that the right people, employee satisfaction, leadership, and company culture are critical for achieving exceptional CE (see Shaw & Ivens 2002).

Kandampully, Zhang and Jaakkola (2017) proposed a holistic model on customer experience management in the hospitality industry. They stated that managing customer experience must be through collaboration amongst marketing, operations, design, human resources management, and strategy, linked to technology and social media, which aligns with Meyer and Schwager's (2007) studies. In their work, they focused more on the operational aspect of CE (what, how, when), and it differs from CRM. They claimed that the CE would never be successful if it is not prioritised by the organisation; they also specified that each function must play a role in CE, including marketing (knowledge), operations (process, skill,

practice), product development (design the experience), IT (collect data, analysis), HR (communication and training strategy, employee's capabilities), and accounting.

There has been a scholarly overemphasis on customer behaviours and customer-centric experience based on emotional experiences, senses, and feelings. Other vital attributes to customer experience management—such as organisational culture, leadership, and employee experience—have not been systematically investigated. A study of customer experience management from an organisational perspective is therefore significant. To fill the gap in research, this thesis investigates the organisational cultural capabilities that shape customer experience management via employee experience and other workplace attributes.

2.8 Chapter Summary

In this chapter, the researcher summarised the key studies that have been published on customer experience management and cited the key organisational factors here. Numerous secondary management factors were also identified, including HR and IT, as both can shape the employee experience and influence firm performance. The next chapter explains the conceptual methodological framework for this research and presents the hypotheses derived from dynamic capability and service-profit chain theories.

Chapter 3: A Conceptual Framework

3.1 Introduction

In recent years, interest has risen in customer experience management in the hospitality and tourism industry, looking at the role of people in managing and experiencing the experience (Hwang & Seo 2016). Previous researchers have posited the role of different factors in customer experience management and its positive correlation to several aspects of the customer experience (Kandampully, Zhang & Jaakkola 2017). Several research questions were devised to determine the extent to which such correlations exist in the specific context of CEM. In this chapter, is presented the logic and relationships of the dependent variable, mediating variables, and independent variables employed in this study. The aim here is to develop a conceptual framework based on a comprehensive review of the related literature published on CEM and its relationship to customer, employee and business performance from organisational perspectives. This framework seeks to hypothesise the critical factors for how organisational cultural capabilities affect CEM. A quantitative methodology is employed to realise the objectives of this research.

The conceptual framework of this research is based on two theories: the dynamic capabilities (DC) theory and service-profit chain (SPC) theory. It is assumed here that customer experience management is influenced by organisational cultural capabilities—which, in turn, influence employee experience, customer experience performance, and organisational performance. In this chapter, the researcher presents the conceptual framework of this study and outlines the hypothetical relationships between the different variables. This chapter is organised in four sections. Section 3.2 presents the theoretical foundation for guiding how the conceptual framework emerged. Section 3.3 conceptualises the framework with a focus on the organisational cultural capabilities and their impact on CEM. Section 3.4 ends the chapter with a summary of the main points covered here.

3.2 Theoretical Background

The foundation of the customer experience concept was grounded in the theory of stimulus-organism-response (Mehrabian & Russell 1974), consumption experience (Holbrook & Hirschman 1982), experience economy (Pine & Gilmore 1998), co-creation experiences (Prahalad & Ramaswamy 2004), and service-dominant logic (Vargo & Lusch 2016). These theories set to explain how the customer experience evolves. There are numerous theories that have been commonly used to explore CEM from a customer perspective. Authors of these studies adopted frameworks from previous theorists in the fields of psychology, strategic management, marketing, and IT. These scholars studied topics including cognitive and environmental psychology, emotional contagion, customer buying emotion, consumption behaviour, customer satisfaction theory, service brand equity, service experience, a resource-based theory, dynamic capability service climate, customer orientation, service–profit chain, service climate, technology acceptance model (TAM) theory, stimulus-organism-response theory, or input–response–output framework (as found within many online purchase intention models), structuration theory, and technology adoption theory.

These authors, however, varied in their focus, with some evaluating the factors influencing the customer experience such as social environment, and assortment, the customer relationship management as a supportive factor to customer experience management, information technology related to CE and online CE, service experience, service climate, customer orientation, and service quality provided to customers. Some scholars looked at managing customer experience from an organisational perspective, using theoretical frameworks yet to be developed and validated (Jain, Aagja & Bagdare 2017). The current researcher focused on devising an appropriate framework that explains customer experience management.

In many existing studies in the broader literature, scholars have used quantitative methods to test the relationship between the actors in customer experience and its impact on organisations, focusing on marketing outcomes such as customer satisfaction and customer loyalty. Other theories have been proposed to explain the input and output from CEM; these theories are categorised in three major areas that emerged repeatedly throughout the reviewed body of literature. The first is strategic management/business/management and marketing, which includes dynamic capability, resource-based theory, service-profit chain, customer

satisfaction, customer engagement, marketing capabilities, customer loyalty, service quality, and service climate. The second is information technology, which includes the diffusion of communication technologies, the technology acceptance model (TAM). The third and final one is social science and psychology, which incorporates social influence and social information processing. Here, the author of this study considered customer experience management from an organisational perspective. Recent scholars have suggested using resource-based theory to consider employees as internal resources that influence CEM (Schmitt 2010). Others have evaluated the dynamic capability of the firm using organisational ambidexterity (Kouassi, Martins & Molnar 2016; Homburg, Jozić & Kuehnl 2017). The strategic theory has also been recommended to explain employee experience; this view considers employees as the internal customers of the organisation (Jain, Aagja & Bagdare 2017).

Prominent theories for understanding how the organisational cultural capabilities of the firm can impact the CEM, as well as how they are related to customer experience and organisational performance from the perspective of organisations, include the dynamic capabilities and service-profit chain theories. These two theories enabled the current researcher to determine the most relevant capabilities that organisations require to manage customer experience. Both theories are explained and discussed in this section, including their applicability to CEM.

3.2.1   Applications of Dynamic Capability (DC)

The dynamic capability approach was devised by Teece and Pisano (1994), underpinned by the theories on the Resource-Based View (Barney 1991; Penrose 1959; Wernerfelt 1984). DC was developed to explore the subset of competencies and capabilities that allow a firm to create a new product, service, or process in a fast-changing environment (Teece & Pisano 1994). Eisenhardt and Martin (2000) defined this as the organisational and strategic routines and resources (i.e., organisational, physical, and human) required to capture and sustain competitive advantage in the fast-changing market (Cooper & Edgett 2010).

Researchers and practitioners interested in DC have employed a variety of terms to define the capabilities, including organisational routines, competencies, and capabilities, which are used interchangeably (Easterby-Smith, Lyles & Peteraf 2009; Eisenhardt & Martin 2000; Helfat & Peteraf 2003; Helfat & Peteraf, 2009; Teece 2007; Teece & Pisano 1994; Teece, Pisano & Shuen 1997; Zollo & Winter 2002). It is a popular theory for exploring what

capabilities that organisations required to compete over time - their ability to explore, exploit, and simultaneously develop a new capability or skill. DC is a buffer between firms' resources and the changing business environment. Understanding the dynamic capabilities helps a firm adjust its resource mix and thereby maintain its competitive advantage (Eisenhardt & Martin 2000). DC has been widely applied in the areas of strategic management, marketing, customer relationship, and customer experience.

3.2.1.1 Strategic Management and Marketing

In strategic management literature, Blocker et al. (2011) applied DC and marketing capabilities theory to investigate what an organisation has to do to be competitive and perform well. These capabilities are market orientation and customer orientation; however, these authors further explained the difference between the proactive approach and the responsive approach that adequately covers the customers' current and future needs. Mosley (2007) and Nasution and Mavondo (2008) used DC to indicate that combining the organisational culture with marketing capabilities—including learning orientation, market/customer orientation, intrapreneurship, human resources practices, and innovation—may significantly and positively impact customer value.

In the service industry, Chen and Quester (2009) used both DC and market orientation to conceptualise the relationship between management support, employee, customer, and customer retention. It is measured as the business performance in the market orientation context. Martelo Landroguez, Barroso Castro and Cepeda-Carrión (2011) applied DC to the strategic management literature by identifying combinations of three organisational capabilities - market orientation, knowledge management, and customer relationship management. This was done to determine how the proposed capabilities jointly and individually influence customer value.

3.2.1.2 Customer Relationship Management (CRM)

In CRM, Narver and Slater (2000) adopted the DC theory to identify that organisational learning is required to design and deliver exceptional customer relationship management properly; hence, firms must prepare to learn about customers' diverse goals, resources, and capabilities (Bolton et al. 2018). Du Plessis and De Vries (2016) implemented this theory to identify organisational capabilities that support an excellent customer relationship, including strategy, leadership, organisational design, culture, systems, technology, and process. Another

study by Trainor et al. (2014) focused on the social customer relationship management. These authors adopted DC to see it from the firm-level capability context and how social media usage and customer-centric management contribute to good performance. Lastly, Navimipour and Soltani (2016) proposed there are practical factors that guide the effectiveness of E-CRM and its performance, including cost, technology acceptance, and employee satisfaction. These researchers used the DC theory indirectly to indicate the capabilities required for employees' satisfaction: organisational cultural skills, flexibility, and strategy. They provided evidence that these capabilities play significant roles in employee satisfaction, which means that E-CRM will be effective in the long-term.

3.2.1.3 Customer Experience Management (CEM)

Verhoef et al. (2009) discussed the past customer experience and how it affects the future of customer experience in retail. These authors argued that the dynamic nature of the CE requires the organisation to remain innovative over time. Day (2011) applied DC to examine three main component factors of DC, namely: absorptive capability, innovation capability, and adaptive capability. This author also determined how organisations can apply these capabilities in order to adapt, survive, react rapidly to shifts in the new market, and overcome rigidities.

In a content analysis study, Chakravorti (2011) focused on CEM as led by the marketing department. This author recommended ensuring alignment between organisational values that reflect customer orientation, employee collaboration, and internal and external communication. He concluded that organisational performance is directly shaped by marketing culture and strategy, citing that these also reflect workplace values. They proposed that DC is a suitable theory to underpin such a concept. Kouassi, Martins and Molnar (2016) expanded more on how customer experience adds both externally and internally oriented value. These benefits can help businesses to enhance their marketing capabilities, improve their architecture capabilities, maximise long-term success, and enhance profitability. Finally, they help firms to overcome challenges and adapt to changes quickly. Some scholars have considered resources as infrastructure for organisational ability and capability will lead to a perfect customer experience. Grønholdt et al. (2015) linked CEM to business performance and identified a relationship between the organisational dimensions in CEM using SEM, supported by a resource-based theory and DC.

Another recent study also used both RBV and DC theories to introduce a grounded theory framework of CEM that concerns different contexts and use other theories such as

hierarchical operant resource and service-dominant logic as theoretical underpinnings in CEM. These researchers proposed that CEM is an extension of CRM implementation and market orientation in marketing. Moreover, they introduce CEM as a higher-order resource of cultural mindsets toward customer experiences (CEs), strategic directions for designing CEs, and firms abilities to renew CEs, with the goals of achieving and sustaining long-term customer loyalty (Homburg, Jozić & Kuehnl 2017). Their results justified the use of dynamic capabilities theory to assess the relative importance of each single firm capability about the effectiveness of CEM.

Kandampully, Zhang and Jaakkola (2017) conducted a systematic review, ultimately recommending further research into hospitality and CEM regarding how organisations can balance between technology, Internet and mobile social media, and human capabilities, since all are critical to the CEM in the hospitality industry. Guided by the concept of DC, Meyer and Schwager (2007) emphasised CEM functions and indicated that organisations require different requirements to manage CEM, such as marketing (knowledge capability), operation (process, skill, practice), product development (design the experience), IT (collect data, analysis, IT capability), HR (communication and training strategy, employees), and accounts management. However, they did not provide empirical evidence to support this concept.

Larivière et al. (2017) focused on the managerial support and training as the key to enhancing employee capability and recommended that organisations should stay in touch with continuous changes in the service industry. Firms must develop advantages that enable anticipation of changes in the industry (i.e., market orientation), promote adaptation, and foster strong relationships with technology through training employees. Little and Dean (2006) focused more on employee capabilities to deliver good quality of service from an employee perspective. They suggest this by drawing on the relationship between service climate, employee commitment and employees' service quality capability (SQC). Based on the above studies, only a few researchers have considered organisational capabilities required to achieve an excellent customer experience or customer relationship management. Yet, none have tested and considered the indirect or the direct impact of these capabilities on firm performance.

3.2.2 Applications of Service-Profit Chain Theory (SPC)

Service-profit chain theory was designed to help managers understand how employee and customer satisfaction lead to improved profitability for the firm. According to Heskett, Sasser and Schlesinger (2004), the central premise of the SPC is that there should be an

awareness and understanding of the relationships among the three major components: employees, customers, and organisational performance. According to the SPCM, satisfied employees lead to increased customer satisfaction, which, in turn, increases firm performance. This theory is relatively recent (Heskett, Sasser & Schlesinger 2004; Silvestro & Cross 2000). The SPC was developed from an analysis of service organisations in the financial sector with the aim of linking marketing, operations, and performance. Figure 3.1 depicts the SPC model.
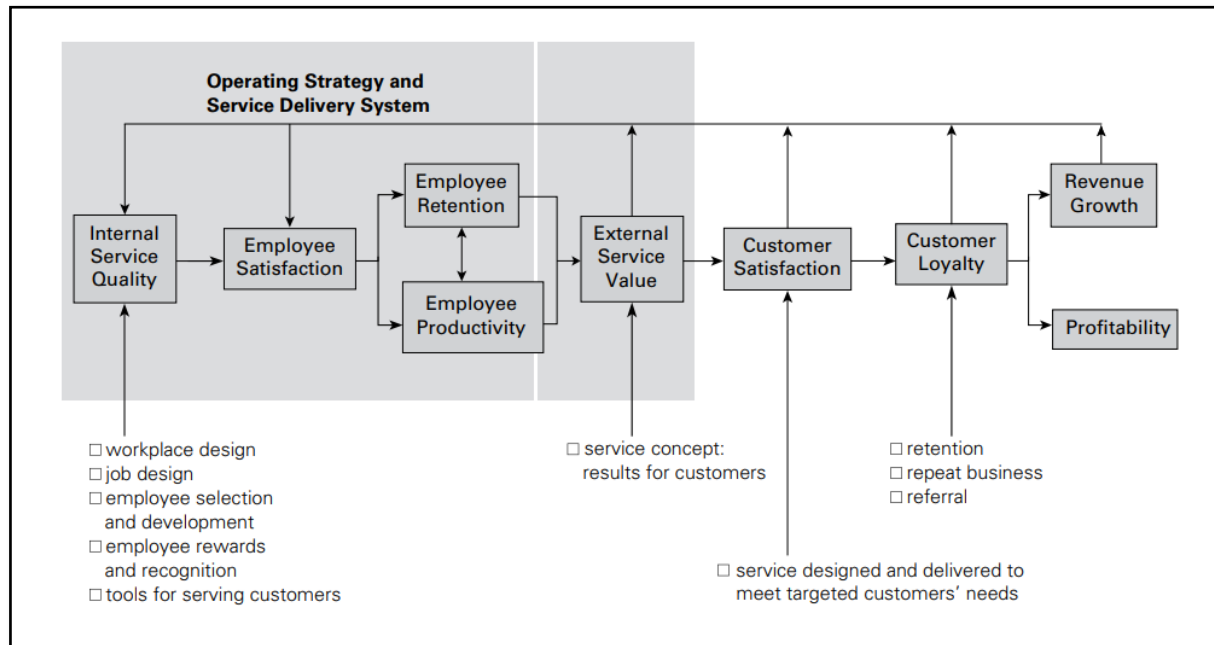
Figure 3.1 *The Links in the Service-Profit Chain* by Heskett et al., 1994

From an operational perspective, the service-profit chain has served as a theoretical framework in many studies. For example, Brown and Lam (2008) used this theory to prove that high-quality interactions with customers often result in customer satisfaction, despite problems with other aspects of service delivery. These interactions tend to leave a lasting impression that promotes repeat buying and enhances revenues (Schneider et al. 2009). Their results showed employee satisfaction to be a consistently important driver of customers' satisfaction with retail and other service businesses, which, in turn, results in meaningful increases in retention, loyalty, equity, profitability, and competitive advantage. In addition to SPC, Hong et al. (2013) used CRM theory to establish a theoretical model that delineates the following influence processes of service climate on organisational outcomes. These authors investigated a model of service climate that identifies its antecedents and influence processes on organisational outcomes, including employee, customer, and financial metrics.

In their research, Schlager et al. (2011) used service logic and SPC to determine the impact of employees' demonstration of favourable attitudes on the creation of a strong service brand and positive customer experience. They developed a framework for the relationship between the perceived employer brand and service branding in order to determine what drives employee attitudes (economics, reputation, development, diversity, social value). Salanova, Agut and Peiró (2005) focused more on service climate in moderation, the relationship between employee performance, and customer loyalty. Referring to the South Korean hospitality industry, Kim (2014) drew on the service-profit chain theory to illustrate a relationship between internal service quality, serviceability, employee satisfaction, and organisational commitment, and customer metrics including perceived value, satisfaction, trust, and loyalty. This author's two significant findings were: (a) internal service quality has a significant effect on serviceability and (b) teamwork/communication wields a significant effect on employee satisfaction. This study also shows that the high level of job satisfaction for employees resulted in better organisational commitment, productivity, improved customers' satisfaction, trust, and loyalty.

In another study done on the restaurant industry, Solnet, Ford and McLennan (2018) focused on the service-profit chain and how it can comprehensively clarify the relationship between organisational practices, employee attitudes, and customer and financial outcomes. Their findings were fascinating in terms of financial outcomes, indicating that revenue may be a more appropriate outcome than profit in the SPC—mainly because businesses need to have a consistent revenue base to pay for supervisors, employees' salaries, HR practices, internal and external services, etc., whereas profits appear are due to external factors beyond the control of management. They also reinforced the importance of effective HR management practices in service organisations. Finally, they concluded that time-lag aspects revealed a strong connection between what managers do now and its impact on future revenues and profits.

Referring to the primary constructs of the current study, O'Cass and Sok (2015) used both SPC and value creation theory in the tourism industry to find the superior value that firms provide to customers through employees, and how customers perceived value. They examined the nature of a tourism service provider's value proposition and the subsequent impact on customers' perceived-value-in-use, emphasising the role that employees play as boundary-spanning personnel in the value-creation phases that link organisations and customers.

Based on the above, the current study considered the customer experience management construct as an operational feature that helps deliver good quality internal service for staff. For example, Mosley (2007) and Nasution and Mavondo (2008) indicated that procedures, human resources and leadership practices are closely linked to customer value, but not as important as what customers actually experience. In SPC, internal service quality includes human resources practices and these must function well because employees are the most important strategic asset of an organisation (Mavondo & Farrell 2003), a source of sustained competitive advantage (Becker & Gerhart 1996), and help create value for customers (Band 1991). Furthermore, it is important to consider the technologies provided to employees, such as IT and portable computers or databases. These tools can assist employees collect, analyse, and distribute CEM data as it relates to customers (Meyer & Schwager 2007).

Finally, leadership must support the organisation's cultural capabilities that make it possible to collate the tastes and standards of targeted market/industry segments, circulate this knowledge within the company, and ensure that internal processes and practices are attuned to every touchpoint. Finally, they must identify customer behaviours that may be very different from what a company expects and has to be identified. Leaders need to be able to interpret data to identify what customers actually want or expect (Meyer & Schwager 2007).

3.3 The Conceptual Framework

This study identifies and explores what organisational cultural capabilities do for CEM in the H&T industry in Australia. To achieve this, a conceptual framework consisting of DC and SPC was devised. DC can help explain these capabilities which may change over time and affect CEM. Secondly, DC can be flexibly tailored to suit the purposes of customer experience management. Thirdly, both DC and SPC are reliable and robust in predicting the relationship between culture, management, employees, customers and how these impact on performance. This section presents the conceptual framework (see Figure 3.2) that helps investigate the impact of organisational cultural capabilities on CEM.
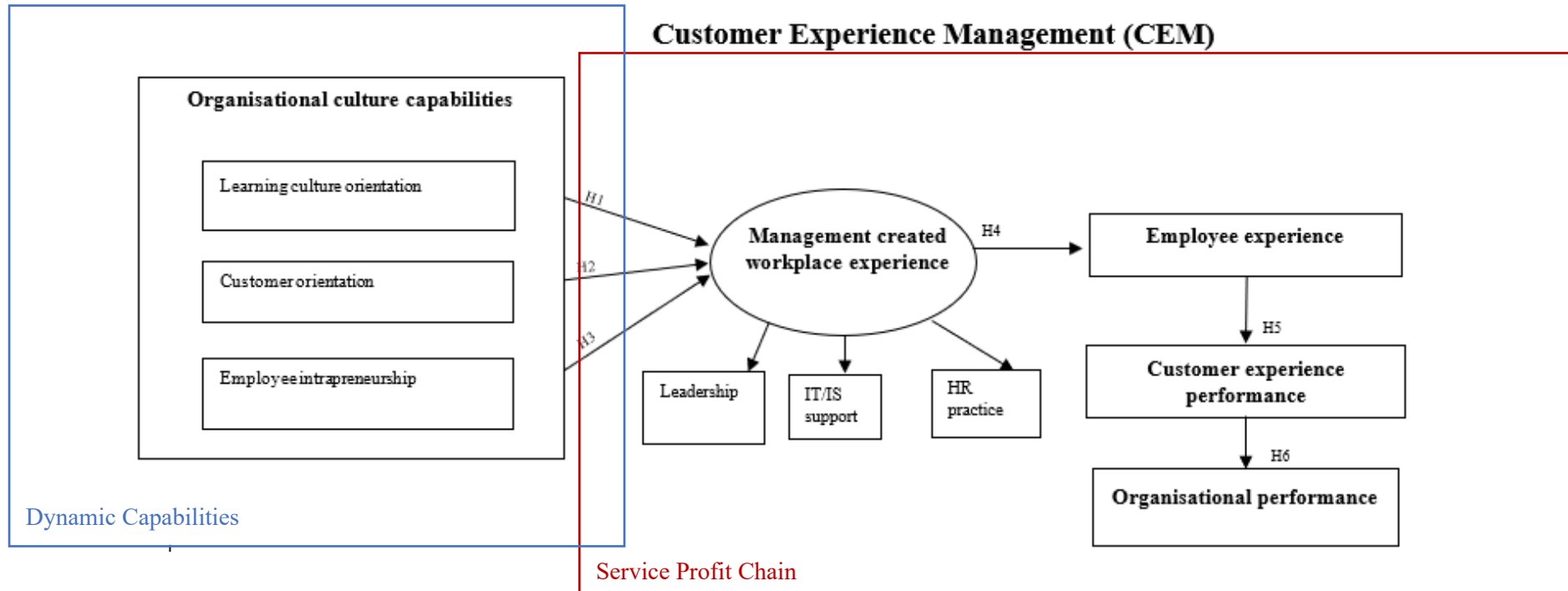
Figure 3.2 *The Conceptual Framework*

3.4 Definitions of the Domains of the Constructs

Scholars have connected the concept of CE to the management of customer relationships in multichannel environments, noting the importance of clients' experiences of firms and/or brands (Frow & Payne 2007). The primary constructs of the study included the identification of the current instruments and certain measurement items from each construct. In this study, the researcher conducted an extensive literature review to identify the constructs and select the measurement items. A set of 130 items related to the research constructs were collected from the literature review. Based on relevance, items were shortlisted from the pool and evaluated for non-repeatability, which is the intention to measure a unique phenomenon only once in a construct. The following section is concerned with each construct and its associated measurement items. Table 3.1 illustrates the constructs used in this research and their definitions.

Table 3.1 *Construct Definitions from the Literature*

Term	Abbreviation	Definition	Related Studies
Customer experience management	CEM	The ability of an organisation to provide inspirational organisational cultural capabilities, leadership and excellent management team, human resources practices, procedures and technological support for employees and subsequently a great customer experience.	(Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012)
Organisational cultural capability	OC	Organisational cultural capability is defined as an organisation's capacity to deploy its assets, tangible or intangible, and utilise them to perform a task or activity that provides a customer-focused experience and improves overall performance. In this study, organisational cultural capabilities include a) learning orientation culture – b) market/customer orientation, and c) employee intrapreneurship.	(Gillespie et al. 2008; Maritan 2001; Nasution & Mavondo 2008; Sinkula, Baker & Noordewier 1997)
Learning orientation culture	LOC	A set of organisational activities that influence the propensity of the firm to create and use customer experience knowledge. Three components of learning orientation are: commitment to learning; open-mindedness; and sharing the vision. These are routinely associated with the predisposition of the firm to learn. They are core components that reflect the construction of a learning orientation culture.	(Calantone, Cavusgil & Zhao 2002; Day 1994; Sinkula, Baker & Noordewier 1997)
Customer orientation	CO	The ability of an organisation to fulfil the current and future needs of its customers. There are proactive and reactive customer orientations.	(Narver & Slater 1990; Narver, Slater & MacLachlan 2004; Nasution & Mavondo 2008)
Employee intrapreneurship	EI	Employee intrapreneurship is described as an organisational style, which is characterised by the degrees of freedom and autonomy given to employees in making certain decisions for the firm. It can also be seen as a managerial strategy that stimulates entrepreneurial behaviour among employees with the support of management.	(Carrier 1996; Hodgetts & Kuratko 2001; So & King 2010; Nasution & Mavondo 2008; Schmitt 2010; Stevenson & Jarillo 2007)
Management-created workplace experience	MCWE	Management-created workplace experience is the ability of an organisation to provide good internal systems, excellent human resources practises, inspirational leadership sound procedures, and technological support for employees to provide a great customer experience. The study models management-created a workplace experience as a reflective second-order construct with three reflective dimensions consisting of human resources practices, leadership and system/IT support.	(Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012)
CX Human resources practices	CXHRP	Human resources practices refer to the ability of an organisation to focus on aligning employee behaviour, qualifications, skills, to the job, training and rewards and excellent customer experience.	(Delery & Doty 1996; Nasution et al. 2011; Nasution & Mavondo 2008; Rogg et al. 2001; Schmitt 2010; Yeh 2014)
CX IT/Database support	CXITDS	IT/ database support is the ability of an organisation to provide the required IT/database support to employees to improve customer experience.	(Chen & Ching 2004; Garrido-Moreno & Padilla-Meléndez 2011; Hooley et al. 2005; Jayachandran et al. 2005; Rapp, Trainor & Agnihotri 2010; Salanova, Agut & Peiró 2005; Schmitt 2010; Wang & Feng 2012)

CX Leadership	CXL	Customer-centric leadership is the ability of leaders to empower their employees to assist in enriching customer experience through customer-centric behaviours, commitment to the core values, effective communication to all employees, building and coaching trusted teams, and finally matching staff members' skills with tasks.	(Ahearne, Mathieu & Rapp 2005; Arnold et al. 2000; Chakravorti 2011; Ford, Wilderom & Caparella 2008; Garrido-Moreno & Padilla-Meléndez 2011; Gillespie et al. 2008; Grønholdt et al. 2015; Srivastava, Bartol & Locke 2006; Yeh 2014; Zhang, & Bartol 2010)
Employee experience	EX	Employee experience from the organisation's perspective includes workers' satisfaction, loyalty and engagement to their employer, and the level of emotional intelligence they have while dealing with customers.	(Harter, Schmidt & Hayes 2002; Heskett et al. 1994; Homburg, Jozić & Kuehnl 2017; Homburg & Stock 2004; Hooley et al. 2005; Jun, Cai & Shin 2006; Lashley 2008; Lemke, Clark & Wilson 2011; Matzler & Renzl 2006; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009)
Customer experience performance	CEP	Customer experience performance according to the organisational perspective is the ability to ensure clients' satisfaction, acquisition and retention.	(Athanassopoulos & Iliakopoulos 2003; Grønholdt et al. 2015; He, Li & Lai 2011; Homburg, Jozić & Kuehnl 2017; Homburg & Pflesser 2000; Hooley et al. 2005; Rapp, Trainor & Agnihotri 2010; Schneider & Bowen 1999; Theoharakis, Sajtos & Hooley 2009)
Organisational performance	OP	Organisational performance incorporates profitability, revenues, sound procedures and processes, competitive position, and return on investment. These can all be measured and assessed by the senior management team or the owners of the company.	(Chang, Park & Chaiy 2010; Coltman, Devinney & Midgley 2011; Grønholdt et al. 2015; Homburg & Pflesser 2000; Hooley et al. 2005; Hult et al. 2008; Rapp, Trainor & Agnihotr Narver and Slater 2010; Richard et al. 2009; Singh, Darwish & Potočnik 2016; Narver and Slater 1994; Solnet, Ford & McLennan 2018; Theoharakis, Sajtos & Hooley 2009; Vorhies & Morgan 2005)

3.4.1 Organisational Cultural Capabilities

An organisation's success is heavily based on its ability to fulfil customers' needs. In order for organisations to measure and identify what clients want, they need to be able to obtain knowledge about them. Many marketing researchers have claimed that organisations could do better if they focus on customer needs. Organisational cultural capabilities are defined as the capacity to deploy assets—tangible or intangible—and utilise them for producing a customer-focused experience and improve overall business performance (Barney 2001; Gillespie et al. 2008; Nasution & Mavondo 2008; Sinkula, Baker & Noordewier 1997). Many researchers have identified organisational cultural capabilities as enabling or prohibiting desired CRM/CEM outcomes (Curry & Kkolou 2004; Iriana, Buttle & Ang 2013; Rahimi & Gunlu 2016).

Recent researchers have indicated that customer experience is a dynamic phenomenon, emerging during various phases of the customer journey, including the cross-functional levels of management and how to adapt to a fast-changing business environment (McColl-Kennedy et al. 2015). For this study, organisational cultural capabilities are defined as the ability of the firm to create a culture that encourages learning about customers, market requirements, and allows employees to be intrapreneurs (Nasution & Mavondo 2008). The capabilities in this study align line with the work done by Hooley et al. (2005), Stewart, Chimhanzi and Mavondo (2005), and Nasution and Mavondo (2008), all of whom provided empirical evidence of the relationship between the organisational cultural capabilities and operational capabilities (e.g., human resources management practices and leadership) that lead to certain outcomes for customer satisfaction, marketing effectiveness, and revenue streams. Other scholars (Mittal & Sheth 2001; Walters & Jones 2001; Weinstein & Pohlman 2015) have claimed that organisations can be competitive in a changing environment and still create an excellent customer experience only through the right resources and processes, which incorporate human resources management, innovation, knowledge management, a good culture and sensible structure.

Finally, organisational cultural capabilities facilitate internal changes inside organisations and create a culture that suits both customers and employees. Workplace culture will differ between organisations and they change over time (Howell & Annansingh 2013; Schein 2004) since they are grounded in values, beliefs, and principles (Denison 1990; Navimipour & Soltani 2016). Researchers have indicated that organisational cultural capabilities are difficult to imitate, leading to competitive advantages, employee satisfaction,

and positive customer experiences (Kandampully, Zhang & Jaakkola 2017). In this study, organisational cultural capabilities included learning orientation, customer orientation, and employee intrapreneurship, which align with the recommendations made by Narver and Slater (1994), Hurley and Hult (1998), and Nasution and Mavondo (2008). Tables 3.2, 3.3, and 3.4 show the original items for the pre-test survey and the associated factor loadings, which are a measure of the relationship of each item to the underlying factor. The factor loadings were taken from the same research as the original adopted items.

3.4.1.1 Learning Orientation Culture

Learning orientation has been studied for many years, and it is agreed that it is one of the capabilities that affect an organisation's ability to value learning and encourage staff to "think outside the box" (Baker & Sinkula 1999; DiBella & Nevis 1998). One of the most commonly used methods to measure the learning orientation is that of Sinkula, Baker and Noordewier (1997), who suggested that it entails commitment to learning, shared vision, and open-mindedness. Regarding the relationship between learning orientation and customer experience management, Wang and Ahmed (2003) suggested that firms need to implement the highest level of learning to truly generate good customer value. Chakravorti (2011) claimed that organisational learning and knowledge management are both critical to shaping the customer experience, suggesting that a learning culture should be encouraged over time to enhance customer experience.

Learning orientation also encourages a shared vision for how functional units should work together to achieve customer-centricity (Frow & Payne 2007). Such a shared vision requires management to be open-minded with their employees and customers (Tanriverdi 2005, 2006). It is logical, then, that learning orientation is considered an essential innovation-enabling competency (Leal-Rodríguez et al. 2015) which can establish CE (Sipe 2016; see Table 3.2). For this study the researcher proposed learning orientation as a component of organisational cultural capabilities wields a significant impact on customer experience management. Based on this the following hypothesis is posited:

H1: A positive association exists between learning orientation culture and management-created workplace experience.

Table 3.2 *Summary of the Measurement Items for Learning Orientation (LOC)*

Measurement items	References
Commitment to learning 1. Our organisation's ability to learn is considered to be a key competitive advantage 2. Our organisation believes that employee learning is an investment, not an expense **Shared vision** 3. In our organisation, all employees are aware of and commit to the organisation's goals, vision. 4. Employees view themselves as partners in charting the direction of the organisation 5. Management believes in sharing its vision with all employees **Open-mindedness** 6. Our organisation places a high value on open-mindedness 7. Original ideas are highly valued in this organisation **Digital Technology** **New Items** 8. In our organisation, changes in organisational processes, culture or business models are required to enhance the customer experience 9. Our organisation accelerates the digital readiness of leadership and people through coaching and learning 10. Our organisation accesses the abilities of people and processes to deliver a great customer experience	(Nasution & Mavondo 2008) (Baker & Sinkula 1999; Calantone, Cavusgil & Zhao 2002; Higgs & Rowland 2000; Liu, Luo & Shi 2002; Sinkula, Baker & Noordewier 1997)

3.4.1.2 Customer Orientation

The basic concept of market orientation focuses on understanding current and future customer needs (Jaworski & Kohli 1993; Narver & Slater 1990). Narver, Slater and MacLachlan (2004) differentiated between a responsive market orientation as 'a business's attempt to understand and to satisfy customers' expressed needs, while a proactive market orientation is defined as the attempt to understand and satisfy customers' latent needs' (p. 336). According to Nasution and Mavondo (2008), firms should build close relationships with potential customers in order to identify their current and potential needs. In order for the organisation to go beyond latent customer needs, all internal and external functions must work well together effectively and consider the customer experience as a top priority. As a result, integrated market orientation was considered by Nasution and Mavondo (2008) for an organisation that is operates in a dynamic and competitive environment. Establishing a market orientation specific to customer experience requires a dramatic change to an organisation's culture if it is to be more customer centric. This is expected to have a positive impact on inter-functional coordination (Jayachandran et al. 2005; Liu, Luo & Shi 2002).

Additionally, Day (1994) indicated both market-sensing capabilities and customer-linking capabilities as distinctive market orientation features. The first is concerned with the ability of the firm to learn about customers and competitors in order to quickly respond to changes in the industry. Customer linking allows the organisation to have a close relationship with customers. A study by Blocker et al. (2011) contended that both capabilities are required to gain competitiveness and increase performance. Regarding the customer experience

management, Homburg, Jozić and Kuehnl (2017) indicated that marketing orientation and customer relations are a key part of customer experience management. In their study of it, Garrido-Moreno and Padilla-Meléndez (2011) found that customer orientation as a part of market orientation is not enough to guarantee the success of CRM, citing that there are other capabilities that promote success.

The researcher used eight items based on the total market orientation of Narver, Slater and MacLachlan (2004) and the market/customer orientation of Nasution and Mavondo (2008). These items captured both the reactive and proactive dimensions of market orientation (Narver & Slater 1990; Narver, Slater & MacLachlan 2004; Nasution & Mavondo, 2008). In addition, three items were added to the customer orientation form based on the work of Wang and Feng (2012) and Jayachandran et al. (2005). Finally, competitor orientation was eliminated due to irrelevant items (see Table 3.3). Having a deep understanding of customers' latent needs in addition to their expressed needs enables firms to deliver superior customer experience. Based on this, this researcher proposed the following hypothesis:

H2: A positive association exists between customer orientation and management-created workplace experience

Table 3.3 *Summary of the Measurement Items for Customer Orientation (CO)*

Measurement items	References
Inter-functional Coordination 1. Management understands how everyone in this organisation can contribute to create customer value 2. We share market information and resources with other divisions **Latent need** 3. We continuously seek to find and address customers' needs 4. We seek to understand what customers might need in the future **Customer orientation** 5. The objectives and strategies of our organisation are driven by the need to achieve excellent customer experience and service	(Narver & Slater 1990; Narver, Slater & MacLachlan 2004; Nasution & Mavondo 2008)
Customer orientation 6. In our organisation, customer experience is considered to be a top priority 7. Our employees are encouraged to focus on customer experience 8. Our senior management emphasises the importance of customer experience and employee experience	(Jayachandran et al. 2005; Wang & Feng 2012)

3.4.1.3 *Employee Intrapreneurship*

Employee intrapreneurship is a concept characterised by workers having freedom, autonomy, and fun at work, as long as it is productive (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007; Zahra 1996). The concept of intrapreneurship is similar to that of the service climate, in that both refer to the overall employee cultural perception; however, service climate focuses more on individual attributes than intrapreneurship, which is considered to be a

managerial strategy that stimulates entrepreneurial behaviour among employees with management support (Carrier 1996).

Previous scholars have sought to identify factors that influence indicators of employee experience such as reduction of turnover, retention, and citizenship behaviour (Deery & Jago 2015; Karatepe 2013; Milman & Dickson 2014). One of the critical factors enhancing employee motivation and productivity is fun at work. This experience reduces employees' stress levels by blurring the boundaries between work and play (Ford, Wilderom & Caparella 2008; So & King 2010). In many cases, fun at work creates an environment that promotes cultural and communication skills, leading to positive experiences that ultimately reach the customer (Kandampully, Zhang & Jaakkola 2017). Related to customer experience management, several researchers posited that both employees and their bosses play a crucial role in creating a unique, memorable, and positive customer experience - more freedom, supports ideas, and accepted risk-taking. At the same time, employees' perceptions of work as playful and fun can cultivate an entrepreneurial spirit within the organisation, enabling them to respond to shifting customer needs and technological changes (So & King 2010; Kandampully, Zhang & Jaakkola 2017). Finally, organisations need to continuously enhance their employee intrapreneurship culture in order to survive in dynamic environments and remain innovative (Michel, Tews & Allen 2019; Owler & Morrison 2020; Tews et al. 2020; Xu et al. 2020).

Nine items are used to measure organisational style in this study, and this feature is characterised by factors of freedom and autonomy and fun at work (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007). These items used to explain freedom and autonomy were adopted from Dorabjee, Lumley and Cartwright (1998) and Nasution and Mavondo (2008). Kandampully, Zhang and Jaakkola (2017) noted that fun at work is one of the critical factors that enhance employee motivation and productivity (Ford, Wilderom & Caparella 2008; So & King 2010); as a result, items related to this concept were adopted from the work of Dorabjee, Lumley and Cartwright (1998) and McDowell (2005). Consequently, an intrapreneurial culture may encourage employees to feel freer and be more supportive, consider the workplace as place in which to learn new things, and be willing to embrace risks in delivering good customer experience. This led to advancing the following hypothesis:

H3: A positive association exists between employee intrapreneurship and management-created workplace experience.

Table 3.4 *Summary of the Measurement Items for Employee Intrapreneurship (EI)*

Measurement items	References
Autonomy/freedom 1. Employees are encouraged to take responsibility for their work 2. Employees are supposed to get the job done with minimum supervision 3. Employees are encouraged to prioritise and make decisions on their own. **Idea support/ Risk-taking** 4. Employees receive support and encouragement when suggesting new ideas 5. In this organisation, a new venture failure is viewed as a learning experience	(Dorabjee, Lumley & Cartwright 1998; Nasution & Mavondo 2008)
Fun at work 6. Managers are socialising with employees at work or outside of work 7. Our organisation celebrates special occasions at work 8. The atmosphere here is playful, easy-going and light-hearted 9. Employees have fun when they work	(McDowell 2005)

3.4.2 Management-Created Workplace Experience

Management-created workplace experience has been defined as the ability of the organisation to provide the human resources practises, inspirational leadership, and technology and database systems for staff to deliver a great customer experience. The current study's model considered management-created workplace experience as a reflective second-order construct with three reflective dimensions consisting of three components: HRP, leadership, and IT/database support (Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012). This definition aligns with the claims of Schmitt (2010) and Homburg, Jozić and Kuehnl (2017), who state that customer experience management succeeds through inspirational leadership, an empowering culture, workplace capabilities, good resources, a good business strategy, and empathetic employees.

In this study, management-created workplace experience was considered to be an operational advantage (Day 1994) or an example of internal service quality (Heskett, Sasser & Schlesinger 2004). This was guided by the philosophy that managing the customer experience is based on the motto 'happy employees make happy customers' (George & Bettenhausen 1990). From the service-profit chain theory perspective, Heskett et al. (1994) underlined that internal service qualities can be shaped by senior management, human resources practices, and good relationships with employees. Taylor and Wright (2004) termed this *organisational readiness* and connected it to CRM. Organisational readiness requires senior management support, employee training and motivation, and sensible structures/processes being in place. Researchers studying CRM have considered the management of the customer relationship to be a significant antecedent of CRM success (Garrido-Moreno & Padilla-Meléndez 2011).

Chakravorti (2011) expanded on the role of knowledge management and change management in enhancing customer experience management. He indicated that in order to enhance employees' CEM expertise, the organisation must recruit staff based on attitude and ability to be trained in the principles of CEM, and know how to collaborate with others in the workplace. Leaders must also, firstly, create a business model that fosters this collaboration between divisions, and secondly, implement a measurement system for employees to ensure that the customer experience is monitored effectively. In this sense, human resources practices lead to success by creating a supportive climate (Ferris et al. 1998) and shaping employee experiences (Huselid 1995; Whitener 2001). Specifically, supportive HRP will lead to better employee commitment, motivation, and satisfaction (Delaney & Huselid 1996; Whitener 2001). Subsequently, it can be concluded that happy employees do indeed create happy customers (Band 1991; Mittal et al. 2005; Rogg et al. 2001).

Leadership and culture are essential for enhancing both the employee and customer experience. They have a massive impact on the latter, and yet their influence is often ignored (Schmitt 2010; Shaw & Ivens 2002). Accordingly, executive management's use of customer-oriented behaviours is likely to create an excellent culture and workplace environment for personnel (Solnet, Ford & McLennan 2018). Chakravorti (2011) recommended that in order to create a good work environment and prepare employees to heighten the customer experience, senior management must display customer-centric behaviours, serve as role models for employees, remain true to the workplace's values, and communicate effectively in order to build trust (Garrido-Moreno & Padilla-Meléndez 2011; Grønholdt et al. 2015; Yeh 2014; Zhang & Bartol 2010).

Finally, IT/database support in many studies has been shown to contribute to effective CEM when combined with other functions such as marketing and human resources. Chen and Ching (2004) examined the relationship between IT, absorptive capacity, customer service, customer orientation, and CRM performance. They concluded that investments in IT and absorptive capacity were fundamental building blocks to CRM success. Also, Jayachandran et al. (2005) observed that IT is likely to play a supportive role in enhancing CRM. In the context of customer experience management, IT includes the hardware and software provided to frontline employees, requiring the ability to store particular types of information and especially data concerning customers' experiences (Padilla-Meléndez & Garrido-Moreno 2014; Schmitt 2010).

Previous researchers have written that a firm's performance can be predicted by the structure of firm's workplace environment, indicating that organisations should aim for: (a) close alignment between employee values and organisational goals; (b) an ability to adapt to changing conditions; (c) clear goals and vision; and (d) fair rewards and training systems to drive employees' development (Gotteland, Shock & Sarin 2020; Tajeddini, Martin & Ali 2020). Also, it has been shown that supportive cultures and leadership will lead to nearly double the ROI in businesses compared to those that do not (Chathoth et al. 2020). Employees' experiences, participative leadership, structure, and extrinsic rewards also relate to job satisfaction (Carr et al. 2003). The current research combined items related to management-created workplace experience items from different studies, as no scholars have specifically sought to measure this aspect of customer experience. Based on a review of reports and books on this topic (Homburg, Jozić & Kuehnl 2017; Jayachandran et al. 2005; Schmitt 2010; Trainor et al. 2014; Wang & Feng 2012), the author of this thesis modelled management-created workplace experience as a reflective second-order construct with three reflective dimensions consisting of three components. They are explained below.

HRP. Four main items were adopted from human resources literature in the field of hospitality and tourism (Delery & Doty 1996; Nasution et al. 2011; Nasution & Mavondo 2008; Rogg et al. 2001; Schmitt 2010; Yeh 2014; see Table 3.5).

Customer-centric leadership. Six items were used to measure the customer-centric leadership behaviour adopted from these studies (Ahearne, Mathieu & Rapp 2005; Arnold et al. 2000; Garrido-Moreno & Padilla-Meléndez 2011; Grønholdt et al. 2015; KPMG 2019; Srivastava, Bartol & Locke 2006; Yeh 2014; Zhang & Bartol 2010; see Table 3.6).

IT/database support. Four items were used to measure the overall use of IT and database support to facilitate frontline employees' work. These items were adapted from other publications on CRM (Chen & Ching 2004; Garrido-Moreno & Padilla-Meléndez 2014; Powell & Dent-Micallef 1997; Rapp, Trainor & Agnihotri 2010; Salanova, Agut & Peiró 2005; Schmitt 2010; Sin, Alan & Yim 2005; see Table 3.7). A lack of such support from management can cause emotional exhaustion and reduced commitment (Theoharakis, Sajtos & Hooley 2009). Thus, the hypothesis related to customer experience management is:

H4: A positive association exists between management-created workplace experience, including human resources practice, leadership and IT/database support, and employee experience.

Table 3.5 *Summary of the Measurement Items for Management-Created Workplace Experience – HR (CXHR)*

Measurement items	References
1. Our organisation ensures that the recruitment process targets customer experience-centric candidates with high emotional intelligence	(Schmitt 2010)
2. Our organisation treats employees as the most valuable resource	(Nasution & Mavondo 2008)
3. Customer experience training is developed, monitored and evaluated for all employees	(Delery & Doty 1996; Rogg et al. 2001; Yeh 2014)
4. In our organisation employees receive incentives and rewards to acknowledge their ongoing customer experience accomplishments	(Delery & Doty 1996; Nasution et al. 2011; Nasution & Mavondo 2008; Rogg et al. 2001; Schmitt 2010)

Table 3.6 *Summary of the Measurement Items for Management-Created Workplace Experience – Customer- oriented Leadership (CXL)*

Measurement items	References
1. Leaders consider customer experience a top priority when making decisions and implementing CE strategy	(Garrido-Moreno & Padilla-Meléndez 2011)
2. Leaders spend much time with key customers and react rapidly when dealing with a customer issue	(Grønholdt et al. 2015; KPMG 2019)
3. Leaders are role models for the organisation's values	(Arnold et al. 2000; Srivastava, Bartol & Locke 2006)
4. Leaders acknowledge when we do not deliver what we commit to do	(KPMG 2019)
5. Leaders help develop good relationships within and between teams	(Arnold et al. 2000; Srivastava, Bartol & Locke 2006; Yeh 2014)
6. Leaders assign the right tasks to the right people with the right skills	(Ahearne, Mathieu & Rapp 2005; Zhang, X & Bartol 2010)

Table 3.7 *Summary of the Measurement Items for Management-Created Workplace Experience – IT/Database Support (CXITDS)*

Measurement items	References
IT/Database Support 1. Our organisation had the right hardware and software to serve its customers	(Chen & Ching 2004; Garrido-Moreno & Padilla-Meléndez 2011; Padilla-Meléndez & Garrido-Moreno 2014; Sin, Alan & Yim 2005)
2. Our organisation is able to consolidate all information acquired about customers in a comprehensive, centralised, up-to-date, real-time database	(Garrido-Moreno & Padilla-Meléndez 2011)
3. The database within our firm can provide front-line employees with customer information 4. The database within our firm is capable of integrating customer information from different contact points (e.g., mail, web, fax, etc.)	(Garrido-Moreno & Padilla-Meléndez 2011; Powell & Dent-Micallef 1997; Rapp, Trainor & Agnihotri 2010; Salanova, Agut & Peiró 2005; Schmitt 2010)
Digital Technology 5. The use of new digital technologies such as social media, mobiles, analytics or embedded devices, enables major business improvements 6. Our organisation invests in technology and business models to more effectively engage digital customers at every touchpoint in the customer experience lifecycle 7. Our organisation use technology to radically improve performance 8. The use of new digital technologies requires a change of organisational processes or the creation of new business models	(Eshet 2004; Rachinger et al. 2019)

3.4.3 Performance Outcomes

3.4.3.1 Employee Experience (EX)

Employee experience (EX) describes employees' overall satisfaction, loyalty, and engagement in the workplace and the level of their emotional intelligence when dealing with customers (Meyer & Schwager 2007). Satisfied and loyal employees are more willing to listen to customers and understand what they want (Harter, Schmidt & Hayes 2002; Heskett et al. 1994; Homburg, Jozić & Kuehnl 2017; Homburg & Stock 2004; Hooley et al. 2005; Jun, Cai & Shin 2006; Lashley 2008; Matzler & Renzl 2006; Lemke, Clark & Wilson 2011; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009). Employees derive meaning from their job if the organisational cultural capabilities and managerial leadership for CEM are clearly articulated (Batt & Colvin 2011). Moreover, employee satisfaction is based on such variables as working environment, supervisors, job duties, etc. (Navimipour & Zareie 2015).

Analysts of organisations have long advocated the benefits of having committed and motivated employees (Latham & Pinder 2005; Locke & Latham 1990). Organisations must be aware of the economic value of their staff members. The role of the human factor in CRM implementation in hotels is fundamental because even with the most advanced technology, people still play the major role in the management of customer relationships (Özgener & İraz 2006). Gazzoli, Hancer and Kim (2013) highlighted that the employee level of customer-orientation plays a significant role in business success. More customer-oriented employees will interact better with customers and this will in turn promote good marketing of the firm and lead to better profits.

Many scholars have investigated the relationship between customer and employee satisfaction, and proved this relationship does exist in different contexts (Chi & Gursoy 2009; Czepiel, Surprenant & Solomon 1985; Schlesinger & Zornitsky 1991). The results of recent theoretical studies showed that the employee experience does influence CE. Employees' satisfaction, loyalty, and level of emotional intelligence can guide the evaluation of customer experience and overall firm performance (Hwang & Seo 2016; Solnet, Ford & McLennan 2018). Employee experience is measured through employee satisfaction, loyalty, and engagement with their job (Meyer & Schwager 2007). The current researcher adopted five items to measure employee performance from the organisational perceptive (Harter, Schmidt & Hayes 2002; Heskett et al. 1994; Hooley et al. 2005; Lashley 2008; Lemke, Clark & Wilson

2011; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009) and their level of emotional intelligence while dealing with customers (Schmitt 1999, 2010; see Table 3.8). This led to the development of the following hypothesis:

H5: A positive association exists between employee experience and customer experience

Table 3.8 *Summary of the Measurement Items for Employee Experience (EX)*

Measurement items	References
Levels of employee satisfaction with their jobs compared to competitors	(Harter, Schmidt & Hayes 2002; Heskett et al. 1994; Hooley et al. 2005; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009)
Levels of employee loyalty with the company compared to competitors	
Levels of employee engagement compared to competitors	
Levels of employees' emotional intelligence skills while they are dealing with customers compared to competitors	(Lashley 2008; Lemke, Clark & Wilson 2011)
The Employee Experience Metrics	(Schmitt 2010)

3.4.3.2 Customer Experience Performance (CEP)

Customer experience performance is described from the organisational perspective, meaning satisfaction, acquisition, and retention (Solnet, Ford & McLennan 2018). Customer experience performance as an outcome has been predicted by a firm's service orientation (Schneider, White & Paul 1998) and an organisational climate construct comprising four factors: cooperation/coordination, customer orientation, employee commitment, and managerial consistency (Rogg et al. 2001). All these factors were included in the current study. As suggested by the service-profit chain theory, the relationship between customer experience and organisational performance should be positive. Better customer experience performance should reflect similarly high organisational performance measures (Heskett et al. 1994; Solnet, Ford & McLennan 2018). Overall customer experience performance was measured in terms of meeting the requirements for satisfaction, acquisition, and retention (Solnet, Ford & McLennan 2018). The measures in the current study were based on the triadic method of comparison (Athanassopoulos & Iliakopoulos 2003; Grønholdt et al. 2015; He, Li & Lai 2011; Homburg, Jozić & Kuehnl 2017; Homburg & Pflesser 2000; Hooley et al. 2005; Rapp, Trainor & Agnihotri 2010; Schneider & Bowen 1999; Theoharakis, Sajtos & Hooley 2009), wherein the customer compares the firm they go to, to their direct competitors (see Table 3.9).

Table 3.9 *Summary of the Measurement Items for Customer Experience Performance (CEP)*

Measurement items	References
Levels of customer satisfaction compared to competitors	(Grønholdt et al. 2015; He, Li & Lai 2011; Homburg & Pflesser 2000; Homburg, Jozić & Kuehnl 2017; Hooley et al. 2005; Rapp, Trainor & Agnihotri 2010; Schmitt 2010; Theoharakis, Sajtos and Hooley 2009)
Levels of customer loyalty compared to competitors	
Levels of customer acquisition compared to competitors	
Levels of customer retention compared to competitors	
New Customer Experience Metrics	(KPMG 2019; Schmitt 2010)

3.4.3.3 Organisational Performance (OP)

The measures in the current study were based on the triadic method of comparison (Grønholdt et al. 2015; He, Li & Lai 2011; Homburg, Jozić & Kuehnl 2017; Homburg & Pflesser 2000; Rapp, Trainor & Agnihotri 2010; Theoharakis, Sajtos & Hooley 2009), where the customer compares his/her experience with one firm to its direct competitors. Four items were adopted to measure organisational performance using subjective assessments of the business unit's performance relative to other competitors in the same industry: profitability, revenue, market share, and ROI. These items represented the performance outcomes expected from CRM, EPR, and B2B (Grønholdt et al. 2015; Homburg & Pflesser 2000; Hooley et al. 2005; Solnet, Ford & McLennan 2018; Theoharakis, Sajtos & Hooley 2009; see Table 3.10). Thus, the hypothesis concerning customer experience and organisational performance is written here:

H6: A positive association exists between customer experience performance and organisational performance

Table 3.10 *Summary of the Measurement Items for Organisational Performance (OP)*

Measurement items	References
Overall profitability achieved compared to competitors	(Chang, Park & Chaiy 2010; Coltman, Devinney & Midgley 2011; Griffin & Page 1993; Grønholdt et al. 2015; Homburg & Pflesser 2000; Hooley et al. 2005; Hult et al. 2008; March & Sutton 1997; Moorman 1995; Moorman & Rust 1999; Rapp, Trainor & Agnihotri 2010; Richard et al. 2009; Singh, Darwish & Potočnik 2016; Narver and Slater 1994; Solnet, Richard Ford & McLennan 2017; Theoharakis, Sajtos & Hooley 2009; Vorhies & Morgan 2005)
Revenue compared to competitors,	
Competitive position (Market share) compared to competitors	
Return on investment (ROI) compared to competitors	

3.5 Chapter Summary

In this chapter the selection of the dependent, independent, and mediating variables that helped develop the hypotheses for this study was clarified. The conceptual framework was based on two theories that guided the study—dynamic capabilities and service-profit chain. Furthermore, how these theories were applied to the concept of customer experience management was explained. Other researchers have observed that customer experience management is affected by organisational cultural capabilities. The author of this thesis hypothesised these capabilities influence employee experience, customer experience, and firm performance. The six hypotheses guiding this study were identified and explained in detail in this chapter.

Chapter 4: Research Methodology

4.1 Introduction

The previous chapter discussed the conceptual framework and hypotheses of this study. This chapter describes the research paradigm, research design, methodology, population and sample, research instrument, data collection and analysis strategies, and ethical considerations. It is important to explain the philosophical focus of this topic in further detail, because it reflects the nature of the research design.

4.2 Research Paradigm

All research aims to solve a real-life problem and ideas on how to solve it derive from the research paradigm that has been chosen. A paradigm has been defined by Guba and Lincoln (1994) as 'a set of fundamental beliefs … that deals with the ultimate or first principles. It represents a worldview that defines, for its holder, the nature of the world, the individual's place in it, and the range of possible relationships between that world and its parts' (p. 107). The research philosophy contains important assumptions about different ways to see the world (Mertens 2007; Saunders, Lewis & Thornhill 2009). In other words, the paradigm is the philosophy guiding the study and what the researcher is investigating (Johnson & Clark 2006).

According to Guba and Lincoln (1994), three types of assumptions are usually used to define a paradigm: ontological, epistemological, and methodological. Anything that is not real or does not exist is excluded from being ontology (Scotland 2012). When a researcher assumes that certain organisational factors have a positive effect on performance—and, at the same time, such a relationship is independent of any interference on the part of the researcher—it can be perceived as an ontological assumption. Epistemology is the philosophy that researchers use in determining what can be known in the field. The researcher decides the epistemology of the study by determining whether to be close to the participant, for example, by conducting a personal observation or an online survey (Mertens 2007). Thus, epistemology depends on the type of ontology in which the researcher is interested.

The way in which a researcher conducts his or her work is called the methodology. This dictates how the researcher collects knowledge and utilises a systematic approach to establish reality (Kothari 2004). Any methodology must be based on ontological and epistemological assumptions. Easterby-Smith, Thorpe and Jackson (2012) identified three reasons why philosophy is important. They claimed that philosophy helps to redefine and identify the method and strategy to be used. Understanding a research philosophy makes it possible to evaluate different methodologies and methods and identify the limitations in all approaches. Moreover, philosophy improves the researcher's skills when choosing methods that were previously outside of their experience.

When commencing a research design, the paradigm must be determined. The paradigm guides the conduct of the research based on the nature of the information required (Collis & Hussey 2013). Saunders, Lewis and Thornhill (2009) defined a paradigm as the way of examining the phenomena from which these phenomena can be understood. A review of the literature revealed four paradigms: positivism, post-positivism, constructivism, and pragmatism (Bell, Bryman & Harley 2018; Creswell & Creswell 2017). The research paradigm selected for this study was post-positivist. According to Fetters, Curry and Creswell (2013, p.7):

> The knowledge that develops through the post-positivist lens is based on careful observation and measurement of the objective reality that exists 'out there' in the world. Thus, developing numeric measures of observations and studying the behaviour of individuals becomes paramount for post-positivism.

This lens proved to be the most suitable for the thesis for many reasons; firstly, it is built on the theory. The current model highlights what affects customer experience management, customer experience performance, and organisational performance based on previously established theories: dynamic capability and service-profit chains. Fetters, Curry and Creswell (2013) stated that a study is deemed to be post-positivist whenever it is built on a theory. It is also a matter of investigating what features influence the management of customer experience. Guba and Lincoln (1994) argued that post-positivism is a philosophy that answers questions on the reality by establishing cause-and-effect relationships. Lastly, developed here is a set of hypotheses designed to address the underlining theory. Bell, Bryman and Harley (2018) and Fetters, Curry and Creswell (2013) asserted that the post-positivist philosophy is based on the reductionist assumption, one which attempts to summarise ideas and theories into

hypotheses. Table 4.1 below explains the paradigms that this researcher considered in terms of ontological, epistemological, and methodological choices.

Table 4.1 *The Assumption of the Current Study Paradigm*

Type of assumption	Definition
Philosophical assumption	Post-positivism philosophy
Ontological assumption (the nature of reality)	A set of hypotheses to be tested
Epistemological assumption (what constitutes valid knowledge)	Hypothetical-deductive method attempts to answer the questions and test the hypotheses by developing a questionnaire as a research instrument
Methodology	Using a quantitative methodology to test the cause-and-effect relationships

4.3 Research Design

Designing how a project is to be conducted is one of the critical steps of performing a study. Sekaran and Bougie (2016) explained how the research design characterises whether the stud is, for example, explorative, descriptive, or hypothesis testing, the type of investigation (e.g., cause-and-effect, correlations), and finally what period of time is being considered (e.g., cross-sectional, longitudinal). During the planning phase, the populations, the processes of gathering and collecting information, and the research methods are chosen. The research methodology is not the same as the research methods as discussed in a previous section; methods include all techniques used to conduct research, including data collection processes, respondent selection criteria, instruments to collect data, and statistical techniques for data validation and testing (Kothari 2004). In the following sections the rationale behind the research design and methods adopted for this thesis is explained.

Based on the above, the present study methodologically is purely quantitative for the following reasons. First, the adoption of a qualitative approach aligns with the principles of the post-positivist philosophy. Second, the study includes a set of hypotheses and a questionnaire to test those hypotheses which are considered a paramount ingredient for such studies. Third, the researcher intended to determine whether certain factors exert a greater effect on consumer experience and firm performance (Fetters, Curry & Creswell 2013).

4.4 Participants

In order to determine the participants and the sample size, three main issues need to be considered, namely: the level of precision, the confidence level, and the strategies used in determining the sample size. Sampling error indicates how close the estimation of the sample is to the true parameters sample (Hair et al. 2014; Kothari 2004; Sekaran & Bougie 2016). The smaller the variability between the sample and the sample mean, the greater the probability that the sample is a good representative of the population (Sekaran & Bougie 2016). Hair et al. (2014) argued that researchers usually follow several strategies, such as using the whole population as a sample, using certain equations to calculate the sample size, or using a sample size of previous similar studies.

The current researcher followed several stages in selecting the sample (see Figure 4.1), beginning with identifying the target population of employees from the H&T industry. Overall, the target population included around 288,614 employees in this sector. The H&T industry was chosen as the context for this study for several reasons. Potential participants on the human side such as employees and HR functions are critical for the success and survival of the firm, through their intimate interactions with customers, employees, etc., which create memorable experiences and relationships. The literature supports the notion that HR practices have a direct impact on customer loyalty, service quality, satisfaction, and firm performance. Schmitt (2010) and Zhang, Kandampully and Choi (2014) stated that if firms take care of their employees, they will consequently take care of the customers, leading to customer satisfaction and retention.

The tourism industry is now one of the largest and most important sectors in many countries. It contributes to more than 9% of GDP and represents 10% of employment worldwide (Limpanitgul et al. 2013). The number of tourism-related firms is growing, resulting in intense competition between companies. As such, the pursuit of customer experience is considered an essential strategy to capture, distribute, and apply customer knowledge in order to create unique customer experiences and enhance profitability (Garrido-Moreno & Padilla-Meléndez 2014; Gretzel et al. 2015). Secondly, the study's sampling frame included all top management in the H&T industry. In order to reduce the number of errors and allow for greater confidence in making statistical inferences from the sample in regard to the larger group, the researcher specified a nonprobability purposive sampling. Here the focus is on the management level in customer experience, customer service, and customer success departments. Because the concept of customer experience is relatively new, the possibility that customer experience

departments collaborate with other departments during planning and implementation, such as IT, human resources, and sales, was taken into account. This sample was chosen because it is the main driver responsible for customer experience management. Also, the respondents in the sample have delivered the experience from the organisational to the customer level.

Based on the above, only one sample consisting of 250 respondents was employed. Previous scholars have recommended a critical sample size of 200 as enough to provide sufficient statistical power for data analysis and obtaining reliable results (Garver & Mentzer 1999; Hoelter 1983). For covariance-based SEM, Nasser and Wisenbaker (2003) stated that it is generally advisable that the 'sample size should exceed 100 observations regardless of other data characteristics to avoid problematic solutions and obtain acceptable fit concurrently' (p. 754). Many researchers have recommended a minimum sample size of 100-150 cases for conducting SEM (Anderson & Gerbing 1988; Kenny & McCoach 2003; Tinsley & Tinsley 1987) to avoid results that cannot be interpreted, such as negative variance estimates (i.e., Heywood cases) or correlations greater than one (i.e., improper solutions; Dillon, Kumar & Mulani 1987; Marsh et al. 1998). After filtering the data, it emerged that only 175 respondents were from the H&T industry.
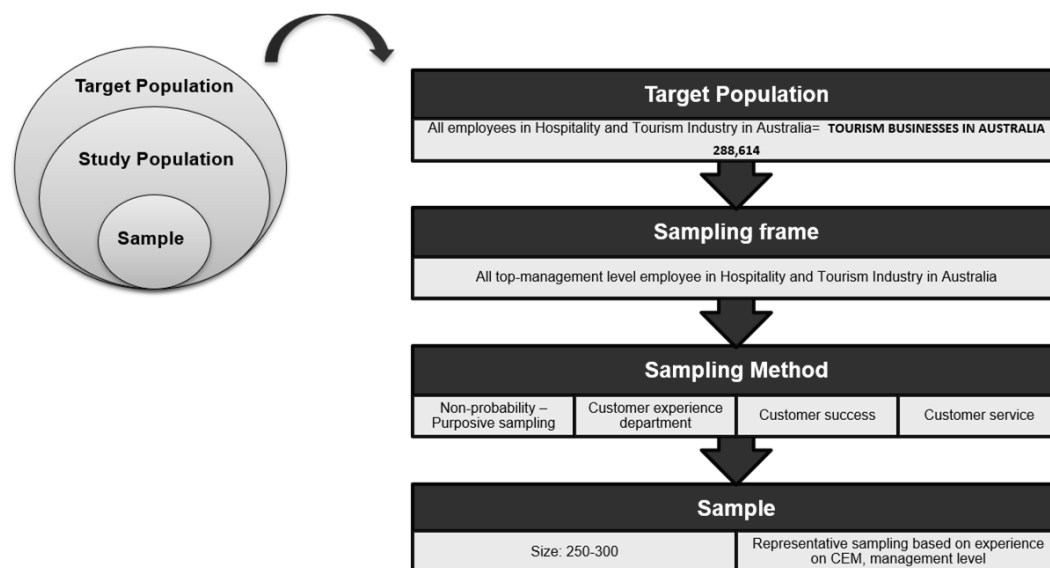
Figure 4.1 *Sampling Stages*

The sampling frame was obtained from two different market research companies called CINT and ASKABLE. The reason for using two agencies was due to the niche audience of managers in the areas of customer experience in the H&T industry. Both agencies helped the author of this research at different stages: the pilot study and the main study, respectively. In the current study, the representative sample parallels key variables and characteristics of the wider society under examination. The screening questions that the agencies asked potential participants related to management level, industry type, job title, years of experience, industry size, gender, age, education level, and marital status.

4.5 Recruitment Method

The prospective survey participants from the management level were asked to participate in the study by an email/message through their association membership with the recruiting agency (CINT/ASKABLE). Those who were interested in completing the survey clicked on a screening questionnaires link and were directed to the Qualtrics website. Qualtrics maintained data protection and encoded participants ' information. As a result, the researcher had no relationship with the prospective survey participants, and they could not be identified.

The researcher conducted this study in three stages. First, the researcher authored the invitation email/message, including the Qualtrics link of the survey. This was sent to the CINT/ASKABLE Agency to ask for their assistance to deliver the email to the target audience. Secondly, participants received the invitation email directly from a CINT/ASKABLE Agency worker. If the email recipient agreed to take part in the survey, they clicked on the link and were directed to the Qualtrics survey. Finally, the participants had the choice to consent to take part through a question on the front page of the survey; if the participants did not agree to participate, the survey ended immediately. If the participants agreed, they implied their consent to take part in and went on to complete the survey. The survey was written in English and took approximately 20-25 minutes to complete.

4.6 Demographic Characteristics of the Sample

The demographic characteristics of a targeted group are used to differentiate the group (Preston, Heuveline & Guillot 2001). For the general organisation, these characteristics included size (i.e., the number of employees), duration of business, and industry type. For the individual participants, the characteristics included gender, age, education level, and

occupation. A detailed discussion of the demographic statistics for the purposes of exploring the potential influence on customer experience management is presented in Chapter 5.

4.7 Instruments

Because the current researcher adopted a post-positivist philosophy, the selected instrument was a questionnaire. Malhotra (2006) defined the questionnaire as a standardised collection of numerical data to facilitate coherence and consistency in data. This is the most suitable approach for collecting a large amount of data; surveys provide a relatively effective method for obtaining information and generalising research findings based on the sample involved (Creswell & Creswell 2017; Fetters, Curry & Creswell 2013; Robson & McCartan 2016). Furthermore, this study adapted the organisational cultural capabilities from the market orientation scale, used by Narver and Slater (1994), Hurley and Hult (1998), and Nasution and Mavondo (2008). Validity of the first part of the conceptual framework has been proven in the literature while the longitudinal relationship of the cultural factors influenced the operational capabilities and what this meant value-wise to customers and business performance. The other part of the conceptual framework was adapted from the customer relationship management scale developed by Sin, Tse and Yim (2005), Jayachandran et al. (2005), and Wang and Feng (2012). Both scales were only slightly modified to fit the customer experience management context. Other factors were added to the instrument to represent the customer experience management practice based on the recommendations of practitioners, academics in the fields, other CE consulting agencies, and industrial reports and case studies on CEM.

Churchill (1979) claimed that researchers need to follow specific stages and/or steps to create an effective research instrument. These stages and steps are shown below in Table 4.2. Stage 1 involved defining the various factors contained in the conceptual model (i.e., specifying the domain and dimensions of each construct and generating the items for measuring). Stage 2 required contextualising the instrument to be ready for review in focus group or interview scenarios. In Stage 3, the researcher validated the relevance of items through consistency test of the established items, and then in stage 4 reviewed the instrument to guarantee the validity and reliability. The last stage entailed reviewing and pre-testing/pilot testing the instrument. In the following section, the researcher defines the constructs used for this study.

Table 4.2 *Stages and Steps of Instrument Development (Churchill 1979)*

Stages	Steps	Techniques
Define the preliminary instrument	• Specify the domain and dimensions of each construct • Generate a sample of measurement items	Literature Review
Contextualise the instrument	• Organise focus group discussions or interviews	Expert review & interview
Validate the relevance of items	• Obtain agreement on survey items	
Review the instrument	• Pre-test • Pilot test the instrument	Survey & interview

4.8 Items Pooling

After the researcher defined the main constructs in Chapter 3, it was then necessary to explore these constructs using the previously reported steps. As a result, a set of 130 items related to the research constructs were collected from the review of relevant literature. These items were shortlisted from the pool based on their relevance to a construct, with the aim of measuring a unique phenomenon only once in a construct.

4.9 Scale Development

The conceptual framework is divided into two parts as explained in Chapter 3. The first part includes the organisational cultural capabilities and the implementation of CEM, which agrees with the work done by Hooley et al. (2005), Stewart, Chimhanzi and Mavondo (2005), and Nasution and Mavondo (2008). They provided empirical evidence about the relationship between market and learning orientation, employee intrapreneurship, and performance (i.e., customer satisfaction, marketing effectiveness and financial). This resulted in the collection of survey items to measure learning orientation, customer orientation, and employee intrapreneurship. The second part is in line with Hong et al. (2013), Heskett et al. (1994), Heskett, Sasser and Schlesinger (2004), and Solnet, Ford and McLennan (2017), who provided empirical evidence for the relationship between internal service quality, employees, customers, and firm performance. This resulted in the collection of survey items to measure customer experience management, employee experience, customer experience, and organisational performance.

To measure these constructs, a research instrument called 'scaling' was considered. Researchers use scaling to determine how individuals differ in their responses to each variable being assessed (Sekaran & Bougie 2016). DeVellis (2016) stated there are four different types of scales: nominal, ordinal, interval, and ratio. The nominal scale involves assigning respondents to groups and categories, such as employed versus unemployed or male versus female. While considered primitive, such a scale can be used to facilitate a better understanding of critical relationships (Sekaran & Bougie 2016). Ordinal scales offer more information than nominal scales by ordering or ranking factors (Rosenbek et al. 1996; Sekaran & Bougie 2016).

Interval scales are commonly used in quantitative studies (Rosenbek et al. 1996). This type of instrument makes it possible to utilise calculation operations in analysing the collected data. An example of the interval scale is the Likert scale (Sekaran & Bougie 2016). Various types of Likert scales exist, including five-, seven-, and nine-point versions. Through interval scales, researchers can easily extract means, variance, and standard deviations (Hinkin 1998). The ratio scale is the most powerful and can be used to determine information obtained from all other scales. Its strength lies in its capacity to establish absolute data values (DeVellis 2016; Rosenbek et al. 1996; Sekaran & Bougie 2016). Based on the above, the researcher sought to utilise nominal scales in measuring the demographics of the samples. Moreover, since the current study focused on measure subjective rather than objective measures, it was appropriate to use interval scales such as a seven-point Likert scale that ranged from *Strongly disagree* (1) to *Strongly agree* (7). The survey instructions required the respondents to indicate the extent to which they agreed or disagree with the provided statements. This led to the identification of 56 measurement items, which are presented in Appendix A.

4.10   Validating the Relevance of Items

Numerous tests and measurement were considered to assure that the measurement items were valid and reliable. The main aim was to confirm that the constructs measured were the same as those intended by the researcher. It is critical to measure validity and reliability if the research instrument is to be considered worthwhile. The validity and reliability of the selected instrument was checked by engaging a panel of experts from customer experience consulting agencies, as well as other experts in the field. The contact details of the interviewers were obtained randomly while the remainder were recruited by the CINT Agency using specific screening questions to ensure they met the target audience criteria. Ten interviews were

conducted after obtaining considerable feedback on the customer experience management constructs, resulting in the addition of several items and measures.

4.11   Pre-Testing Research Instrument

As the last stage of devising a research instrument, a pre-test phase is common to enhance data integrity. This process relies on a panel of experts who can evaluate the validity of the instrument (Rothgeb, Willis & Forsyth 2007; Van Teijlingen & Hundley 2001). Through this process, researchers can ensure that the questions are clearly articulated and that the options are relevant, comprehensive, and mutually exclusive—not just in their assessment, but in those of the respondents. Thus, a pre-test of the survey was conducted to assess the instrument's comprehensibility and clarity (Van Teijlingen & Hundley 2001). Those eligible to be on the expert panel were approached by RMIT University academic staff and the customer experience company employees and requested to take a pre-test. They were asked to rate the degree of relevance of each of the questions on a seven-point, Likert-type scale ranging from 1 (*Strongly irrelevant*) to 7 (*Strongly relevant*) to evaluate the questionnaire and determine whether it met the criteria. The checklists of the questions were adopted from Van Teijlingen and Hundley (2001):

ADMINISTRATION

- How long does the survey take to complete?
- Did the time to complete the survey vary widely among the test participants?
- Are the instructions for each section clear and unambiguous?
- Did you thank the respondents for their time?

ORGANISATION

- Do the different sections flow reasonably from one to the next?
- Are all questions necessary in order to collect information on your topic?
- Are the questions within each section logically ordered?

CONTENT

- Are the questions direct and concise?
- Are the questions measuring what they are intended to measure?
- Are the questions free of unnecessary technical language and jargon?
- Are examples and analogies relevant for individuals of other cultures?

- Are questions unbiased?
- Are there questions that make respondents feel uncomfortable, embarrassed, annoyed, or confused? If so, can these be worded differently to avoid doing so?
- Are the response choices mutually exclusive and exhaustive?
- Are all response options necessary for inclusion?

The results of the pre-test indicated that most of the questionnaire items were easily understood and linked to the variables. Other terms were also changed based on the practitioners' recommendations. The pre-test participants took between 20 and 25 minutes to complete the survey. To measure the consistency among academics and practitioners, inter-rater reliability was used to match measurement between two or more experts in their evaluations of the constructs' relevance (Shrout & Fleiss 1979; Straub 1989). This measurement helped determine the interclass correlation coefficient between the experts, and represented the level of agreement between the experts, which reflected reliability and stability. These measurements took the form of a correlation coefficient and a high coefficient (Shrout & Fleiss 1979). The data were entered into SPSS Statistics 23 to calculate reliability.

4.12   Pilot-Test Research Instrument

In the literature review, there is no clear guidance on the number of experts required for the pilot-test of the instrument. Straub (1989) argued that it can be between two and 20 experts, while others have claimed that it should be 10% of the proposed sample size. In the current study, this would require a convenience sample of 30 participants comprised of upper-level management and academics with relevant backgrounds in customer experience fields. The reason for undertaking a pilot-test was to help identify potential issues that could have affected the success of the study and determine whether the research was feasible, realistic, and rational from start to end. Once the pilot-testing was complete, final revisions to the survey process were done and the survey was ready for administration (Van Teijlingen & Hundley 2001).

4.13   Data Analysis

Data analysis is the process of interpreting the collected data in order to achieve the research objectives (Creswell & Clark 2017; Zikmund, Carr & Griffin 2013). This research adopted a five-stage approach to validate the proposed conceptual framework and test the hypotheses: (a) preliminary analysis, (b) dimensionality assessment, (c) full measurement

model validity assessment, (d) structural model validity assessment, and (e) structural model analysis (Hair et al. 2018). The first four stages involved testing the reliability and validity of the construct, as well as the fitness of the full measurement model with the survey data. The two steps are discussed in greater detail in Chapter 5, while the last steps are discussed in Chapter 6. The last stage involved testing the structural model, including the hypothesis testing. The researcher used SEM as the primary data analysis technique for testing hypotheses. Figure 4.2 illustrates the five steps that were adhered to in this study (Hair et al. 2014).
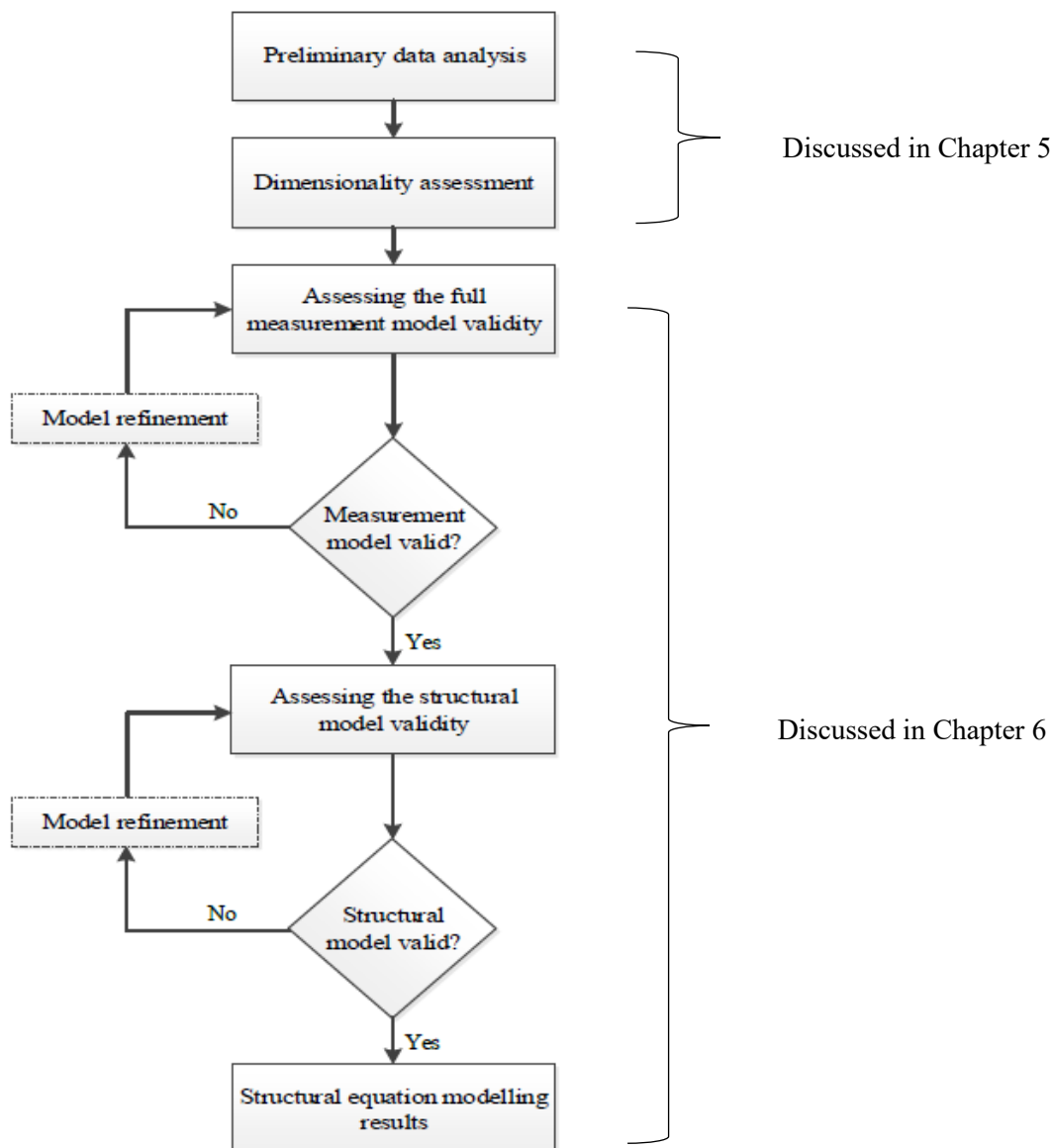
Figure 4.2 *Data Analysis Process by* Hair et al., 2014

4.13.1 Structural Equation Model

The use of a structural equation model (SEM) is appropriate for this study for several reasons. First, this is a common approach in the social sciences (Bandalos 2002; Anderson & Gerbing 1985) and the most widely employed for analysing multivariate data (Hair et al. 2014). Second, this technique is appropriate when theoretical information is limited (Chin, Marcolin & Newsted 2003), for example in the field of customer experience. Third, customer experience management research very often involves an analysis of the relationships among abstract concepts. It is a powerful technique because it combines measurement models (confirmatory factor analysis) and structural models (regression analysis) into a simultaneous statistical test (Kaplan 2009). Fourth, SEM has become the dominant analytical tool for testing cause-effect-relationships models with latent variables (Hair et al. 2012). Fifth and finally, it is a holistic method that can assess the validity and reliability of constructs (Wasko & Faraj 2005), enabling researchers to more easily use both reflective and formative measurement scales (Chin 1998; Reinartz, Haenlein & Henseler 2009).

The SEM represents the strength of the path between constructs by examining how each single construct is related to another, so it is examined after the validity of the full measurement model is confirmed (Hair et al. 2018). This analysis assessed the magnitude of variance explained for each dependent variable (R^2), the paths coefficient, and the *p*-value (Byrne 2013). Several GOF indices—such as $\chi 2/df$, GFI, AGFI, CFI, TLI, NFI, RMSEA, and SRMR—were examined. If the GOF values of the structural model fell within the recommended threshold values, the structural model proceeded for the path analysis. The path coefficient shows the strength, nature, and significance of each relationship between a construct; it also indicates whether the hypotheses are accepted or rejected (Byrne 2013; Hair et al. 2018; Schumacker & Lomax 2004). In SEM, it is critical to ensure that the model has appropriate GOF indices values; if the structural model does not present adequate validity, the model must be modified (Hair et al. 2018). Examined here were several GOF indices, as mentioned in the CFA test, such as $\chi 2/df$, GFI, AGFI, CFI, TLI, NFI, RMSEA, and SRMR. Structural equation modelling was conducted using AMOS software to address the research questions and test the hypotheses. The results are presented in the next section.

4.14   Ethics and Limitations

The researcher followed the guidelines of the RMIT Ethics Committee, and its processes helped develop an Ethics Committee proposal for this topic. This committee is run according to 157 international best practice standards. Approval was sought from the Ethics Committee of the RMIT University by submitting an ethics application to BCHEAN sub-committee, which was approved (see Appendix B). As shown in the Participant Information Sheet(s) and Consent Form(s) attached in Appendix C, the participants were provided with a detailed description of the project, including: introductory information about the researcher and supervisor; their affiliations; the title, background, nature and objectives of the research; the voluntary nature of participation; the rights of people involved; the level of participation required; and a statement that all people in the organisation were being surveyed. Participants encountered these documents in the opening page upon clicking the Qualtrics link. Agreement to the procedures and informed consent was collected through this first question on the survey, and those who did not agree were sent to a disqualification page and thanked for their time.

The prospective survey participants were asked to take part by an email invitation from an ASKABLE agent based on their membership of the association. Those who were interested in completing the survey clicked on the survey link and were directed to the Qualtrics website. The research student had no relationship with the prospective survey participants, and they could not be identified. All information collected was strictly confidential and could only be accessed by the researcher and her supervisor. There was no perceived risk outside the respondents' normal day-to-day activities. All data will be kept securely at RMIT University for 5 years after the completion of this study before being destroyed.

4.15   Chapter Summary

This chapter presented the conceptual framework devised to explore the organisational cultural capabilities that influence CEM. This framework was based on a comprehensive review of the literature on CEM, and how CEM functions in the H&T industry. The constructs and measurements items of the conceptual framework were adequately defined to facilitate the survey instrument for data collection. The framework provided a foundation for better understanding the organisational perspective of CEM and determining how organisational culture impacts on customer experience in the H&T industry.

Chapter 5: Data Analysis

5.1 Introduction

Understanding, preparing, and coding the dataset is critical for conducting multivariate analysis (Hair et al. 2018). A focus on these procedures can help researchers to save time, avoid mistakes, and reduce measurement errors in the data analysis process (Tabachnick & Fidell 2013). It also helps to filter the data so that they can be easily stored, transformed, retrieved, and maintained (Hair et al. 2018). Data preparation, examination, and analysis processes are important preliminary steps for understanding the dataset (Hair et al. 2018). It involves analysing missing values, identifying outliers, testing normality, and evaluating the presence of non-response bias and common method bias (Straub et al. 2004). This also requires assessing the reliability of the constructs, as well as the content validity, factorial validity, and construct validity of the measurement instrument (Hair et al. 2018).

Described in this chapter are the data preparation, examination, and analysis processes, including the methods to identify anomalies in the dataset. This is followed by details on preparations undertaken to prepare the data for analysis. The rest of this chapter is organised into seven sections. Section 5.1 describes the preliminary data analysis. Section 5.2 presents the results of the dimensionality examination and the initial reliability assessment. Section 5.3 outlines the results of the steps taken to assess the factorial validity of the measurement instrument. Section 5.4 describes the goodness of fit (GOF) test conducted to ensure the full measurement model's validity. The process of model evaluation continued through refinement and retesting until the validity of the one-factor congeneric model and the full measurement model were confirmed. Section 5.5 ends the chapter with a summary.

5.2 Preliminary Data Analysis

The first step of the data analysis process was the preliminary check. This was done to prepare and clean the dataset for SEM examination (Sekaran & Bougie 2016), and it is an essential step to evaluate the readiness of the data to ensure the validity of the dataset for further investigation. It also serves to ensure that the assumptions underlying the multivariate analysis lead to a better understanding of the data characteristics (Cruz 2009; Hair et al. 2014). Six

preliminary tasks were undertaken as follows: missing data assessment, outlier assessment, normality assessment, non-response bias assessment, reliability assessment, and multicollinearity assessment. These were all done using SPSS software.

5.2.1 Data Preparation

The data collection process was conducted in Australia via online-based surveys. A total of 500 surveys were distributed. Initially, 206 cases were received. The data were entered for the data preparation process employing Microsoft Excel 2016, Statistical Package for Social Sciences (SPSS) version 25 and Analysis of the Moment Structure (AMOS) version 25. All responses were assigned numerals or other symbols to the answers so that the data could be easily transferred in an identifiable form (Saunders, Lewis & Thornhill 2011). The initial 212 responses from the survey were screened to eliminate invalid responses; no cases were deleted.

5.2.2 Missing Data Analysis

During missing data assessment, there were no uncompleted values of the measurement items in the survey instrument (Hair et al. 2014). Missing data can affect the integrity of the dataset and the sample size (Byrne 2013; Hair et al. 2014). It casts a shadow on the accuracy of the estimated parameters and the fitness of the SEM model (Kaplan 2009). It is essential, therefore, to handle missing data to improve the accuracy of the findings. Because this survey was online, the researcher addressed the missing data by taking preventive action to ensure that the data were free from any missing values. Participants were reminded that they could not proceed to the next section unless all the questions were answered. Consequently, no cases were removed from the current dataset.

5.2.3 Outliers Examination

Outliers are defined as data values that are different from the rest of the data values (Byrne 2013; Hair et al. 2014). In the data analysis process, it is important to identify outliers because they influence the model fit estimation, standard errors, and parameter estimation (Byrne 2013; Gallagher, Ting & Palmer 2008). Outliers exist due to errors in observation, data entry, and instrumentation (Schumacker & Lomax 2012). Multivariate outliers were identified through the use of Mahalanobis distances on the nine constructs. The researcher computed the Mahalanobis distance ($D2$) for all nine measurement constructs (Hadi 1992; Hair et al. 2014).

D2 is used to measure the distance between a single observation and the mean of all the observations in a given study (Kline 2015). Through this assessment it was possible to identify 16 multivariate outliers and subsequently removed these from the study. This reduced the final sample size from 212 to 196 cases, then to 178 due to the homogeneity of the sample population. Table 5.1 presents the 16 observations with the *D2* values greater than 1. Finally, the remaining 178 cases were used for subsequent analysis.

Table 5.1 *Summary of Multivariate Outlier Test Results*

Case number	Mahalanobis distance (*D2*)	Probability_MD	Outliers
12	17.364	0.001	1.000
4	29.400	0.000	1.000
3	29.427	0.000	1.000
13	17.242	0.001	1.000
15	16.828	0.001	1.000
8	22.741	0.000	1.000
14	17.067	0.001	1.000
1	42.054	0.000	1.000
16	16.590	0.001	1.000
10	18.795	0.000	1.000
2	32.721	0.000	1.000
6	26.895	0.000	1.000
5	28.367	0.000	1.000
7	24.330	0.000	1.000
9	20.662	0.000	1.000
11	18.334	0.000	1.000

5.2.4   Normality

Assessing the normality of a dataset is required before analysing the data using SEM; this process focuses on approximating the distribution of the dataset as normal (Byrne 2013; Hair et al. 2014) so that more accurate results are obtained (Hopkins & Weeks 1990). Non-normal data distribution often leads to invalid research findings in specific situations (Byrne 2013). In this research, the normality of the dataset was examined statistically through the use of the skewness and kurtosis measures for each item in the study. The skewness and kurtosis affect the reliability of the data analysis outcomes in any research (Byrne 2013). Skewness concerns the orientation of the data shifting from one direction (right or left) or another (Hair et al. 2014). It influences the algorithms used in testing the mean (Byrne 2013). Kurtosis concerns the flatness of the data distribution compared to the normal distribution (Hair et al.

2014). It influences the calculation of covariance and variance (Byrne 2013). For SEM, the acceptable values for skewness and kurtosis are within the $\pm$ 3.00 and $\pm$ 10.00 ranges, respectively (Byrne 2013). Examined here was the skewness and kurtosis of the individual survey items and the overall constructs. As shown in Table 5.2, the skewness values ranged between -2.20 and 0.857, while the kurtosis values varied between -0.94 and +7.04. There the individual survey items had levels of skewness and kurtosis that fell within the acceptable ranges for normality.

Table 5.2 *Summary of the Skewness and Kurtosis for Items*

Construct	Survey Item	Skewness	Kurtosis
Learning Orientation Culture	LOCL1	-1.02	0.84
	LOCL2	-1.26	1.36
	LOOM1	-1.18	1.13
	LOOM2	-0.88	0.48
	LOSV1	-0.53	-0.27
	LOSV2	-1.1	1.44
	LOSV3	-1.19	1.51
	LODT1	-1.03	0.92
	LODT2	-0.6	-0.28
	LODT3	-0.94	0.84
Customer Orientation	COCO1	-1.48	2.24
	COCO2	-1.23	1.28
	COCO3	-1.7	3.2
	COCO4	-1.26	2.28
	COLN1	-1.12	1.27
	COLN2	-1.7	4.37
	COIFC1	-0.68	0.11
	COIFC2	-1	0.98
Employee intrapreneurship	EIAF1	-1.38	2.3
	EIAF2	-2.2	7.04
	EIAF3	-1.29	2.25
	EIFW1	-0.77	0.1
	EIFW2	-0.67	0.3
	EIFW3	-0.88	0.01
	EIFW4	-1.12	0.98
	EIIS1	-0.53	0.05
	EIIS2	-1.17	1.39
CX Human Resource practice	CXHR1	0.44	-0.94
	CXHR2	-0.77	-0.21
	CXHR3	-0.47	-0.89

	CXHR4	-0.69	-0.23
CX Leadership	CXLEM1	0.86	0.13
	CXLEM2	-0.85	-0.01
	CXLCO1	-1.14	0.94
	CXLCO2	-0.94	0.32
	CXLCV1	-1.08	0.78
	CXLCV2	-0.99	0.43
CX IT/Database supports	CXIT1	-0.64	-0.43
	CXIT2	-0.46	-0.79
	CXIT3	-0.68	-0.42
	CXIT4	-0.52	-0.89
	CXITDT1	-1.03	0.53
	CXITDT2	-0.8	0.01
	CXITDT3	-0.87	0.26
	CXITDT4	-1.09	1.17
Customer Experience Performance	CXP1	-0.05	-0.06
	CXP2	-0.43	-0.08
	CXP3	-0.23	0.05
	CXP4	-0.21	-0.04
Employee Experience	EXP1	-0.35	0.49
	EXP2	-0.51	-0.07
	EXP3	-0.52	-0.07
	EXP4	-0.37	-0.05
Organisational Performance	OP1	-0.34	-0.09
	OP2	-0.36	-0.13
	OP3	-0.19	-0.05
	OP4	-0.42	-0.18

5.2.5   Non-Response Bias Testing

Non-response bias refers to the bias that exists when a group of respondents differs from another group (Hair et al. 2014). The assessment of non-response bias is important to ensure that the collected data remain representative of the study population (Okoli & Pawlowski 2004). The existence of non-response bias is a concern for researchers when they collect data via a survey instrument (Ihtiyar, Barut & Ihtiyar 2019). This is because non-response bias influences the generalisability of findings (Hair et al. 2014). Non-response bias is usually assessed by examining the differences in demographics information between two groups of respondents (Hair et al. 2014). By testing the homogeneity of variance in which the

population variances, the distribution of two or more samples can be considered equal (Salkind 2010).

Non-response bias analysis was conducted in this study. The data in this study were collected into two waves via online methods; it was therefore assumed that early respondents were more likely to be equal to late respondents. If the difference was not significant, the dataset of both groups could have been merged for further analysis (Hair et al. 2014). The overall sample, as shown in Table 5.3, was split between the early 100 and later 112 responses to the survey. The individual survey items were compared between the two samples through the use of independent sample *t*-tests, which assume the homogeneity of variance. This is the best assessment to test to compare means and determine whether there is a significant variation between groups. In summary, results of the independent sample *t*-test for the chosen respondents indicated no significant differences between early and late respondents. These findings suggest that even if there was a non-response bias, it was not statistically significant ($p > .05$) for all survey items and would not prevent generalising the research findings from the sample to the population.

Table 5.3 *Summary of the Non-Response Bias Assessment Results*

Independent sample t-test for non-response bias							
Dimension	**t**	**df**	**p**	**Mean**			**Std. Error Difference**
				Earlier	**Later**	**Difference**	
Learning Orientation	-0.474	210	0.636	5.4953	5.5597	-0.06447	0.13595
Customer Orientation	1.329	210	0.185	5.8809	5.7323	0.14858	0.11181
Employee intrapreneurship	-0.240	210	0.810	5.6334	5.5135	0.11995	0.11512
CX Leadership	1.668	210	0.097	4.9607	4.7877	0.17296	0.10372
CX IT/Database supports	1.306	210	0.193	5.0943	4.8903	-0.10385	0.51187
CX Human Resources practices	1.790	210	0.075	4.6085	4.3892	0.21934	0.12254
Employee Experience	-0.240	210	0.810	4.9717	5.0071	-0.03538	0.14729
Customer Experience Performance	0.524	210	0.601	4.9528	4.8868	0.06604	0.12607
Organisational Performance	-1.211	210	0.227	4.5024	4.6910	-0.18868	0.15579

5.2.6   Common Method Bias Testing

Researchers should consider the effects of the common method bias when the study is conducted using a survey that has the potential for measurement error. It is a systematic error variance shared among factors measured with and introduced as a function of the same method and/or source (Richardson, Simmering & Sturman 2009; Williams & Brown 1994). The presence of this bias was assessed using Harman's single factor score. This value is a measure of the degree to which all items across the instrument load onto a single dimension. Because common method bias is, by definition, an effect that should be common to all participants gathered or surveyed the same way, the effect is hypothesised to result in a similar degree of variance across all items. This hypothesis makes it possible to test for a common variance by examining a principal component's extraction, similar to the extraction used in checking for dimensionality (George & Mallery 2011). If the single-factor solution across all variables in the dataset explains 50% or more of the variance in the data, common method bias is likely (George & Mallery 2011). While this method is a reasonable approach for testing common method bias, it is not intended to control for this type of bias (MacKenzie, Podsakoff & Podsakoff 2011; Podsakoff et al. 2003).

To reduce the common method bias, the researcher reformed the survey questions order using the reverse coding method. Podsakoff et al. (2003) explained that researchers use the reverse coding method to keep the participant involved and focused on reversing the words and making them negative, rather than answering the survey in an automatic way. It is also possible to test for common method bias using confirmatory factor analysis by loading all factors into one common factor. If the total variance for a single factor is less than 50%, no common method bias is affecting the data and the results (Podsakoff et al. 2003). In the current study, the results showed 28.11% as a total variance for a single factor, which is far less than 50%, indicating that the data were not affected by common method bias, as shown in Table 5.4. A final dataset including 178 cases relating to the categories of (H&T) with 57 metric items was used for reliability and validity assessments, the results of which are presented in the next sections.

Table 5.4 *Test for Common Method Bias – Total Variance Explained*

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings[a]
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	16.363	28.708	28.708	15.917	27.924	27.924	10.853
2	4.167	7.311	36.018	3.627	6.364	34.288	11.097
3	3.029	5.314	41.333	2.652	4.652	38.940	11.182
4	2.361	4.143	45.476	1.952	3.425	42.365	10.538
5	2.056	3.608	49.083	1.534	2.692	45.057	6.215
6	1.902	3.337	52.420	1.602	2.810	47.867	2.931
7	1.670	2.930	55.350	1.280	2.245	50.112	4.716
8	1.483	2.602	57.952	1.091	1.915	52.027	4.678
9	1.341	2.353	60.305	.969	1.700	53.727	1.513
10	1.272	2.231	62.536	.912	1.599	55.327	2.214
11	1.224	2.148	64.684	.765	1.342	56.668	5.797
12	1.093	1.917	66.601	.683	1.197	57.866	2.926
13	1.056	1.853	68.455	.694	1.217	59.083	5.053
14	1.030	1.807	70.262	.602	1.055	60.139	2.848

5.3 Dimensionality Assessment

In this stage the aim was to examine how a set of measurement items could fit together to reflect a theoretical construct (Clark & Watson 1995). An exploratory factor analysis (EFA) assisted adequacy, convergent validity, discriminant validity, reliability, and achieved a clean pattern matrix. Data adequacy assessment and communality value assessment need to be considered before conducting EFA. Data adequacy assessment evaluates the extent to which the data collected from participants are sufficient and of expected quality (Hair et al. 2014). The value of Kaiser-Meyer-Olkin (KMO) is usually used to check the adequacy of sampling. The dataset of this study indicated that the value of KMO was .868. This meant that the dataset was adequate for further analysis. Communality refers to the amount of shared variance that exists in a measurement item (Palant 2013); the communality value should be at least 0.3 for each measurement item. In the current study, the communalities values ranged from 0.432 to 0.913, except for the items shown below in Table 5.5 (see more details in Appendix D).

Table 5.5 *The Excluded Items*

Items	Initial	Extraction
EIAF1	0.472	0.287
LODT1	0.385	0.302
CXHR1	0.498	0.360
COIFC1	0.581	0.364
CXP1	0.494	0.370

5.3.1 Internal Consistency

Construct reliability describes the consistency of the measurement items composing a particular construct in a study (Lu, Lai & Cheng 2007). This evaluation was conducted to assess the stability of the measurement instrument. As the constructs proposed in the framework were measured by multiple items, it was necessary to calculate the internal reliability in order to confirm their internal consistency (Fetters, Curry & Creswell 2013). Cronbach's alpha is a common method to examine the reliability of individual constructs in a study (George & Mallery 2011). A Cronbach's alpha value greater than 0.70 means that the construct is reliable (Hair et al. 2014). To improve the construct reliability, it is suggested to remove any measurement items that have a low value of reliability to improve the alpha coefficient value (Hair et al. 2014). Nine proposed variables were estimated for internal consistency by calculating the Cronbach's alpha, as shown in Table 5.6. The results indicated that the average of the Cronbach's alpha value ranged from .60 to. 86. Eight of the variables met the acceptable threshold for internal consistency. More details for each item are shown in Appendix E.

Table 5.6 *Summary of the Construct Reliability Assessment Results*

Dimensions	Variables	No. of Items	Cronbach's Alpha	Reliability Strength
Organisational cultural capabilities	Learning Orientation	6	.80	Good
	Customer Orientation	6	.81	Good
	Employee intrapreneurship	5	.70	Acceptable
Management-created workplace experience	CX Leadership	5	.79	Acceptable
	CX IT/Database supports	6	.81	Good
	CX Human Resources practices	3	.708	Good
Employee experience		4	.80	Good
Customer experience performance		3	.731	Acceptable
Organisational performance		4	.81	Good

5.3.2 Descriptive Statistics for Scales

The researcher used descriptive statistics to explore the trends of the nine constructs. Learning Orientation scores ranged from 2.83 to 7.00, with $M = 5.55$ and $SD = 0.94$. Customer Orientation scores ranged from 3.25 to 7.00, with $M = 5.84$ and $SD = 0.74$. Employee Intrapreneurship scores ranged from 3.14 to 7.00, with $M = 5.61$ and $SD = 0.76$. CX Leadership scores ranged from 2.00 to 7.00, with $M = 5.34$ and $SD = 1.03$. IT/Database Support scores ranged from 1.63 to 7.00, with $M = 5.04$ and $SD = 1.10$. CX Human Resources Practices scores ranged from 1.67 to 7.00, with $M = 4.99$ and $SD = 1.26$. Employee Experience scores ranged from 2.25 to 7.00, with $M = 5.01$ and $SD = 1.02$. Customer Experience Performance scores ranged from 2.67 to 7.00, with $M = 4.85$ and $SD = 0.88$. Organisational Performance scores ranged from 1.50 to 7.00, with $M = 4.58$ and $SD = 1.10$. The skewness and kurtosis values for all nine scales met the acceptable threshold for normality. Table 5.7 presents the descriptive statistics for the scales. More details for each item are shown in Appendix F.

Table 5.7 *Summary of the Skewness and Kurtosis for Constructs*

Survey Constructs	Min	Max	M	SD	Skewness	Kurtosis
Learning Orientation	3.00	7.00	5.4963	0.85261	-0.532	-0.261
Customer Orientation	3.25	7.00	5.8125	0.76217	-0.924	0.780
Employee intrapreneurship	3.00	7.00	5.4743	0.86523	-0.554	-0.175
CX IT/Database supports	1.63	7.00	5.0449	1.11317	-0.415	-0.318
CX Human Resources practices	1.67	7.00	4.9644	1.27730	-0.507	-0.435
CX Leadership	2.00	7.00	5.3191	1.05647	-0.659	0.139
Employee Experience	2.25	7.00	5.0309	1.01876	-0.205	-0.326
Customer Experience Performance	3.00	7.00	4.9298	0.85823	0.184	-0.505
Organisational Performance	1.75	7.00	4.6292	1.07495	-0.119	-0.258

5.3.3 Multicollinearity Assessment

To assess the absence of multicollinearity, variance inflation factors and tolerance values were examined. Stevens (2012) suggested that that VIF values below 10 and tolerance values above 0.10 indicate multicollinearity is absent. As depicted in Table 5.8, all the VIF values and tolerance statistics fell below 10 and greater than 0.10, respectively, suggesting that the assumption was met.

Table 5.8 *Summary of the Variance Inflation Factors (VIF) and Tolerance for Items*

Survey Item	Variance Inflation Factors (VIF)	Tolerance
Learning Orientation	2.49	0.40
Customer Orientation	2.47	0.41
Employee intrapreneurship	1.80	0.55
CX Leadership	2.58	0.39
CX IT/Database supports	2.02	0.50
CX Human Resources practices	2.59	0.39
Employee Experience	2.29	0.44
Customer Experience Performance	2.37	0.42
Organisational Performance	1.79	0.56

5.3.4 Content Validity

Validity refers to whether the items of the scale can correctly measure the relevant construct without additional features (Hair et al. 2018). In this study, three kinds of validity were checked: content, construct, and factorial (Straub et al. 2004). Content validity is about the degree to which measurement items reflect the content universe to which the instrument will be generalised (Boudreau, Gefen & Straub 2001). This study ensured validity through the process of a literature review and the development of a conceptual framework based on expert feedback during the pre-test and pilot-test stages (Straub et al. 2004). These processes ensured the sufficient content validity of the constructs in the study.

5.3.5 Factorial Validity

Factorial validity is about the extent to which a set of measurement items fit together to reflect a construct in a study. It is an important assessment that needs to be done before performing the SEM analysis (Venkatraman 1989). EFA is one of the most common tools for assessing factorial validity. It examines the factor structure for the survey instrument (Leech, Barrett & Morgan 2013). To determine the ideal number of factors to extract, the eigenvalues were determined for the correlation matrix with all survey items. The optimal number of factors was identified by the number of eigenvalues exceeding 1 (Costello & Osborne 2005). A total of 14 factors were extracted, accounting for 60.139% of the variance for all possible constructs. Table 5.9 presents the eigenvalues and proportion of variance for the 14-factor solution.

Table 5.9 *Cumulative Variance Solution*

Source	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7	Factor 8	Factor 9	Factor 10	Factor 11	Factor 12	Factor 13	Factor 14
SS Loadings	15.91	3.627	2.65	1.95	1.53	1.60	1.28	1.09	0.969	0.91	0.76	0.68	0.69	0.60
Proportion of Variance	27.92	34.28	38.94	42.36	45.05	47.86	50.11	52.02	53.72	55.32	56.66	57.866	59.08	60.13

An examination of the rotated factor loadings helped to identify a total of nine constructs. Combining previous literature with the results of the EFA, the following constructs were developed: Learning Culture Orientation, Customer Orientation, Employee Entrepreneurship, CX Leadership, CX IT/Database Support, CX Human Resources Practice, Employee Experience, Customer Experience Performance, and Organisational Performance. Convergent validity was supported by the fact that a majority of the factor loadings were above .40. Discriminant validity was also supported, given that the factors were not highly correlated with one another ($r < .70$). Table 5.10 identifies the items retained for each construct.

Table 5.10 *Summary of the Normality Assessment Results*

Survey Construct	Survey Items
Learning Orientation	LOOM1, LOOM2, LOCL2, LOSV1, LOSV2, LOSV3, LODT1, LODT2, LODT3
Customer Orientation	COCO1, COCO2, COCO3, COCO4, COLN1, COLN2, COIFC1, COIFC2
Employee intrapreneurship	EIAF1, EIAF2, EIAF3, EIFW1, EIFW2, EIFW3, EIFW4
CX Leadership	CXLCO1, CXLCO2, CXLCV1, CXLCV2, CXLEM2
CX IT/Database supports	CXIT1, CXIT2, CXIT3, CXIT4, CXITDT1, CXITDT2, CXITDT3, CXITDT4
CX Human Resources practices	CXHR1, CXHR2, CXHR3, CXHR4
Employee Experience	EXP1, EXP2, EXP3, EXP4
Customer Experience Performance	CXP1, CXP2, CXP3 CXP4
Organisational Performance	OP1, OP2, OP3, OP4

A total of 57 measurement items were examined in this research; however, only factor loadings for survey items that exceeded .30 were retained. Four individual survey items were removed from additional analysis, resulting in 52 total survey items. The results indicated that the 53 measurement items were loaded on the single construct among the 57 measurement items used in this research. Ten items were loaded on other constructs, of which five were under .30; therefore, all five items were deleted, but the cross-loaded items would assist more in CFA. Such results supported the construct's dimensionality. Table 5.11 presents a summary of the EFA results.

Table 5.11 *Summary of the Exploratory Factor Analysis Results Constructs*

Constructs	Number of measurement items	Range of factor loading	Number of dropped measurement items	Reason for dropping	Number of cross-loading measurement items
Learning Orientation	**10 ITEMS** LOCL1, LOCL2, LOSV1, LOSV2, LOSV3, LOOM1, LOOM2, LODT1, LODT2, LODT3	(0.467-0.735)	LODT1	Less than .3	NA
Customer Orientation	**8 ITEMS** COCO1, COCO2, COCO3, COCO4, COIFC1, COIFC2, COLN1, COLN2	(0.432-0.749)	COIFC1	Less than .3	COCO1,
Employee intrapreneurship	**9 ITEMS** EIAF1, EIAF2, EIAF3, EIIS1, EIIS2, EIFW1, EIFW2, EIFW3, EIFW4	(0.451-0.848)	EIAF1	Cross-loading – less than .3	EIAF1 EIAF2, EIFW2, EIFW4
CX Leadership	**6 ITEMS** CXLCO1, CXLCO2, CXLCV1, CXLCV2, CXLEM1, CXLEM2	(0.481-0.811)	NA	NA	CXLCO1, CXLEM1
CX IT/Database supports	**8 ITEMS** CXITDT1, CXITD2, CXITDT3, CXITD4, CXIT1, CXIT2, CXIT3, CXIT4	(0.458-0.763)	NA	NA	CXITDT3, CXIT1,
CX Human Resources practices	**4 ITEMS** CXHR1, CXHR2, CXHR3, CXHR4	(0.517-0.66)	CXHR1	Less than .3	NA
Employee Experience	**4 ITEMS** EXP1, EXP2, EXP3, EXP4	(0.571-0.657)	NA	NA	NA
Customer Experience Performance	**4 ITEMS** CXP1, CXP2, CXP3, CXP4	(0.485-0.646)	NA	NA	NA
Organisational Performance	**4 ITEMS** OP1, OP2, OP3, OP4	(0.633-0.913)	NA	NA	NA

5.3.6   Construct Validity

Since factorial validity is determined by EFA, it is critical to assess the construct validity before assessing the structural model and testing the hypotheses (Hair et al. 2018) Construct validity assesses the extent to which a set of measurement items reflect the constructs that those items are designed to measure (Hair et al. 2018). It focuses on two assessments: convergent validity and discriminant validity. Both assessments can be taken for each factor and for the full measurement model (Lewis, Templeton & Byrd 2005). These validity assessments are conducted through CFA with the help of various model fit indices.

CFA is a statistical technique that is usually used to verify how well measurement items represent the dataset (Hair et al. 2018). CFA is used to ensure that the measurement model fits

well to the dataset in a given situation (Hair et al. 2018). To run CFA, a sample size above 150 is considered sufficient to reveal the association between the observed variables and the underlying construct (Lewis, Templeton & Byrd 2005; Hair et al. 2018). The sample size for this study was 178, which met the minimum sample size requirement for CFA. In this section, the results of the convergent validity and discriminant validity assessments through CFA with the use of AMOS 25 software are discussed.

5.3.6.1 *Assessment of Convergent Validity*

Convergent validity describes the degree to which several measurement items converge together to measure a single construct (Hair et al. 2018). It can be performed through three means, including the examination of: (a) the reliability of each construct using the coefficient H; (b) the value of the standardised factor loading of all valid measurement items; and (c) the average variance extracted (AVE) (Hair et al. 2018). The coefficient H describes the proportion of variability in a particular construct explainable by its measurement items. It estimates the reliability of a construct, as reflected by the scores from several measurement items. The recommended coefficient H value for supporting the construct reliability is 0.70 or greater (Mueller & Hancock 2008). Meanwhile the assessment of the coefficient H values, SFL values, and AVE values confirmed that the convergent validity of all the models was supported. The coefficient H values ranged from 0.745 to 1.08, which are above the appropriate threshold coefficient H value of 0.70 (Mueller & Hancock 2008).

The SFL values ranged from 0.509 to 0.911, which exceeded the acceptable threshold SFL value of 0.50. There was one item (OP3= 0.388) less than .50, which was considered to be acceptable for significance at this stage due in a sample of around 200 (Hair et al. 2018). In a sample of 100 respondents, factor loadings of .55 and above are significant. In a sample of 50, however, a factor loading of .75 is required for significance. In comparison with the prior rule of thumb that denoted all loadings of .30 as having practical significance, this approach would consider loadings of .30 significant only for sample sizes of 350 or greater.

The AVE values ranged from 0.528 to 0.765, which were above the recommended threshold AVE value of 0.50 (Hair et al. 2018). Both CO and CEP were less than 0.5. Fornell and Larcker (1981) stated that if AVE is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the construct is still adequate. The results of the convergent validity assessment for all the re-specified models are illustrated in Table 5.12.

Table 5.12 *Overview of the Convergent Validity Assessment*

Constructs	Measurement items	SFL ≥ 0.50*	Coefficient H ≥ 0.70*	AVE ≥0.50*	Reliability
LCO	LOOM1	0.724	0.852	0.530	.80
	LOOM2	0.803			
	LOCL2	0.707			
	LOSV1	0.678			
	LOSV2	0.715			
CO	COLN2	0.596	0.844	0.504	.81
	COCO4	0.774			
	COCO3	0.785			
	COCO2	0.646			
	COCO1	0.651			
	COIFC2	0.674			
EI	EIFW1	0.896	0.916	0.643	.70
	EIFW2	0.911			
	EIFW3	0.509			
CXHRP	CXHR4	0.633	1.18	0.816	.79
	CXHR3	0.609			
	CXHR2	0.743			
CXL	CXLEM2	0.816			.81
	CXLCV2	0.763			
	CXLCV1	0.52			
	CXLCO2	0.611			
	CXLCO1	0.542			
CXDS	CXITDT2	0.815			.708
	CXITDT1	0.688			
	CXIT3	0.575			
	CXIT2	0.65			
	CXIT1	0.601			
	CXITDT3	0.836			
	CXIT4	0.677			
CEP	CXP4	0.77	0.691	0.517	.80
	CXP3	0.607			
	CXP2	0.685			
EX	EXP4	0.782	0.829	0.529	.731
	EXP3	0.73			
	EXP2	0.769			
	EXP1	0.615			
OP	OP1	0.743	0.880	0.538	.81

OP2	0.895				
OP3	0.388				
OP4	0.805				

* Recommended value

5.3.6.2 *Assessment of Discriminant Validity*

Discriminant validity relates to the degree to which each construct is uncorrelated and distinct from others (Hair et al. 2018). Conducting this test ensured there was no correlation between constructs. This test compared the square root of the AVE for each construct with its correlation to the remaining constructs in the measurement model (Fornell & Larcker 1981). The square root of the AVE value for each construct should exceed its correlation value with other constructs (Hair et al. 2018). The discriminant validity of the model for all the constructs was assessed in this study (Gaskin, James & Lin 2019). The results indicated that there was only one correlation between CEP and EX; the rest of constructs showed that the square roots of the AVE value for each construct was higher than the correlation of that construct with the remaining constructs, as shown in Table 5.13.

Table 5.13 *Overview of Discriminant Validity Assessment*

	LCO	CO	EI	CEP	OP	EX	MCWE
LCO	**0.728**						
CO	0.709***	**0.710**					
EI	0.585***	0.622***	**0.802**				
CEP	0.419***	0.557***	0.555***	**0.719**			
OP	0.011	0.140	0.103	0.482***	**0.733**		
EX	0.646***	0.558***	0.619***	0.913***	0.316**	**0.727**	
MCWE	0.762***	0.728***	0.566***	0.588***	0.117	0.719***	**0.903**

The Heterotrait–Monotrait Ratio of Correlations (HTMT) is deemed to be a reliable approach to assess discriminant validity (Henseler, Ringle & Sarstedt 2015). The results of this correlation confirmed that CEP and EX are nearly indistinguishable (Campbell & Fiske 1959). These dimensions had only a few items each; thus, there was no opportunity to trim away items to increase discriminance between dimensions. Accordingly, the author of this research can only list this lack of discriminance between dimensions as a limitation. Putting this altogether, discriminant validity between causally linked factors at the highest levels was assessed—first order and second order using HTMT. To pass this test, the HTMT ratio must be less than 1.00 (Henseler, Ringle & Sarstedt 2015). As seen in Figure 5.1, all HTMT ratios were below the 1.00 threshold. This indicated that the final full measurement model revealed appropriate

discriminant validity. Overall, results of the CFA analysis presented above confirmed that the final full measurement model fit the data of this research adequately. As a result, the final full measurement model could be examined for further analysis using SEM.

	LOC	CO	EI	CEP	OP	EX	MCWE
LOC							
CO	0.717						
EI	0.634	0.669					
CEP	0.426	0.575	0.507				
OP	0.111	0.226	0.143	0.619			
EX	0.669	0.59	0.63	0.958	0.423		
MCWE	0.636	0.694	0.53	0.596	0.261	0.675	

Figure 5.1 *Heterotrait-Monotrait Ratio of Correlations*

5.4 Demographic Characteristics of the Sample

From the current data set, several frequency counts and summary statistics were conducted. Table 5.14 below presents the overall profiles of the participants for the customer experience management based on the valid responses in the survey. The frequency distributions (i.e., counts and percentages) were tabulated for all questions with a categorical response. The result from the demographics analysis shows the overall profile of the surveyed managers, highlighting their age and gender, as well as their organisation's size and maturity. The main focus in these profiles was the department and industry subsection, which were critical to ensure that the sample was representative.

In terms of department, most respondents indicated their CEM is a new one, highlighting that most of the CE started from customer service and customer experience/success departments, at 38.2% and 16.9%, respectively, followed by sales (14%). Nine percent indicated that CE started from marketing. The remaining respondents cited other departments, including finance, IT, and HR. The department diversity covered in the survey indicates that CEM is the end result of collaboration between different teams across several departments. Finally, because this study focused on the H&T industry, any other industries that not considered under the subcategories of H&T were eliminated. This was done to ensure that the survey data provided a representative sample.

Table 5.14 *Overview of the Participants' Profiles*

Profiles of responding participants		Frequency	Percentage (%)
Gender	Male	60	33.7
	Female	117	65.7
	Non-binary	1	0.6
Age	21-29	57	32.0
	30-39	73	41.0
	40-49	32	18.0
	50-59	12	6.7
	60 or older	4	2.2
Management Level	Junior leadership (2-5 years' experience)	51	28.7
	Intermediate leadership (5-10 years' experience)	76	42.7
	Senior leadership (over 10 years' experience)	51	28.7
Department	Customer Experience/Success	30	16.9
	Customer Service	68	38.2
	Finance	5	2.8
	General Management	11	6.2
	Human Resources	14	7.9
	IT	11	6.2
	Marketing	15	8.4
	Sales	24	13.5
Business Age	Less than 1 year	8	4.5
	1 – 2 years	14	7.9
	3-5 years	34	19.1
	6-9 years	19	10.7
	10 or More	103	57.9
Business Size	0-4	42	23.6
	5 - 19	33	18.5
	20-199	36	20.2
	200 or more	67	37.6
Organisation's Focus	Good	19	10.7
	Service	83	46.6
	Combination of both	76	42.7
Industry	Hospitality - Accommodation (hotels, resorts, conference centres and theme or amusement parks)	13	7.30
	Hospitality - Cafes, restaurants & takeaways (Food service)	13	7.30

	Hospitality - Casinos & Other avenues of gambling	2	1.12
	Hospitality - Club, pubs, taverns & bars	3	1.69
	Hospitality - Logistics	5	2.81
	Tourism - Cultural service	6	3.37
	Tourism - Education	8	4.49
	Tourism - Travel agency & tour operators	4	2.25
	Other Professional services (Any services related to Hospitality and Tourism)	71	39.89
	Retail trade	40	22.47
	Sport & recreation services	6	3.37
	Transportation (Air - water)	2	1.12
	Transportation (rail-fuel-motor vehicle)	5	2.81

The analysis of the demographic characteristics of the survey provides insights into the general profile of the senior managers' gender, age, and position. As Table 5.14 shows, the surveyed managers work in different departments in various positions. The surveyed managers are also in diverse subindustries with respect to a variety of business size and how long a firm has operated for. Consequently, the sample in this study sufficiently represents the whole population. Furthermore, the high proportion of management level and business size confirmed that customer experience management can commence at the start and led by business owners or managers with more than two years' work in such positions.

5.5 Chapter Summary

This chapter discussed the processes of data preparation, examination, and analysis. Assessing the reliability, dimensionality, content, and construct validity of the measurement instrument to prepare a dataset for SEM analysis were also explained. This led to the deletion of 16 cases from the initial 212 collected observations due to outliers, and another 18 cases were deleted due to the homogeneity of the sample population, which resulted in a total of 178 valid cases. Also assessed here were reliability, content validity, factorial validity, convergent validity, and discriminant validity. This led to 10 items being deleted from the initial 57 measurement items. Finally, the measurement instrument underlying the proposed conceptual framework was determined to be valid and reliable for the purposes of the current study. The findings of the model validation and hypothesis tests are presented and discussed in Chapter 6.

Chapter 6: Research Findings and Discussion

6.1 Introduction

This chapter investigates the critical three organisational cultural capabilities that guide CEM in the Australian hospitality and tourism industry: learning orientation, customer orientation, and employee intrapreneurship. These three capabilities are crucial if an H&T business is going to be successful (Becker & Jaakkola 2020; Bueno et al. 2019; Giannopoulos et al. 2020; Jain, Aagja & Bagdare 2017). Achieving this study's aim meant testing and validating the structural model with the use of SEM on the sample data gathered through the survey instrument outlined within Chapter 5. The results of the structural equation modelling indicated an acceptable fit and support all the hypotheses. Overall, the findings supported the following contentions: firstly, the applicability of the service-profit chain in the hospitality and tourism industry; and secondly, the employee experience jointly influenced customer experience performance and how well the firm did financially. The rest of the chapter is structured as follows. Section 6.2 describes the measurement model analysis, assesses the validity of the full measurement model and the structural equation model, and presents the results of the hypothesis testing. Section 6.3 discusses the findings, leading to the identification of the effect of each relationship in the model. Section 6.4 ends this chapter with concluding remarks on what was covered here.

6.2 Measurement Model Analysis

Measurement model analysis identifies the relationship between an observed variable (i.e., the measurement item) and a latent variable (i.e., the construct) in a specific study (Hair et al. 2018). In this study, the researcher adopted a five-stage approach for validating the proposed conceptual framework and testing the hypotheses. These steps were as follows: (a) preliminary analysis, (b) dimensionality assessment, (c) assessing the full measurement model validity, (c) assessing the structural model validity, and (e) structural model analysis (Hair et al. 2018). The first two stages involved cleaning and preparing the data set for further analysis, as well as testing the reliability and validity of the construct. The results of these stages were reported in Chapter 5. The last three stages involve measurement model analysis, which is usually done

by performing CFA to investigate the goodness of fit (GOF) of the full measurement model with the survey data and the structural model, including the hypothesis testing (Hair et al. 2018). The results of this stage are presented in the following section.

6.2.1 Assessing the Full Measurement Model Validity

Full measurement model validity is usually done by performing CFA to investigate the GOF of the full measurement model (Hair et al. 2018). The GOF statistics explain the divergence between expected and observed values. They reflect the ability of the model to represent the data (Hair et al. 2018). As a result, when the GOF statistics show a poor fitness of the model, the model must be re-specified. Following the recommendations of Kline (2015), the current researcher used multiple fit indices in addition to the chi-square statistic to evaluate the degree to which the data fit the model. This approach was recommended because the chi-square statistic is influenced by sample size, and a sufficiently sized sample to power the CFA is often enough to ensure that the chi-square statistics will be significant finding that is intended to suggest poor fit (Marsh, Hau & Wen 2004). The additional fit indices that the researcher examined included the Root Mean Square Error of Approximation (RMSEA), the Comparative Fit Index (CFI), and the Tucker-Lewis Index (TLI). RMSEA is a standardised measure of the approximation of error.

CFI is typically utilised as a baseline comparison between models as an indication of fit because it is unaffected by sample size and it reacts consistently across estimation methods (Schumacker & Lomax 2004). According to Marsh et al. (2004), a CFI and TLI value greater than .90 represents a good fit, although a value of .95 can be used in more conservative cases. For the RMSEA, values should be minimalised; values less than .08 indicate a reasonable fit, while RMSEA values less than .05 indicated good fit (Kline 2015; Marsh, Hau & Wen 2004). If the confirmatory factor analysis did not indicate an adequate fit, then the items would have been deleted from the survey based on their standardised factor loadings. Any items with a factor loading less than 0.40 were considered first for deletion, and all changes were documented for future evaluation.

After the CFA results indicated the data fit the factor structure, each set of remaining items was named based on their commonality. Cronbach's alpha reliability was then assessed on the resulting subscales. These coefficients were evaluated based on George and Mallery's (2011) guidelines, in which a Cronbach's alpha value greater than .70 is considered acceptable. In this study, CFA was conducted to determine whether the observed and latent variables in the model were a good fit. The study model consisted of nine latent constructs. Customer experience was a latent factor consisting of three second-order latent factors.

The initial full measurement model (see Appendix G) was first assessed in this study. The results indicated that the GOF values of the model were not satisfactory. The initial results of the CFA demonstrated a questionable model fit ($\chi^2(1151) = 2456.251$, $p < .001$, CFI $= .730$, TLI $= .712$, RMSEA $= .080$), which were below the recommended values below.

- Ratio of χ^2 to degrees of freedom (χ^2/df) ≤ 3.0
- Goodness of fit index (GFI) ≥ 0.90
- Adjusted goodness of fit index (AGFI) ≥ 0.80
- Comparative fit index (CFI) ≥ 0.90
- Tucker-Lewis index (TLI) ≥ 0.90
- Normed fitness index (NFI) ≥ 0.90
- Root mean square error of approximation (RMSEA) ≤ 0.05
- Standardised root mean residual (SRMR) ≤ 0.09

This indicated that the full measurement model did not fit the sample data sufficiently (Hair et al. 2014). Consequently, modifications to the full measurement model were required by separately analysing each individual construct included in the full measurement model.

6.2.2 Assessing the structural measurement model validity (One-Factor Congeneric Models)

The full measurement model modification process began with the development of nine one-factor congeneric models: LOC, CO, EI, CXHRP, CXDS, CXL, CEP, EX, and OP (see Appendix H). These models were assessed using the GOF indices presented previously. A one-factor congeneric model is a simple form of the measurement model for demonstrating the factor loadings of the measurement items on an individual latent variable (Hair et al. 2018).

In this study, all factors were re-assessed by employing several diagnostic measures for improving fitness to the data. This included standardised factor loadings (SFL), standardised residuals (SR), modification indices (MI), threshold values for the GOF indices (Byrne 2013; Hair et al. 2018), and within-construct error covariance.

The initial results before one-factor congeneric models assessment of the CFA (as shown in Table 6.1) demonstrated a questionable model fit ($\chi2(1151) = 2456.251$, $p < .001$, CFI = .730, TLI =. 712, RMSEA = .080). The CFI fell below the threshold of .90; however, the RMSEA was less than .08. Table 6.2 presents the initial GOF values of all one-factor congeneric models and the re-specified GOF values after the modification of these models. This table shows that the GOF values of all re-specified one-factor congeneric models were satisfactory. This means that that all models fit the data properly. The process performed for improving models' fitness leads to the dropping of eight measurement items: LOC1, LOSV3 LODT2, LODT3, COLN1, EIAF2, EIAF3, and CXITDT4. A within-construct error covariance have been drawn between 10 items in the same construct, including: (CXLEM1-CXLOC1), (CXLOC1-CXLCV2), (CXITDT1-CXIT4), (CXIT3-CXIT4), and (OP1-OP3).

Table 6.1 *Overview of the One-Factor Congeneric Models Assessment*

Constructs		χ2/df ≤3.0*	P ≥.05*	GFI ≥.90*	AGFI ≥.80*	NFI ≥.90*	TLI ≥.90*	CFI ≥.90*	RMSEA ≤ .05*	SRMR ≤ .90*
LOC	Initial	3.13	0	.903	.840	.839	.839	.879	.117	.0715
	RE-SP	2.26	.016	. 961	.945	.947	.910	.968	.089	.0381
CO	Initial	2.68	.001	.938	.877	.904	.905	.937	.102	.0545
	RE-SP	2.32	.013	.958	.902	.941	.942	.965	.91	.0417
EI	Initial	3.56	0	.905	.830	.822	.807	.862	.126	.0850
	RE-SP	1.55	.123	.971	.933	.955	.972	.983	.059	.0397
CXL	Initial	5.042222	0	.921	.817	.890	.847	.908	.151	.0545
	RE-SP	1.503286	.161	.981	.942	.974	.981	.991	.053	.0290
CXHRP	Initial	0.452	0	0	0	.994	1.025	1.000	.424	.0136
CXDS	Initial	6.2495	0	.842	.684	.850	.804	.870	.172	.0790
	RE-SP	4.61825	0	.915	.803	.905	.864	.923	.143	.0745
EX	Initial	0.223	.800	.999	.994	.998	1.020	1.000	.000	.0088
CX	Initial	2.1455	.117	.988	.942	.968	.947	.982	.080	.0310
OP	Initial	9	0	.949	.744	.931	.811	.937	.225	.0563
	RE-SP	1.78	.182	.995	.950	.994	984	.997	.066	.0164

To improve model fit, the one-factor assessment was changed, and modification indices were further examined to identify which parameter constraints were significantly limiting the model fit of the covariance structure. Modification indices (MI) indicated how the model structure could be improved (Lomax & Schumacker, 2004). With the addition of the MI, the results of the CFA with the covariations showed a slightly improved fit, ($\chi 2(915) = 1752.387$, $p < .001$, CFI =. 808, TLI = .793, RMSEA = .793). As seen in Table 6.1, each individual factor loaded acceptably on its own CFA (LOC, CO, EI, CXL, CXHRP, CXDS, EX, CX, OP). When the CFA model included all these factors simultaneously, as shown in Figure 6.1, the odds of model convergence reduced greatly, while the degrees of freedom increased significantly. A summary of the model iterations can be found in Table 5.8. Figure 6.2 presents the CFA model with standardised values.

Table 6.2 *Confirmatory Factor Analysis Fit Indices (Figure 6.1)*

CFA	$\chi 2$	df	p	$\chi 2/df$ ≤3.0*	NFI ≥.90*	TLI ≥.90*	CFI ≥.90*	RMSEA ≤ .05*	SRMR ≤ .90*
No MI	2456.251	1151	0	2.13	.594	.712	.730	.080	.0853
MI	1752.387	915	0	1.91	.673	.793	.842	.690	.823

Note. MI = Modification Indices

Table 6.3 *CFA Fit Indices for Average Measurement Model (Figure 6.2)*

CFA		χ^2	df	p	χ^2/df ≤3.0*	GFI ≥.90*	AGFI ≥.80*	NFI ≥.90*	TLI ≥.90*	CFI ≥.90*	RMSEA ≤ .05*	SRMR ≤ .90*
No MI		44.707	12	0	3.606917	.948	.807	.945	.875	.958	.124	.0393
MI		39.385	12	0	3.282083	.957	.839	.955	.901	.967	.114	.0387

Note. MI = Modification Indices
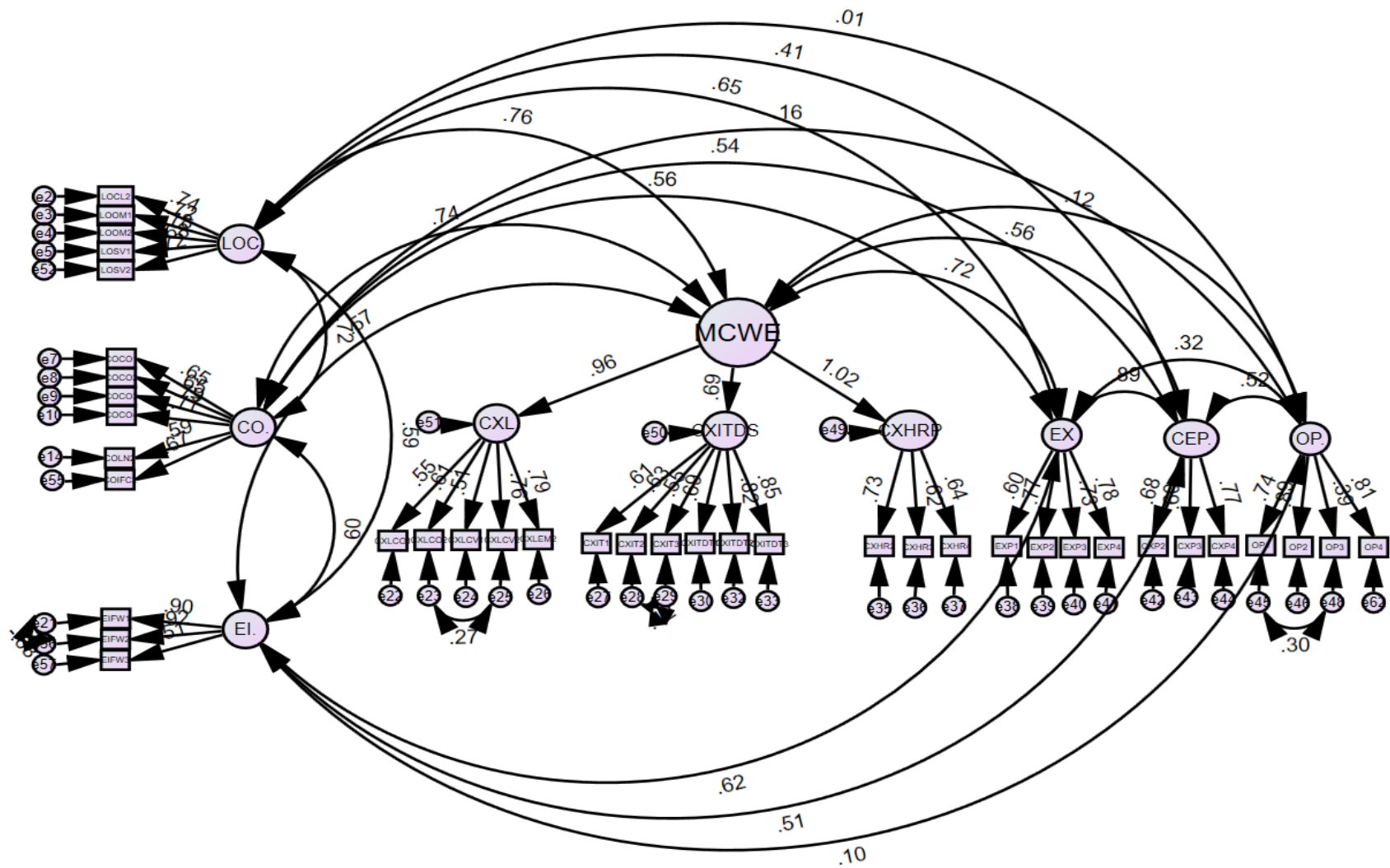
Figure 6.1 *CFA Model with Regression Coefficients*
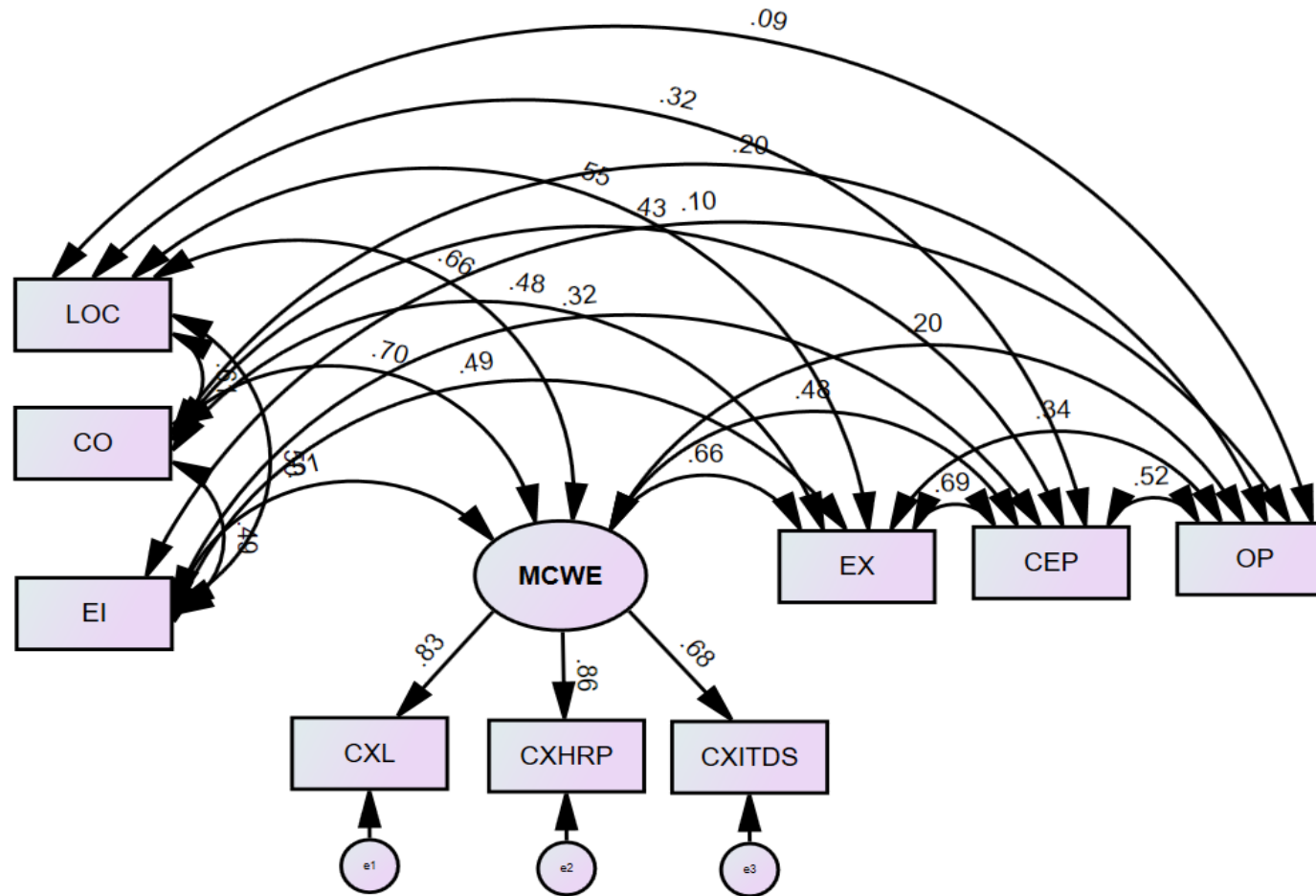
Figure 6.2 *CFA Model with Average Standardised Values*

6.2.3 Hypotheses Testing

The results documented in the previous chapter indicated that the GOF values of the model fell within the recommended threshold values, as shown in Table 6.4. This confirms the fitness of the structural model. The initial results of the model with the covariations revealed a model fit ($\chi^2(57.265) = 23$, $p = .012$, CFI = 0.956, RMSEA = .092). Although RMSEA statistics did not reach the good model fit thresholds, the SEM is still reasonably specified. A reasonably specified model is identified through the RMSEA. The RMSEA values are categorised into four thresholds: close fit (.00–.05), fair fit (.05–.08), mediocre fit (.08–.10), and poor fit (over .10). A summary of the structural model fit indices is provided below in Table 6.4.

Table 6.4 *Structural Equation Model Fit Indices*

Measure	Estimate	Threshold	Interpretation
χ^2	57.265	--	--
df	23.000	--	--
χ^2/ df	2.490	Between 1 and 3	Excellent
CFI	0.956	>0.95	Excellent
SRMR	0.053	<0.08	Excellent
RMSEA	0.092	<0.06	Mediocre fit
p	0.012	>0.05	Acceptable

In hypothesis testing, the test statistic CR is used. The CR value is statistically significant when it is out of the range of -1.96 and +1.96 and the *p*-value is less than 0.05 (Byrne 2013). The full conceptual framework and hypotheses are illustrated in Figure 3.2. This framework consists of seven constructs: learning orientation culture, customer orientation, employee intrapreneurship, management-created workplace experience, employee experience, customer experience performance, and organisational performance. Table 6.5 presents the results of the structural model analysis.

Table 6.5 *Overview of the Structural Model Analysis Results*

	Hypothesised relationships	SRW	SE	CR	P	Results
	Organisational cultural capabilities					
H1	CX <---LCO	.384	.075	5.182***	.000	**Supported**
H2	CX<---CO	.411	.093	5.552***	.000	**Supported**
H3	CX<---EI	.172	.058	2.625**	.009	**Supported**
	Management-created workplace experience					
H4	EX<---MCWE	.692	.073	9.450***	.000	**Supported**

	Customer experience Performance / Employee experience / Organisational Performance					
H5	CEP<---EX	.692	.050	12.766***	.000	**Supported**
H6	OP<---CEP	.520	.073	8.100***	.000	**Supported**

*** $p < 0.001$, ** $p < 0.01$, * $p < 0.05$

As shown in Figure 6.3, learning orientation culture (CR = 5.18; $p < 0.05$) and customer orientation (CR = 5.55; $p < 0.05$) were significantly related to management-created workplace experience. The results also revealed that employee intrapreneurship (CR = 2.625; $p = .009 < 0.05$) had a balanced direct effect on management-created workplace experience. Each of the regression weights were positive, providing support for Hypotheses 1, 2, and 3.

Management-created workplace experience was significantly related to employee experience (CR = 9.450; $p < .001$). Employee experience was significantly related to customer experience performance (CR = 12.766; $p < .001$), and customer experience performance was significantly related to organisational performance (CR = 8.100; $p < .001$). It is worth noting that the standardised regression coefficient (β) was .805, suggesting a positive relationship between customer experience and organisational performance. There was sufficient evidence to support Hypotheses 4 through 6, given that the relationships were positive and statistically significant. An examination of the magnitude of variance explained through $R2$ value is conducted. The results in Figure 6.4 show that the R2 values are between 0.479 to 0.675. This indicates that all the independent constructs explain 47% to 67% of the variance in the dependent construct, which is very good (Chin 1998). This further supports the validity of the structural model.
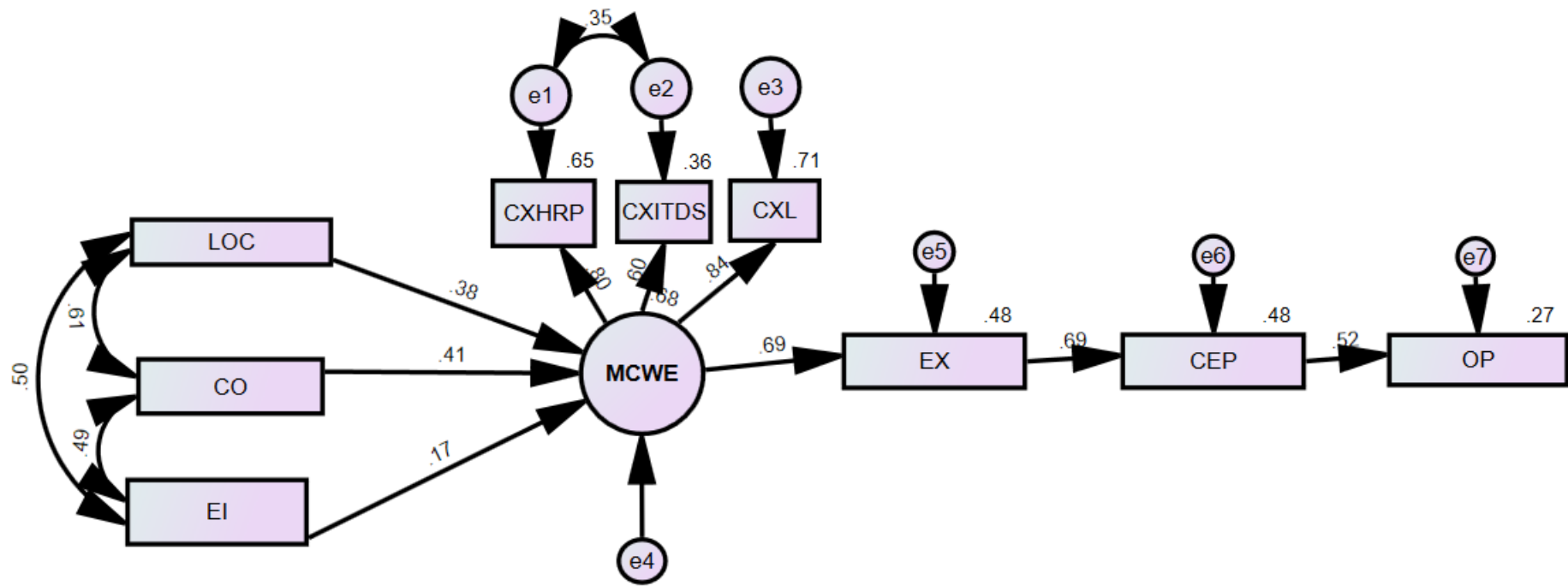
Figure 6.3 *SEM Diagram with Regression Coefficients*
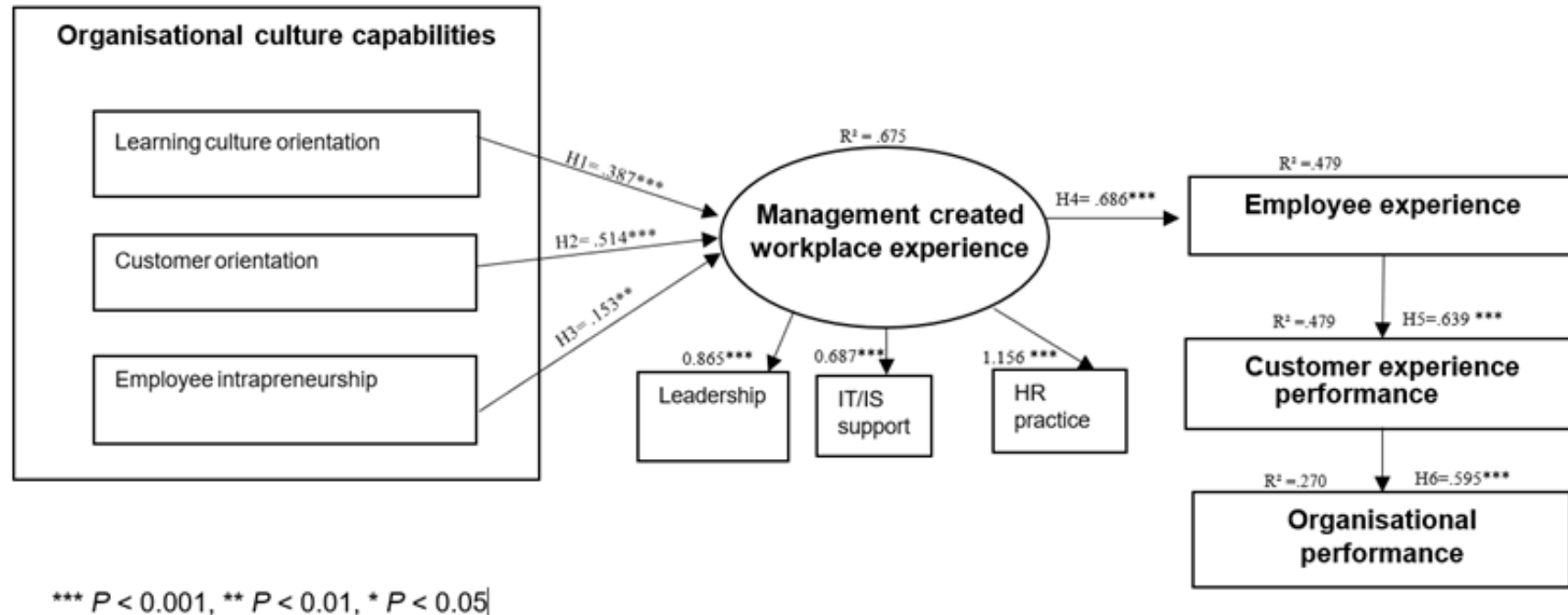
Figure 6.4 *The Final Structural Model*

6.3 Discussion of the Findings

In this study, the researcher investigated how critical organisational cultural capabilities impact CEM in Australia's hospitality and tourism industry. The results of the analysis showed that three organisational cultural capabilities - learning orientation, customer orientation, and employee intrapreneurship - significantly affect the management-created workplace experience for both employees and customers. The results further confirm the positive role of employee experience with respect to customer and organisational performance. These results are discussed in the following section.

6.3.1 Effect of Learning Orientation Cultural Capabilities on Management-Created Workplace Experience

This study's findings support the positive associations between organisational cultural capabilities and management-created workplace experience (i.e., H1, H2, and H3). The results revealed a significant moderated relationship (SRW = .384, CR = 5.18, $p < .001$) between learning orientation and management-created workplace experience, suggesting that a learning orientation culture positively impacts the CE management team. Overall, the findings suggest that top management teams in the H&T industry strongly agree that a learning orientation culture is critical. As revealed by the factor leadings of the measurement items shown in Table 6.6, the surveyed managers emphasised that managers in the H&T industry must remain open-minded due to the dynamic nature of the industry. They need to be active learners: willing to capitalise upon opportunities to learn about their products, services, and customers; and committed to learning and development. These behaviours and attitudes are perceived as key differences between organisational success and failure.

Table 6.6 *Overview of the Learning Orientation Culture Assessment*

Construct	Measurement items	Description	SFL ≥ 0.50*
Learning orientation – commitment to learning	LOCL2	Our organisation believes that employee learning is an investment, not an expense	0.707
Learning orientation – open-mindedness	LOOM1	Our organisation places a high value on open-mindedness	0.724
	LOOM2	Original ideas are highly valued in this organisation	0.803
Learning orientation – shared vision	LOSV1	In our organisation, all employees are aware of and commit to the organisational goals, vision.	0.678
	LOSV2	Employees view themselves as partners in charting the direction of the organisation	0.715

Previous researchers have indicated that learning orientation is an organisational capability that affects the firm's propensity to value learning and enhance the overall performance of departments and employees (Sawaean & Ali 2020). In their study they used the most cited measurement items that were created by Baker and Sinkula (1999), and have shown that learning orientation culture can be measured through commitment to learning, open-mindedness, and shared vision. The findings revealed that customer experience managers perceive employee learning as an investment, not an expense (LOCL2). They are committed to learning in their workplace and the broader industry. Most organisations provide the initial training for frontline employees concerning how to use the software system. The results also showed, however, that managers disagree that learning is a key competitive advantage (SFL LOCL1= .47 which is less than the recommended value of SFL ≥ 0.50*). Although providing training and development program in the hospitality industry is required, this practice cannot guarantee a competitive advantage due to high staff turnover (Kang and Busser 2018).

The findings revealed that open-mindedness is highly valued in the hospitality and tourism industry at each level (LOOM1). Original ideas by frontline employees or leaders are highly valued (LOOM2), especially in the context of customer experience management, which requires frontlines and managers to dedicate the effort to learn more about their customers and employees—not just on a business level, but on a personal level. The results demonstrated that managers who care about customers and employees will create better relationships in the workplace. In a culture of open-mindedness and knowledge-sharing, managers can encourage employees to be more innovative and creative, and can perceive changes in a company as opportunities to improve. This aligns with the conclusion of Chakravorti (2011) that knowledge management and learning from customers is an ongoing process that enhances the customer

experience and serves as an essential innovation-enabling competency (Leal-Rodríguez et al., 2015).

In addition to open-mindedness, sharing vision is another aspect of learning (LOSV1 and LOSV2). In the CEM setting, organisational goals and vision must shift from being product or service oriented to be customer-centric. The surveyed managers stated that all employees are aware and committed to the organisational goals and vision, as shared vision can create a united team working together towards common goals. These goals change over time due to shifts in the H&T industry and dynamic customer needs. The findings indicating that a lack of shared vision for the organisation among all employees in each department (SLF of LOSV3< 0.50) could be due to difficulty in aligning the different units or departments involved in CEM. These findings align what Garrido-Moreno and Padilla-Meléndez (2011) concluded, that irrespective of the resources or capabilities of the organisation, the implementation of CRM or any other similar context—such as CEM—cannot succeed without employees and management supporting it. For instance, the presence of a learning culture without linking it to great customer experience will not lead to business success (Teixeira et al. 2012)

The findings suggest that a high level of organisational learning is an evolving process that serves to increase customer knowledge and provide a great experience. Most of the surveyed managers reported there was a lack of resources for customer experience management where they work. Consequently, the companies used third parties to manage customer experience. Such a lack of customer knowledge undermines effective CEM. A strong learning orientation can increase the knowledge of managers and employees, enabling them to provide a great customer experience.

Finally, leaders' digital literacy can assist employees access the correct information from the right place at the appropriate time, thereby informing employees of the customer journey and building their confidence to respond to customer issues. Nevertheless, there is a lack of understanding of how digital technology readiness translates to a positive customer experiences and affects the overall customer and employee experience. As shown in Table 6.7, the findings of this study revealed that the digital literacy of most managers is still in the early stage of maturity. It is possible that managers do not consciously associate their digital learning with the delivery of a superior customer experience culture. Additional efforts must be made to improve digital readiness by training managers to recognise the impact of learning

technology on customer experience through coaching and learning as part of the organisational culture.

Table 6.7 *Descriptive Statistics for Digital Technology Scales*

Survey Item	Description	Mean	Std. Dev.	Skewness	Kurtosis
LODT1	In our organisation, changes in processes, culture or business models are required to enhance the customer experience	5.23	1.476	-1.034	.855
LODT2	Our organisation accelerates the digital readiness of leaders and people through coaching and learning	5.19	1.356	-.504	-.507
LODT3	Our organisation assesses the ability of people and processes to deliver a great customer experience	5.57	1.192	-.843	.548

6.3.2 Effect of Customer Orientation Culture Capabilities on Management-Created Workplace Experience

The significance of customer orientation as an organisational cultural capability and its relation to the management of customer experience was calculated to have a positive value (SRW = .411, CR = 5.55, $p < .001$). The results revealed that senior management emphasises the importance of customer experience and employee experience and recognises that the closer interaction between employees and customers, the greater the opportunity to add value to customers' journey. Table 6.8 provides the descriptive data related to customer orientation.

Table 6.8 *Descriptive statistics for customer orientation scales*

Factors	Survey Item	Description	Mean Statistic	Std. Deviation Statistic	Skewness	Kurtosis
Customer orientation	COCO1	The objectives and strategies of our organisation are driven by the need to achieve excellent customer experience	6.04	1.124	-1.296	1.309
	COCO2	In our organisation, customer experience is considered to be a top priority	6.00	1.084	-1.157	1.130
	COCO3	Our employees are encouraged to focus on customer experience	6.04	1.119	-1.557	2.584
	COCO4	Our senior management emphasises the importance of customer experience and employee experience	5.81	1.056	-.803	.431

Customer need	COLN2	We seek to understand what customers might need in the future	6.06	1.042	-1.547	3.782
Functional Coordination	COIFC2	We share market information and resources with other divisions	5.80	1.161	-.823	-.030

The findings showed that the surveyed managers are aware of the goals and strategies that supports customers' needs (COCO1), Customer-centric service in H&T is a top priority (COCO2). Managers understand the critical roles of engagement and interaction between employee and customer (COCO3), and they encourage it over time (COCO4). This is similar to the findings of many previous studies that investigated the relationship between employees and customers is supported (Beatty et al. 1996; Jaworski & Kohli 1993; Narver & Slater 1990), especially in a service setting (Gazzoli, Hancer and Kim 2013). It is also proved that this interaction must be encouraged as it can synchronously affect another customers' experience either positively or negatively (Jung et al. 2017).

In the H&T industry, customer orientation has become one of the single most important 'battlefields', and those who excel in this area are likely to gain a significant competitive advantage over business rivals. Managers need to appraise the two entities (customer and employees) separately and make sure that the customer is supported at every stage of the customer lifecycle. Since H&T is based mainly on face-to-face interaction, a recent study showed that customers still prefer personal service (Prentice & Nguyen 2020), which showed that this relationship is so critical. Also, this research's findings emphasise that the close interaction between employee and customer is not only about serving the latter but being proactive as well to know the customer's likely need now and in the future. This is very different to previous literature which stated organisations do not know how to design the experience and are unclear about how active and passive participation can affect performance (Pine & Gilmore, 1998). Organisations now are more aware of how being proactive can shape CEM. Most current literature has stated that despite the critical role of customer orientation, proactively estimating customer needs is equally important in the service industry (Blocker et al. 2011; Gazzoli, Hancer and Kim 2013; Larivière et al. 2017; Aburayya et al. 2020).

This is consistent with the current finding that managers are currently seeking what the customer might need in the future (COLN2) by sharing all the customer information and resources to other departments or units (COIFC2), to anticipate what the customer wants by designing the journey so that it is customer-centric. One way to anticipate the need is through

personalising the experience so that it matches the individual customer and the service is relevant to that individual. In the context of H&T personalisation, the experience can be used to improve the customer experience in several ways. On a basic level, personalised emails are a form of marketing where messages sent to relevant customers are more likely to be opened. Meanwhile, retargeted advertisements can help to remind users of a hotel they looked at online a few days ago, and intelligent recommendations can be made during the booking process or a reminder that the shopping cart has been forgotten (Holmlund et al. 2020).

This is generally achieved by combining big data analytics and digital automation, and the key benefit of this is that users see content that is more customised and personalised, which makes them more likely to respond positively and feel connected to the brand. For example, a KPMG report stated that Australia's Bendigo Bank has implemented a customer experience plan that enables every team member to understand what they contribute to overall customer experience excellence. This is done using customer journey-based metrics, and aligning data from multiple survey sources (brand, marketing outcomes and customer voice) with internal metrics (such as risk and financial outcomes), then they use these data to build an integrated picture of customer needs and how they are being met.

Despite the critical role of customer orientation, being proactive to estimate customer needs is equally crucial in the service industry. The results of the current study showed that organisations struggle to anticipate or predict the customer's future needs based on that interaction (COLN1) as shown in Table 6.9. Managers recognise that the traditional way of capturing and responding to customer needs no longer suffices. Nowadays, customers expect companies to be above and go beyond their expectations, with organisations using various sources from big data and marketing research companies to curate a customised experience tailored to their purchase preferences, keyword searches, and even GPS data tracking their whereabouts. In a recent of Deloitte (2020), entitled *connecting with meaning - Hyper-personalising the customer experience using data, analytics, and AI*, it is stated that some organisations have begun to personalise customer experience based on latent needs. For example, for Netflix, customers receive highly contextualised emails with personalised product recommendations based on customer demographics, psychographics, and previous purchase and view history. Another example is AMAZON. Customers receive a highly contextualised and individual experience starting from a homepage that is based on their past viewing history and that uses viewing habits to recommend content.

Both examples used an algorithm to predict content that users will want to see, suggest products based on key data points, and show recommendations to enhance engagement and loyalty. As a result, the more proactive the organisations, the more connected they are to their customers (Blocker et al., 2011). Given that H&T is a fast-changing industry, latest customer needs are unlikely to be found in market research. It is often described as a need that customers do not even know they have. So, it is the responsibility of the management and the employees to start designing a strategy and technology to predict the future needs.

Most of the literature connects the latent need to an organisation's innovativeness, one that encourages firms to create a new product or service (Narver et al. 2004; Nasution et al. 2011), which subsequently positively influences how well a business performs. A possible explanation for this lack could be that H&T is still in the process of building customer experience teams, since the results showed that around 41% are still developing a customer experience department and team, while 59% have already done this as shown in Table 6.9.

Table 6.8 *Overview of the Participants' Profiles- Customer Experience Department*

Customer Experience Department	Frequency	Percent
Yes	105	59.0
In progress	73	41.0
Total	178	100.0

It is also possible that given the diversity of firm size and subcategories of the H&T industry in our sample, the effect of latent need is challenging and harder to capture in terms of using technologies or advanced big data or website technologies to be captured by micro companies. It is around (24%) or SME's (38%) as shown previously in Chapter 5 (see Table 5.14). As well, the results showed that most organisations in CE have clear objectives and strategies that are driven by the priority of achieving excellent customer experience. These objectives, however, are not shared within all departments of the organisation (COIFC1) as depicted in Table 6.9. This outcome stands in contrast to the recommendations previous scholars that objectives should be shared (Gong, Huang & Farh 2009; He, Li & Lai 2011; Kang & Busser 2018). This lack of cohesion among departments could have serious ramifications

for firm success. Also, this result aligned with the previous finding of LOSV3; a lack of sharing vision for the organisation with all employees in each department involved in CEM.

Table 6.9 *Descriptive Statistics for Customer Orientation Scales (Not Supported)*

Factors	Survey Item	Description	Mean Statistic	Std. Deviation Statistic	Skewness	Kurtosis
Customer need	COLN1	We continuously seek to find new customers	5.60	1.195	-.962	.889
Functional Coordination	COIFC1	Management understands how everyone in this organisation can contribute to create customer value	5.15	1.411	-.592	-.128

6.3.3 Effect of Employee Intrapreneurship Culture Capabilities on Management-Created Workplace Experience

The concept of intrapreneurship has been explained since the 1990s as consisting of employees' perception of the workplace culture (Carrier 1996). This idea has been refined by Wennekers and De Jong (2008) to include the corporate culture that is able to boost an employee's innovativeness and creativity. For example, in service climate research, the concept of employee intrapreneurship has focused more on individual attributes, which are considered to be a managerial strategy that stimulates entrepreneurial behaviour with the support of management (King et al. 2020). However, this concept can be difficult to measure by managers as found in this research. The results showed that employee intrapreneurship culture is significantly positively related to the management-created workplace experience (SRW = .172, CR = 2.63, *p* = .009). This does support H3 although the relationship is weak.

The results of various management studies have shown that autonomy, freedom, support for ideas, and risk-taking are part of employee intrapreneurship (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007; Tajeddini, Martin & Ali 2020). However, the current researcher determined that autonomy, freedom (EIAF1, EIAF2, EIAF3), idea support, and risk-taking (EIIS1, EIIS2) have no connection with CEM employees as shown in Table 6.10. One possible explanation for these observations is that the survey participants worked in senior management, so perhaps some bias here was reported. Another interpretation is that managers are reluctant to give employees the freedom to make decisions without referring to the management team (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007).

In H&T, this is considered to be an unconstructive climate for the employee. Nurturing employees' voices is a viable strategy to advance the hospitality business's marketing strengths and ability to create a good customer experience (King et al. 2020). As well, this finding showed that the freedom and support for ideas overall are not supported even despite the contrast with the findings documented in Table 6.6. LOOM2 and LOSV2 consider the employees are giving voice and freedom when it comes to learning and training.

Table 6.10 *Descriptive Statistics for Employee Intrapreneurship Culture Scales (Not Supported)*

Factors	Survey Item	Description	Mean Statistic	Std. Deviation Statistic	Skewness	Kurtosis
Idea support/ Risk-taking	EIIS1	Employees receive support and encouragement when presenting new ideas	5.10	1.256	-.424	-.044
	EIIS2	In this organisation, a new venture failure is viewed as a learning experience	5.53	1.281	-1.014	.917
Autonomy/freedom	EIAF1	Employees are encouraged to take responsibility for their work	5.78	1.210	-1.457	2.777
	EIAF2	Employees are supposed to get the job done with minimal supervision	6.35	.859	-1.780	4.492
	EIAF3	Employees are encouraged to establish priorities and make decisions on their own.	5.66	1.208	-1.163	1.894

In contrast, the findings in Table 6.11 indicated that a playful, easy-going, and light-hearted atmosphere at work enables both managers and employees to deliver a great customer experience (EIFW1, EIFW2, EIFW3). There is no doubt that fun at work creates an environment that promotes an organisational culture of positive experiences. However, the concept of fun is a broad one, subject to different meanings, and it has been studied previously (Tews, Michel & Stafford 2013; Michel, Tews & Allen 2019; Tews et al. 2020). In this research, fun at work includes the support from management to celebrate special occasions and socialisation outside of the workspace as well as provide an overall easy-going atmosphere. This is in line with Michel, Tews and Allen (2019) who found that organisational culture can bring more change to the employees' culture through management support and offering fun at work. They investigated that fun at work has two sides, supportive practices for fun and manager support for fun and fun-related events.

Other studies in H&T stressed the critical role of having fun at work and how that can enhance employee motivation and productivity, reduce stress levels, and limit the boundaries between work and play (Ford, Wilderom & Caparella 2008; So & King 2010). The employees in this industry, although not a homogenous group, still share common characteristics in terms

of conditions and work shifts (day shift, evening shift, over-time, etc.), and salaries, the latter of which can be fairly low (Chathoth et al. 2020; Van Jaarsveld et al. 2021). Such conditions generally encourage employees to leave this industry, so the turnover is fairly high. Also, they can experience considerable, unfair or onerous demands from customers and supervisors in their day-to-day work. Therefore, finding out ways to improve the employee culture would enhance workers' belief in an intrapreneurship culture.

This is an area of research that Kandampully, Zhang and Jaakkola (2017) recommended to further investigate further - fun at work in H&T companies given that work can be stressful especially during evening and night shifts. The literature has found that having fun at work is good not only for employees, but also managers as it helps them to face external factors together such as rapid changes in customer needs and technology (So & King 2010; Xu et al. 2020).

Table 6.11 *Overview of The Employee Intrapreneurship Culture Validity Assessment*

Measurement items	Description	SFL ≥ 0.50*	Coefficient H ≥ 0.70*	AVE ≥0.50*	Reliability
EIFW1	Managers are socialising with employees at work or outside of work hours	0.896	0.916	0.643	.70
EIFW2	Our organisation celebrates special occasions at work	0.911			
EIFW3	The atmosphere here is playful, easy-going and light-hearted	0.509			
EIFW4	Employees have fun when they work	Not supported			

Another interesting finding is that managers did not support having fun while working (EIFW4). One explanation for this is that managers do not know what fun means at work, and they consider it a distraction; they think more their role is to control and monitor the overall atmosphere. Whether individuals are likely to engage in a fun event is up to the employee and the boss (Owler & Morrison 2020). They consider organisations and managers are not responsible for promoting employees' enjoyment of work. On the other hand, they examined the capacity of individual workers to regulate their own experience of fun.

In summary, CEM in H&T industries rely heavily on all learning orientations, customer orientations, and employee intrapreneurship culture. Certainly, creating a positive customer experience and enhancing employee creativity requires transformational leadership. All the findings provide answers to the first research question: *How do organisational cultural capabilities affect customer experience management as promoted by the dynamic capabilities theory?* This is done by providing empirical evidence of that relationship in customer

experience management in the context of the H&T industry. It further revealed that employee intrapreneurship has a moderate impact on the management team because managers interpret it in various ways.

6.3.4 Effect of Management-Created Workplace Experience on Employee Experience

This research models a management-created workplace experience as a reflective second-order construct with three reflective dimensions: human resources practices CXHRP, leadership CXL, and database /IT support CXDS. The results of this study concluded that the overall management-created workplace experience was significantly related to employee experience (CR = 9.450; $p < .001$), Coefficient H= $1.18 \geq 0.70$, and the AVE= $0.816 \geq 0.50$. This study confirms that all CXL, CXHRP, and CXDS are crucial to CEM. The next sub-sections will detail the relationships between these reflective dimensions and how they impact on employee experience.

6.3.4.1 Effect of Human resources practices on Employee Experience

The results revealed that human resources practices CXHRP play a significant role in the management team and contribute to the employee experience (SRW = .805, CR = 11.80, $p < .001$). This finding echo previous researchers' suggestions that such practices are one of the most crucial factors helping firms to deliver superior value to customers (Delery & Doty 1996; Nasution et al. 2011; Nasution & Mavondo 2008; Rogg et al. 2001; Schmitt 2010; Yeh 2014).

The results in Table 6.12 show that managers understand and appreciate the value of the employee in H&T, and they consider them the most valuable resource in that industry (CXHR2), and this is has been confirmed elsewhere (Barney & Wright 1998; Wright, Dunford & Snell 2001; Wright, McMahan & McWilliams 1994). Also, managers claimed that customer experience training is developed, delivered, monitored, and evaluated by HRP for all employees throughout the organisation. They can acquire more relevant skills needed to meet customer needs, and hence training is advanced, personalised, monitored, and assessed for all employees (CXHR3). In H&T, an employee-centric approach is being implemented (Matira & Awolusi 2020). For example, the Ritz-Carlton, Hyatt, and Four Seasons Hotels businesses are well-known for treating their staff well. However, as our sample showed more than 60% of the organisations are SMEs, so they can easily deal with small personnel numbers to improve what they offer, and in this way get the rewards, recognition, and growth. These realities encourage

employees to work well with customers. However, providing training and rewards might be quite challenging for micro and small businesses due to limited resources.

Also, the results revealed that employees receive incentives and rewards as acknowledgement for their accomplishments in customer experience (CXHR4), and the incentives can range from financial to non-financial rewards. All these incentives and rewards for the hospitality industry employees have been noted by Jaworski et al. (2018). They stated that the H&T employee has access to the following: (1) Health insurance, (2) Paid vacation, (3) Paid sick leave, (4) Superannuation contributions by employee and employer, and (5) Worker's compensation. However, Goh and Okumus (2020) in their study remarked that rewards and incentives have evolved over the years, and in their analysis, 'generation Z', who do not usually care about health insurance or retirement contributions, are more interested in looking for experiences and where they will be in 5 or 10 years' time. Also, they want more adventures and travel opportunities, and want work hours to be flexible so that they can travel. Learning and training for customer service skills and emerging hotel technologies were also considered as rewards as well as having equal opportunities, fairness/sustainable work environments, and finally participation in a mentorship/buddy program.

Table 6.12 *Overview of The Human Resources Practices Assessment*

Measurement items	Description	SFL ≥ 0.50*	Reliability
CXHR2	Our organisation treats employees as the most valuable resource	0.743	.79
CXHR3	Customer experience training is developed, monitored and evaluated for all employees	0.609	
CXHR4	In our organisation employees receive incentives and rewards to acknowledge their ongoing customer experience accomplishments	0.633	

Despite all the training after recruitment and the incentives, it is unclear whether the recruitment process targets customer experience-centric candidates or those with high emotional intelligence (CXHR1). Several different factors have converged to create a shortage of soft skills in the hospitality industry, as explained by the Department of Jobs and Small Business[2]. These include level of education, lack of resilience, stress tolerance, flexibility, and reliance on migrant workers who come from a variety of cultural backgrounds and have

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[2] See https://www.employment.gov.au/

different technical skills to what is required in hospitality and tourism. Workers this field must now possess skills such as empathy and emotional intelligence. This outcome is congruent with existing HR research and the need of emotional intelligence in employees is related to organisational outcomes such as job satisfaction, performance, organisational commitment, customer service (Prentice, Lopes & Wang 2020) and employee creativity (He, Morrison & Zhang 2021; Nasution et al. 2011).

6.3.4.2 Effect of Customer-oriented leadership on Employee Experience

Leadership affects employee in CEM, the current results showed that leadership is essential to enhancing both the employee and customer experience (SRW = .841, CR = 11.80, p < .001). As shown in Table 6.13, customer-oriented leadership includes behaviours, core values of organisations, and the ways that leaders communicate effectively, coach, build trust with the team, and match skills and tasks to employees. The results showed that the leadership role includes spending a large amount of time with key customers, reacting rapidly to resolve customer issues, fostering good relations between and across teams, and acknowledging when commitments have not been met (CXLEM2). This finding implies that a customer experience leader has to have traits helping them to manage the experience, spend time with customers, and place themselves in the customers' shoes. This finding is relatively novel in the CEM literature.

The findings suggested that leadership in the CE model means that the organisations value and demonstrate customer-centric behaviour in all their teams, and is a role model for employees (CXLCO1). Leaders have the ability to open the minds of employees and ensure action are based on values. In addition, leaders will admit to when things are not working well (CXLCO2). In H&T, leaders have to show traits of authenticity, vulnerability, and modesty to their employees, and understand that all staff can make mistakes and learn from them. Most importantly, studies showed these attributes help to create a culture of open communication, collaboration, and innovation (Willis & Tuell 2020). Trust, communication, and authenticity have been identified as key components of effective leadership in hospitality and tourism (Gui et al. 2020). They are also identified in leadership and psychology literature as the foundation of human connections. When a leader exhibits these traits, people are drawn to them and remain deeply loyal to them (Brown 2018). Such loyalty can lead to strong bonds and trust, empowering individuals especially in a time of crisis such as the current COVID-19 pandemic.

Our finding sheds light on a critical aspect of leadership—effective communication and building connections and trust between team members as well as assigning the right team with the right skills (CXLCO1, CXLCO2). In H&T, leaders need to ensure that everyone involved in the workplace understands their role in the customer experience, tailors the communication to employees based on their level and area of strength, for example when communicating to executives, focuses on areas like ROI, and when communicating with frontline employees, focuses on how their day-to-day interactions influence customer experiences and journey. All of these factors can create a positive work environment and get employees to deliver the best possible customer experience. A culture of trust, autonomy, communication, and authenticity improves how well hotel employees do their job. Employees working in H&T need to have a role model who promotes trust, authenticity, good communication, and freedom (Bhardwaj & Kalia 2021).

Based on the above findings, all the traits tested in this study asserted that supervisors' use of transformational (Gui et al. 2020) and servant leadership styles will create different affective and attitudinal outcomes (such as job satisfaction), cognitive outcomes (such as customer-oriented citizenship behaviour), and finally will enhance three things: customer experience; employee creativity, loyalty; and overall experience (Bavik 2020). Some well-known examples of this are the Marriott and The Ritz Carlton Hotels, Starbucks, and Southwest Airlines, all of which exude transformational and servant leadership styles in their culture, which empowers the relationship between the company, managers, employees, and customers (Chon & Zoltan 2019).

Table 6.13 *Overview of the Leadership Assessment*

Measurement items	Description	Mean Statistic	Std. Deviation Statistic	Skewness	Kurtosis
CXLEM2	Leaders spend much time with key customers and respond rapidly when dealing with a customer issue	5.19	1.464	-.773	-.149
CXLCO1	Leaders are role models for the organisation's values	5.48	1.391	-1.067	.736
CXLCO2	Leaders acknowledge when we do not deliver what we commit to do	5.39	1.443	-.817	.047
CXLCV1	Leaders helps develop good relationships within and between across teams	5.27	1.291	-1.025	.824
CXLCV2	Leaders assign the right tasks to the right people with the right skills	5.26	1.511	-.955	.497

6.3.4.3 Effect of IT/database on Employee Experience

The impacts of digital technologies are evident in almost all industries. Database technology and other aspects of IT have greatly transformed the H&T landscape (Alrawadieh, Alrawadieh & Cetin 2020). IT/databases can empower employees, customers, and foster an environment for future success, the results indicated that IT/database and digital technology capabilities were significantly related to management-created workplace experiences and affect the employee experience (SRW = .598, CR = 9.52, $p < .001$). The findings shown Table 6.14 indicated that in CEM, IT/database includes the hardware and software provided to frontline employees (CXIT1), the available information, timeliness of information (CXIT2), reliability of storage, and integration of all the data derived from the customer experience journey touchpoints (CXIT3). Such data can provide front-line employees with information that will enable them to engage customers either by mail, web, fax, retailers, etc. (CXIT4). All information acquired about customers should be compiled in a comprehensive, centralised, up-to-date, real-time database.

The literature confirmed our findings that technological interfaces may foster good employee experience, as it includes state-of-the-art systems, communication tools, the hardware and software required to create effective interfaces and engagement platforms relevant to customer-employee interactions (Chathoth et al. 2020). These systems and any technology related lead to increased productivity, strengthen the employee-customer relationship and in returned provide the employee with confidence to serve the customer and positively influence employee motivation. However, in the strategic management literature, IT tools are not a source of competitive advantage, but have to be combined with other resources (Powell & Dent-Micallef 1997). Based on this research, it can be posited that technology in the H&T industry is needed to facilitate employees' work, and provide any updated information including change of fees and previous conversation with the customers (Prentice et al. 2020). This implies that the more technology is used, then the motivations of a worker will increase, and different skills will come to the fore, especially during the current COVID-19 pandemic (see Sapta, Muafi & Setini 2021).

Table 6.14 *Overview of the IT/Database Support Assessment*

Measurement items	Description	SFL ≥ 0.50*	Reliability
CXIT1	Our organisation has the right hardware and software to serve its customers	0.601	
CXIT2	Our organisation is able to consolidate all information acquired about customers in a comprehensive, centralised, up-to-date, real-time database	0.65	.708
CXIT3	The database in our firm can provide front-line employees with customer information	0.575	
CXIT4	The database in our firm is capable of integrating customer information from different contact points (e.g., mail, web, fax, etc.)	0.677	

One noticeable difference between the results of this study and other research was the emphasis on the organisation's awareness about the power of new digital media—such as social media, mobile, analytics, or embedded devices—that enable major business improvements. The results in Table 6.15 indicated that CEM requires an investment in digital technology and integration of automation in order to more effectively engage digital customers at every touchpoint in the customer experience lifecycle (CXITDT1, CXITDT2, CXITDT3). This technology may serve to measure performance in new and radical ways, as opposed to the emphasis on IT supporting documented according to other literature (Eshet 2004; Rachinger et al. 2019).

In this era of rapidly changing digital technology and social media, H&T industries have no other choice than adopting and implementing them, as well as artificial intelligence, and any other analytics tools that will enhance performance and efficiency of services (Prentice & Nguyen 2020; Prentice et al. 2020). More importantly, the focus should be on using technologies that are aligned to employee and customer experiences. For example, the Marriott Hotel Group uses social media to attract younger prospective employees, and have their employees run their own kitchen called "My Marriott Hotel" on Facebook (Goh & Okumus 2020).

Table 6.15 *Overview of the Digital Technology Assessment*

Measurement items	Description	SFL ≥ 0.50*
CXITDT1	The use of new digital technologies, such as social media, mobiles, analytics or embedded devices, makes major business improvements possible	0.688
CXITDT2	Our organisation invests in technology and business models to more effectively engage digital customers at every touchpoint in the customer experience lifecycle	0.815
CXITDT3	Our organisation uses technology to radically improve performance of our enterprise	0.836

To summarise, organisational cultural capabilities, human resources, leadership teams, and technology are all internal services provided to employees, and they wield a significant impact on a firm's performance. A learning- and customer-centred orientation plays a key role in the creation of organisational cultural capabilities; however, the role of HR leaders and leadership also enhances employee experience, rather than shaping the customer experience. Finally, IT tools and advanced technologies support the employee experience but has no value without human interaction and connection with customers.

6.3.5 Effect of Employee Experience on Customer Experience Performance

The results of the hypothesis testing revealed that a significant and positive relationship (SRW = .692, CR = 12.766, $p < .001$) exists between the employee experience and customer experience. This relationship as shown in Table 6.16 affects the overall satisfaction, loyalty, and engagement of employees with their workplace, as well as the level of their emotional intelligence when they are dealing with customers.

Table 6.16 *Overview of the Employee Experience Assessment*

Measurement items	Description	Estimate	S.E.	C.R.	P
EXP1 <--- EX	Levels of employee satisfaction with their jobs compared to competitors	.683	.084	8.146	***
EXP2 <--- EX	Levels of employee loyalty with the company compared to competitors	1.061	.099	10.693	***
EXP3 <--- EX	Levels of employee engagement compared to competitors	.987	.098	10.024	***
EXP4 <--- EX	Levels of employees' emotional intelligence skills when they are dealing with customers compared to competitors	1.464	.180	8.146	***

This relationship has been proven in previous studies (Chahal & Dutta 2015; Lemke, Clark & Wilson 2011) in which employees were found to play an essential role in developing the customer experience. The finding showed the managers care about the level of overall satisfaction, loyalty, and engagement of employees at an organisation compared to others, as stated in other studies (Harter, Schmidt & Hayes 2002; Hooley et al. 2005; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009), and it has different implications for customers based on the context. Employee satisfaction level (EXP1) is relatively lower than that of competitors in the same field. One possible explanation for the insignificant lower level of employee satisfaction is the lack of control, fun, autonomy, and responsibility for their own time, as reflected earlier in the organisational cultural capabilities. Tang and Tsaur (2016), however, argued that frontline employees in the hotel industry require strong management

support which can produce customer satisfaction. The authors did not directly mention the customer experience but explained that management support climate has a positive effect on the service-oriented OCB and satisfaction of frontline employees and customers. For example, the Marriott Hotel group abides by the motto, 'Take care of the associates, the associates will take care of the guests, and the guests will come back again and again' (Chon & Zoltan 2019). Table 6.17 presents the relationship between employee satisfaction and customer retention, acquisition and loyalty. However, the relationship between customer satisfaction and employee satisfaction is not strong; it shows that whether the employee is satisfied or not, a customer can come back again based on service provided and not the satisfied employee.

The result also showed based on the previous impact of leadership and culture, employee loyalty (EXP2) is higher than competitors for the surveyed H&T organisations, and it shapes the employee experience. The more loyal the employee is then the better the experience that person will have. This is especially the case in the hospitality setting, where employee loyalty is related to leadership support. The more support the employee gets, the more loyal to the organisation he/she will be. Also, employee loyalty is influenced by factors that affect motivation. The study also found that overall, loyal employees connect with their customers the most and also enhance customer loyalty and experience.

Table 6.17 *The Relationship Between Employee Experience and Customer Experience*

Customer		Employee	Estimate	S.E.	C.R.	P
CXP4 retention	<-->	EXP1 satisfaction	.275	.069	3.998	***
CXP3 acquisition	<-->	EXP1 satisfaction	.185	.079	2.335	.020
CXP2 loyalty	<-->	EXP1 satisfaction	.380	.085	4.481	***
CXP2 loyalty	<-->	EXP2 loyalty	.897	.140	6.423	***
CXP4 retention	<-->	EXP3 engagement	.690	.111	6.209	***
CXP3 acquisition	<-->	EXP4 emotional	.594	.114	5.190	***
CXP4 retention	<-->	EXP4 emotional	.243	.078	3.109	.002

These findings support the significant role of employees in several areas of the company, but especially in establishing and maintaining customer bonds. However, employees cannot do that without being emotionally intelligent. The result indicates that employees' emotional intelligence while dealing with customers (EXP4) accounted for more than 60% higher ranking than their competitors (see Table 6.18). The emotional intelligence of employees has been mentioned briefly elsewhere (Lashley 2008; Lemke, Clark & Wilson 2011). The current results indicated that employees with high emotional intelligence can affect the level of customer retention, acquisition and satisfaction as shown in Table 6.17. The

emotionally intelligent employee is required in H&T, as described by Bharwani and Jauhari (2013). They expanded on the importance of emotional intelligence required by frontline staff working in hospitality. Hospitality intelligence (HI) encompasses a set of competencies required by hospitality staff. HI is composed of three dimensions: emotional intelligence, cultural intelligence, and hospitality experiential intelligence. However, in order to provide an exceptional guest experience, employees have to adopt these soft skills combined with technical skills and engagement (Prentice, C & Nguyen, M 2020; Prentice et al. 2020).

Table 6.18 *The Percentage of Employees' Emotional Intelligence*

Employees' emotional intelligence	Frequency	Percent
Moderately lower	19	10.7
About the same	46	25.8
Moderately higher	113	62.15
Total	178	100.0

6.3.6 Effect of Customer Experience Performance on Organisational Performance

The findings revealed a significant positive relationship (SRW = .520, CR = 8.10, $p <$ .001) between the CEP and OP; therefore, the results support the researcher's hypothesis. This means that customer experience performance has been linked with higher organisational performance, as high levels of customer retention rates result in greater sales volume and greater market share, reduced acquisition and servicing costs, and improved efficiency as has been posited in older literature (Zeithaml, Berry & Parasuraman 1996; Reichheld, 1993). Specifically, the results also showed the insignificance of customer satisfaction to customer experience performance Mean CXP1 = 4.43. This is inconsistent with previous findings and confirms that customer satisfaction is the key measurement in CEM (Arnould & Price 1993; Bowen & Schneider 2014; Grewal, Levy & Kumar 2009; Schneider & Bowen 1999; Yuan & Wu 2008). This study indicated that based on previous aspects of culture capabilities and management support provided to employees, the level of loyalty, acquisition, and retention are considered to be high in H&T compared to other competitors and based on employee experience provided (see Tables 6.17, 6.19).

It could be that the customer journey in H&T might not be about satisfaction, it might be about the whole journey, for example, the customer might not be satisfied with the hotel website, but once at the hotel until he/she left, the experience was great, so customer satisfaction can be measured at each touchpoint or each stop along the way. This result is

consistent with existing research on CEM models in the service industry, such as Heshmati, Saeednia and Badizadeh (2019), who stated that CEM increases customer loyalty and informs the development of repurchase processes, but not necessarily customer satisfaction. Financial performance measures have been the most dominant in the measurement of business performance in the marketing literature (Hooley et al. 2001; Srivastava & Shocker 1991). Accordingly, this thesis determined that customer experience performance affects the level of overall profits, revenue, market share, and return on investment (ROI).

This is consistent with the findings of other studies on CEM, such as that of Verhoef et al. (2009). Later on, Srivastava and Kaul (2016) examined the impact of customer experience on attitudinal and behavioural loyalty by observing customer behaviour in the retail context. Their finding was that customer experience has a long-term impact on retail performance, and this impact is felt through attitudinal loyalty.

Table 6.19 *Overview of the Customer Experience Performance and Organisational Performance*

Measurement items	Description	Mean Statistic (M)	Std. Deviation Statistic (SD)	Skewness	Kurtosis
CXP2	Levels of customer loyalty compared to competitors	5.15	1.240	-.335	-.367
CXP3	Levels of customer acquisition compared to competitors	5.09	1.151	-.133	-.105
CXP4	Levels of customer retention compared to competitors	5.05	1.101	.002	-.396
OP1	Overall profitability achieved compared to competitors	4.66	1.306	-.372	.063
OP2	Revenue compared to competitors	4.60	1.338	-.355	.047
OP3	Competitive position (Market share) compared to competitors	4.67	1.247	-.090	-.043
OP4	Return on investment (ROI) compared to competitors	4.59	1.490	-.420	-.015

The result documented in Table 6.20 shows that in customer experience management, having a loyal customer and then new customers who comes back to the brand over time can contribute heavily to better profitability, revenue, return on investment (ROI) and market share. This echoes what the case studies of Frow and Payne (2007) found, who indicated that the delivery of a perfect customer experience can improve and expand customer loyalty and firm profitability.

Table 6.20 *The Relationship Between Customer Experience Performance and Organisational Performance*

Customer		Organisational performance	Estimate	S.E.	C.R.	P
CXP2 loyalty	<-->	OP1 profitability	.539	.128	4.220	***
CXP4 retention	<-->	OP1 profitability	.382	.111	3.437	***
CXP4 retention	<-->	OP2 revenue	.397	.114	3.478	***
CXP3 acquisition	<-->	OP2 revenue	.553	.122	4.517	***
CXP4 retention	<-->	OP3 market share	.534	.110	4.842	***
CXP4 retention	<-->	OP4 return on investment	.627	.131	4.776	***
OP2 revenue	<-->	CXP2 loyalty	.423	.128	3.308	***
OP3 market share	<-->	CXP2 loyalty	.515	.122	4.221	***
OP4 return on investment	<-->	CXP2 loyalty	.537	.144	3.734	***
OP4 return on investment	<-->	CXP3 acquisition	.548	.135	4.070	***
OP3 market share	<-->	CXP3 acquisition	.687	.119	5.768	***

Based on all the above findings, the factors influencing CEM, such as human resources, marketing culture, customer-centric management system, and technology all influence employee and organisational performance (Chakravorti 2011; Nasution et al. 2011; Trainor et al. 2014). However, there is no evidence that poorer customer satisfaction would affect firm performance. This aligns with the theory of SPC, which claims that employees' performance leads to increased customer loyalty—which, in turn, increases firm performance (Heskett, Sasser & Schlesinger 2004; Silvestro & Cross 2000).

In summary, the impact of employees on customer metrics and financial performance has been proven in different contexts such as service delivery and customer relationship management (Chakravorti 2011; Nasution et al. 2011; Trainor et al. 2014). The findings of recent theoretical studies have indicated that employee experience has an impact on customer experience, satisfaction, loyalty, and degree of emotional intelligence, which affects the customers' evaluation of their experience and how well the business has performed (Hwang & Seo 2016; Solnet, Ford & McLennan 2018). The findings also provide empirical evidence of the customer experience management in the hospitality and tourism industry context, thereby answering the second research question: How can service-profit chain theory be applied to customer experience management to depict the relationships between management, employee, and customers that ultimately improve organisational performance?

This was done by validating and testing the initial measurement model with the use of SEM. The findings confirm the applicability of the SPC theory and dynamic capabilities in establishing relationships between the critical organisational cultural capabilities, and the

following: management teams, leadership, human resources, and IT. It helps to find what affects employee experience, customer experience, and profitability.

6.3.5 CEM Metrics

The findings of this study informed researchers and organisations in considering different measurement tools to monitor the current employee experience, customer experience, and the impact of both on organisational profitability. What is reported in this study is consistent with other researchers who measured the customer experience through customer experience quality (EXQ) and total quality management (TQM) (So & King 2010; Kuppelwieser & Klaus 2020; Maklan & Klaus 2011; Novak, Hoffman & Yung 2000). Other scholars such as Verhoef et al. (2009) reviewed a wide range of tools that have been used to measure the experience. A different perspective has been taken in the retail industry focusing on customer experience management; these organisations measure CE through higher customer satisfaction, more frequent shopping visits, larger wallet shares, and higher profits (Grewal, Levy & Kumar 2009). Batra (2017) considered the measurement tools and analytics derived from technological advances and have improved accuracy; this facilitates organisational decision-making to drive customer acquisition, retention, and growth. Some of these tools and analytics are customer sentiment analytics, text analytics, and big data analytics, stress analytics, net promoter score system, and customer journey mapping. The current results showed there are other measurement scales able to calculate the employee experience, Tables 6.21 and 6.22 summarise these measurements. Most critical measurements for employee experience are customer satisfaction (57%), customer service quality (40%), management performance review survey (42%), annual engagement survey (36%), and employee net promoter score (15%).

Table 6.21 *Frequencies CEM Metrics- Employee Experience Performance*

	Employee Net Promoter Score	Management Performance Review Survey	Customer Satisfaction	Annual Engagement	Customer Service Quality
Frequency	27	73	105	64	70
Percent	%15.2	%41.0	%59.0	%36.0	%39.3

Other metrics that measure customer experience performance include customer satisfaction (100%), first response and average handling time (51%), customer lifetime value

(50%), customer churn rate (25%), customer effort score (20%), and mystery shoppers (1%). These are shown in Table 6.22 below.

Table 6.22 *Frequencies CEM Metrics- Customer Experience Performance*

	Customer satisfaction (Net promoter score)	First response and average handling time	Customer lifetime value	Customer churn rate	Customer effort score
Frequency	154	66	78	38	26
Percent	%86.5	%37.1	%43.8	%21.3	%14.6

In summary, measuring the customer and employee experience is a major step in CEM, due to the dynamic process of obtaining feedback to identify customers' current and future needs. It is possible to conclude that customer satisfaction (i.e., net promoter score) is the most critical metric for measuring both the customer and employee experience. This measurement should be considered by leaders in the hospitality and tourism industry.

6.4 Chapter Summary

The purpose of this chapter was to discuss the findings regarding the critical organisational cultural capabilities related to CEM of management teams in the hospitality and tourism industry. Findings revealed that customer experience management in the Australian hospitality and tourism industry is still in its early stages. Improving these capabilities requires learning *about* and *with* customers. Employees are the most critical assets of organisations, especially in the H&T industry, as they are the front-of-office 'face' of the brand and the link between the business and the customer. These findings may be applied to organisations and industries of many sizes. There is, however, a clear lack of digital readiness, in that managers do not consciously associate their learning with the delivery of a superior customer experience through technology.

Chapter 7: Conclusion

7.1 Introduction

The purpose of this study was to identify the critical organisational cultural capabilities that affect management teams in CEM in the hospitality and tourism industry. To adequately achieve the aim of this research the study adopted a quantitative research methodology. This led to developing a conceptual framework centring on understanding the critical organisational cultural capabilities that affect management teams in CEM based on the review of relevant literature. Tested and validated here was the conceptual framework using the survey data collected from employees in the hospitality and tourism industry in Australia. It set out to identify the critical organisational cultural capabilities that affect the management team in CEM from an organisational perspective. In this chapter are the major findings with the literature on CEM, and they may prove valuable for professionals in the hospitality and tourism industry. The contribution of the research findings to theory and practice is explained, followed by a discussion of the limitations of the study and several future research directions that should be considered before concluding the chapter with a summary. The remainder of this chapter is organised as follows. Section 7.2 includes a summary of the research, and Section 7.3 covers the research findings. Section 7.4 evaluates the contributions made to CEM research. In Section 7.5, the implications of the findings are presented, while lastly in Section 7.6 the limitations of this study and suggestions for possible future research directions in related areas are presented.

7.2 Summary of the Research

Customer experience management is becoming a new aspect of marketing, and there has been an increasing interest in customer experience management, especially in hospitality and tourism (Hwang & Seo 2016; Kandampully, Zhang & Jaakkola 2017). CEM has become so important that researchers have predicted that it will overtake price, profit, and product as the top competitive advantage. It is shaping a new environment characterised by collaboration between top management, marketing, IT, and human resources departments (Becker & Jaakkola 2020; Bueno et al. 2019; Giannopoulos et al. 2020; Homburg, Jozić & Kuehnl 2017; Jaziri 2019; Varnali 2019). Several scholars have investigated customer experience

management with a great emphasis on customer behaviours and experience based on emotional experience, sense, and feel. To date, some researchers have evaluated the subject systemically (Homburg, Jozić & Kuehnl 2017; Hwang & Seo 2016; Jain, Aagja & Bagdare 2017; Kandampully, Zhang & Jaakkola 2017; Witell et al. 2020). Some scholars have cited the organisational perspective of providing superior customer experience (Kouassi, Martins & Molnar 2016; Chakravorti 2011; Homburg, Jozić & Kuehnl 2017; Witell et al. 2020).

These studies have resulted in theoretical but not practical insights on CEM from an organisational perspective. Few scholars have sought to understand customer experience management from this perspective. The existing body of research suffers from various shortcomings, including: (a) an overemphasis on customer behaviours and customer-centric experience based on emotional experience, sense, and feel; (b) a call for a theory-based conceptual framework that can serve as a foundation for further research and investigate other essential attributes to CEM, such as organisation culture, leadership, and employee experience; (c) a lack of research on customer and visitor experiences in the tourism industry in Australia; and (d) a lack of embracing organisational cultural change and knowledge, skills, which has limited the growth of hospitality and tourism businesses and compromised customer experiences. Recognising this inadequacy, the author of this reseach developed a conceptual framework to investigate the impact of organisational cultural capabilities on CEM through employee experience and customer experience performance.

This study set out to identify how organisational cultural capabilities influence customer experience management, customer experience performance, and organisational performance in the hospitality and tourism industry by surveying managers who deal with customers on a daily basis in Australia. The findings reinforce such observations on the lack of organisational perspectives of CEM in the hospitality and tourism industry. The results revealed in Chapter 6 (Table 6.9) that around 60% of the surveyed organisations already manage the customer experience, while the other 40% are still in the process of setting up systems to do so. These results demonstrate that the potential benefits of focusing on the customer experience have not been fully utilised by the hospitality and tourism industry. The following themes were developed to answer the research questions: (a) critical organisational cultural capabilities, (b) direct management influence on employees, (c) CEM performance, and (d) CEM metrics. These findings are summarised in the next section.

7.3 Summary of the Research Findings

This study aimed to build on and extend existing research in CEM by exploring the body of organisational culture literature and connecting the findings to current customer experience literature and theory (e.g., dynamic capability and service profit chain theories). It was also an aim here to test the relationships between organisational cultural capabilities, CEM management team, employee experience, customer experience performance, and firm performance. This section answers the first question that covers the first theme: (a) critical organisational cultural capabilities.

RQ1. How do organisational cultural capabilities affect customer experience management as promoted by the dynamic capabilities theory?

To answer this, a new conceptual framework was developed for investigating the organisational cultural capabilities that affect customer experience management based on a comprehensive review of the related literature. Such a framework extends dynamic capabilities theory by considering the nature of organisational cultural capabilities of H&T in this study via considering three relevant capabilities, namely: learning culture orientation, customer orientation, and employee intrapreneurship. This framework was tested and validated using SEM based on survey data collected from H&T staff in Australia. On this basis the study empirically supported the dynamic capabilities theory by suggesting learning orientation and customer orientation should be predicated on customers' needs. Also, employee intrapreneurship has a moderate impact on the management team due to managers' different interpretations of it.

(A) Critical Organisational cultural Capabilities

Overall, the findings indicate that top management teams in the H&T industry strongly agree that a learning orientation culture is significant. The ability of the manager to move with the rapid changes in the industry can be done by adopting an open mindset. They need to be active learners, willing to capitalise on opportunities to learn about their products, services, and customers, committed to learning and development by encouraging employees to be more innovative and creative, perceiving changes in a company as opportunities to improve, and by centering organisational goals from being product or service-oriented to being customer-centric. These behaviours and attitudes are perceived as key differentiation, and they affect an organisation's propensity to value learning and enhance profitability and employees'

performance (Sawaean & Ali 2020). A strong learning orientation can increase the knowledge held by managers and employees and enhance customer experience.

Customer Orientation Culture Capabilities comprise a system that can enhance the CEM, by aligning the goal, strategies, and customer support strategies so that a customer-centric mentality is the top priority. The finding suggests that thecloser interaction between employees and customers in H&T, the greater the opportunity to add value to customers' journey (Jung et al. 2017). The enrichment of this relationship between employees and customers would help H&T businesses to improve their proactiveness in estimating what customers want now and in the future. Generally, the current literature states that despite the critical role of customer orientation, proactively estimating customer needs is equally crucial in the service industry and especially H&T (Blocker et al. 2011; Gazzoli, Hancer & Kim 2013; Larivière et al. 2017; Aburayya et al. 2020).

Dynamic capabilities theory has been expanded to include employee intrapreneurship, which has been tested and proven to be valid and reliable; however, it is not as dynamic as the other organisational cultural factors required to manage the experience. This agrees with previous literature that defined the concept of employee intrapreneurship as overall employee perceptions of the workplace/industry culture (Carrier 1996; Wennekers & De Jong 2008) or as a managerial strategy (King et al. 2020). It is based on what each organisation does, however, it was not related to dynamic changes in the environment.

The current researcher determined that autonomy, freedom, support for ideas and risk-taking have nothing to do with employee intrapreneurship in CEM. This differs from existing literature such as Hodgetts and Kuratko (2001), Stevenson and Jarillo (2007), and Tajeddini, Martin and Ali (2020). Such a finding may arise since the participants of the survey were working in senior management or, more likely, managers not keen to give employees the freedom to make decisions (Hodgetts & Kuratko 2001; Stevenson & Jarillo 2007). In contrast, the findings indicated that a playful, easy-going, and light-hearted atmosphere at work enables both managers and employees to deliver a great customer experience. A growing number of studies address the association between fun at work and employee creativity (Owler & Morrison 2020), employee well-being (Xu et al. 2020), and overall employee performance (Tews, Michel & Stafford 2013; Tews et al. 2020). The study indicates that in H&T, fun at work includes support from management to celebrate special occasions, socialise outside the workspace, and an overall easy-going atmosphere. This is in line with Michel, Tews and

Allen's (2019) study. Employees would welcome the idea of having fun at work as H&T can be a very stressful environment. Furthermore, the more fun the environment the organisations provide, then the more likely employees will be motivated, less stressed, and creative. Similar outcomes arise in managers as they often have to deal with external issues such as rapid changes in customer needs, fads and fashions, and rapid changes in technology (So & King 2010; Xu et al. 2020).

In summary, CEM in H&T industries relies heavily on learning orientation, customer orientation, and employee intrapreneurship culture. The findings confirmed that these capabilities do not primarily influence the customer experience management team by providing the learning required to make the customer a priority. However, these capabilities do affect customer, employee and organisational performance in a fast-changing environment. As a result, the findings contributed to the existing knowledge by filling the gap on the impact of CEM organisational cultural capabilities in the Australian H&T industry. They also support the applicability of dynamic capability theory to customer experience management.

The second aim of this study is to test the relationships between organisational cultural capabilities, customer experience management team, employee experience, customer experience performance, and firm performance. The following section answers the second research question which covers the themes of: (b) direct management influence on employees, (c) CEM performance, and (d) CEM metrics.

RQ2. How can service-profit chain theory be applied to customer experience management to depict the relationships between management, employee, and customers that ultimately improve organisational performance?

Management's direct influence on employees includes leadership, technology and IT tools, and HR as a critical organisation macro factor. These all contribute to CEM in the H&T industry.

(b) Direct Management Influence on Employees

The results revealed that human resources practices have a significant role to play in how the management team enhances employee experience. It includes but is not limited to understanding and appreciating the value of the employees in H&T and considering them as the most valuable resource (Barney & Wright 1998; Wright, Dunford & Snell 2001; Wright, McMahan & McWilliams 1994). However, what differs in the CEM context is that training is

developed, delivered, monitored, and evaluated by HRP for all employees across the organisation. Managers can acquire more relevant skills needed to meet customer needs, and hence training is advanced, personalised, monitored, and assessed for all employees to contribute to the customer experience. Finally, the power of receiving incentives and rewards to boost employees' motivation and to acknowledge their accomplishments in customer service cannot be understated. Nonetheless, the result showed that HR still struggles to recruit the right customer experience-centric staff or those with high emotional intelligence.

Customer-oriented leadership includes behaviours, the core values of organisations, and how effectively leaders communicate, coach, build a trusted team, and match skills and tasks to employees. It emerged that the leadership role includes spending more time with key customers, responding well to resolve customer issues, fostering good relationships between and across teams, and acknowledging when commitments have not been met. Not only that, leadership in CE must model the organisation's values and demonstrate customer-centric behaviour across the team such as being a role model for all employees. Finally, the results reveal that good leaders will admit to things not going well, but still remain committed to the team and assigning the right people with the right skills. Studies showed that these attributes can help H&T to create a culture of open communication, collaboration, and innovation (Bavik 2020; Gui et al. 2020; Willis & Tuell 2020).

IT/databases are tools to empower employee, customers, and foster an environment for future success. The results indicated that IT/database and digital technology capabilities were significantly related to employee experience. The impacts of digital technologies are evident in almost all industries, particularly the H&T landscape (Alrawadieh, Alrawadieh & Cetin 2020). In H&T, providing the hardware and software to frontline employees, available information, timeliness of information, reliability of storage, and integration of all the data from the customer experience journey touchpoints is very advantageous. Much of the literature confirmed our findings that technological interfaces foster the employee experience through such things as state-of-the-art systems, communication tools, hardware and software which can create effective interfaces with customers and other employees (Chathoth et al. 2020; Sapta, Muafi & Setini 2021; Prentice et al. 2020). However, the results indicated that CEM requires much investment in digital technology and integration automation to more effectively engage digital customers in the customer experience lifecycle.

Two significant findings of these relationships can be summarised as follows. First, the organisational cultural capabilities considered the three previously cited capabilities as internal qualities of the service profit chain framework to examine the impact of a business culture on customer experience management. This is an essential contribution to the literature on customer experience management from an organisational perspective. Second, other operational internal features such as human resources, leadership, and IT have a significant effect on employee experience. The most important soft skill for an H&T employee is emotional intelligence.

This study drew on the service-profit chain theory to determine the impact of internal qualities on customer experience management, employee experience, and organisational performance. The findings confirmed the appropriateness of combining the dynamic capabilities theory and the service profit chain framework to investigate what these capabilities do for the customer experience chain. It provides a more holistic view of the organisational perspective on customer experience management. Integrating the constructs of dynamic capabilities theory and the service profit chain framework into a single framework offered a more appropriate theoretical basis to explain the organisational perspective of CEM and measuring its impact on overall performance. Furthermore, the effect of internal quality as a result of CEM in the areas of human resources practice, IT/database support, and leadership was evident. Overall, the applicability of both dynamic capability and the service-profit chain theories is supported in customer experience management. A combination of internal (i.e., between top-management teams and employees) and external (i.e., between employees and customers) relationships will jointly influence customer performance and improve the profitability of the firm. Based on these findings the following conclusions can be made.

(c) CEM performance

The results of the hypothesis testing reveal that a significant and positive relationship exists between the employee experience and customer experience. This relationship affects the overall loyalty, and engagement of employees with their organisation, as well as the level of their emotional intelligence when they are dealing with customers (Harter, Schmidt & Hayes 2002; Hooley et al. 2005; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009), and it has different implications for customers according to the context. The study also found that overall, loyal employees connect with their customers the most, and also enhance customer loyalty and experience. The greater the loyalty of employees, the better the experience they

have, the better service they provide especially in a hospitality setting. This is because employee loyalty is influenced by good motivational leadership.

However, the findings showed that employee satisfaction level is relatively lower than that of competitors in the same field and that is likely due to the lack of control, fun, autonomy, and responsibility for their own time within the workplace, as reflected earlier in the organisational cultural capabilities. The findings support the significant role of employees in several areas of the company, but especially in establishing and maintaining customer bond, however, employees cannot do that without being emotionally intelligent. The result indicates that employees' level of emotional intelligence when dealing with customers accounted for more than 60%, which was much higher than their competitors.

Regarding the CEM outcomes, the customer experience performance is linked with higher organisational performance, as high levels of customer retention rates result in greater sales volume and greater market share, reduced acquisition and servicing costs, and improved efficiency (Zeithaml, Berry & Parasuraman 1996 ; Reichheld, 1993; Rust & Zahorik, 1993). The result rmeans that in customer experience management, having a loyal customer who comes back repeatedly means that organisational performance is working, the results being better profitability, revenue, return on investment and market share. Bringing in new customers will further improve market share, revenue and ROI. However, there is no evidence that lower customer satisfaction would affect firm performance. This result aligns with the theory of SPC, which claims that employees' performance leads to increased customer loyalty—which, in turn, enhances firm performance (Heskett, Sasser & Schlesinger 2004; Silvestro & Cross 2000).

(d) CEM Metrics

The findings of this study informed researchers and organisations to consider different measurement tools to monitor current employee and customer experience, and the impact of both on organisational profitability. Measuring the customer and employee experience is a major step in CEM, due to the dynamic process of obtaining feedback to identify customers' present and future needs. Our results showed that other measurement scales can serve to measure the employee experience and customer experience. However, it concludes that customer satisfaction (i.e., net promoter score) is the most critical metric.

7.4 Research Contributions

From the theoretical perspective, this study contributed to the literature by: (a) developing and validating a conceptual framework for how organisational cultural capabilities influence customer experience and the relationship between employee experience, customer experience performance, and organisational performance (Becker & Jaakkola 2020; Berry, Carbone & Haeckel 2002; Bueno et al. 2019; Giannopoulos et al. 2020; Varnali 2019); (b) using strategic management and customer-centric marketing theories that help explain the organisational cultural capabilities factors impacting on CEM using dynamic capabilities and SPC theories; (c) extending the service-profit chain theory to CEM in the H&T context; (d) obtaining empirical evidence on the capabilities shaping CEM and its outcomes; and (e) revealing the most common metrics that can measure employee and customer experience.

The developed framework is the first to explore the critical organisational cultural capabilities that affect management teams in CEM in the hospitality and tourism industry. For example, the findings of the structural model analysis indicate that LOC and CO are the critical organisational cultural capabilities in CEM. The findings further reveal that EI has a moderate impact on the management team due the fact that managers interpret issues in their own way, thus confirming the relevance of combining both theories. This provides a more holistic view of the organisational perspective on CEM. Furthermore, the framework answers the call for exploring CEM from an organisational perspective to better understand the concepts that can serve as a foundation for further research. Future scholars may investigate other essential attributes to CEM, such as organisational culture, leadership, and employee experience. This framework could facilitate a better understanding of customer and visitor experience in the tourism industry in Australia, in which a lack of organisational cultural change and knowledge is evident, and led to limited growth in the tourism industry and sometimes poor quality customer experience.

The integration of both strategic management and customer-centric marketing theories in the SPC framework offers a richer theoretical basis for explaining the critical organisational cultural capabilities that affect management teams in CEM using dynamic capabilities and SPC theories. The current findings empirically support the dynamic capability theory by suggesting learning orientation and customer orientation as both dynamic and changeable based on customers' needs, as both are critical capabilities that affect CEM. Furthermore, the SPC theory has been expanded to include organisational cultural, leadership, IT tools, and human resources

as internal variables that impact on employee experience. These variables have been tested and proven to be valid and reliable. From a practical perspective, the findings are valuable for different stakeholders in the H&T industry, including customer experience success managers, customer experience managers, IT staff, human resources personnel, and marketing professionals. The findings of this study provide leaders in the H&T industry in Australia and other countries with information and guidelines for changing the culture of organisations and how these changes might improve both customer-centric experience and firm performance.

Furthermore, the results of this research contribute to other departments/units/agencies within H&T organisations, including the information technology, human resources management, and marketing sections. The findings may assist organisations in identifying the resources and capabilities that are needed to facilitate an excellent customer experience from several perspectives, including the systems and user interfaces that provide access to customer preferences and needs. All these practical contributions and their implications for H&T will be discussed in detail in the next section.

7.5 Research Implications

Our main aim in this study was to identify the cultural capabilities and their impact on CEM and gain insights about the nature of the relationship between these capabilities, management, employees, customers, and organisational performance. We have done so by presenting an attempt to examine an integrated model of the critical organisational cultural capabilities in CEM. The study was theoretically grounded in a combination of DC and SPC. The researcher empirically tested this model using SEM against the data collected from 178 organisations in H&T in Australia. There are several important implications that might assist CE, IT, marketing and HR managers, government departments, and decision-makers in the H&T industry. Accordingly, for CE managers and those who run other departments, the first major practical implication is the potential benefits of organisational cultural capabilities in CEM. The findings can enhance managers' understanding of learning and customer orientation because they to know the potential market and who the customers of the future will be. In addition, managers need to align the CE vision and the learning required for cultural changes.

Based on the findings, the researcher concluded that managers need to make more informed decisions on whether the culture change is required and how these changes impact customer experience and firm performance. Managers must develop strategies for evaluating

the availability of existing and required resources and capabilities. Moreover, a reconfiguration of operations and an organisational restructuring around customer centricity must occur to foster best CE practice. Finally, leaders must align organisational culture, HR strategy, and KPIs with the CE vision, which requires collaboration between departments.

A second important implication of our study derives from our finding on the IT/database and technological advances. Managers should become aware of what their customers want through the alignment and automation of internal workflows and processes with customer journeys. Another critical implication derived from our findings suggests that it is important for CE managers to treat employees as the most valuable resource in their business. This implies that managers should develop CE staff training, monitoring methods, evaluative standards, coaching techniques, incentives, and rewards to acknowledge ongoing accomplishments in customer experience.

A third implication stems from the role of employee experience in CEM, as the findings highlighted the need for a holistic understanding of all aspects of the firm to effectively manage customer experiences. Highly successful hospitality firms create an environment that encourages employees to adjust their service provisions to cater to customers' unexpected needs. The successful management of customer experiences can be achieved through an orientation that places employees at the centre stage. Customer experience cannot be created through marketing strategies alone; rather, the customer experience must be part of the firm's strategic vision and unify what the organisation does. The findings clarified that a positive customer experience is the outcome of a cleverly orchestrated, multifunctional approach that includes marketing, operations, human resources, business strategy, technology, social media, and design.

The last implication for CE managers stems from the crucial role of technology, the Internet, and mobile social media that is enabling people to disseminate information and connect with others. Managers should align and automate internal workflows and processes with customer journeys and that they should leverage emerging technology to do so. The findings also reflected the measurement tools that are commonly used in the fields of H&T, suggesting that organisations must consider different operationalisations of both the employee experience and customer experience to determine how they lead to firm profitability.

In addition, there are several implications of this research for government and decision-makers in H&T. First, organisations in this field should create better awareness of the benefits of CE and work with industry leaders to support the development of tourism infrastructure that can drive demand. Second, they should provide SMEs with technological support and other forms of assistance to facilitate customer mapping, journeys, and metrics. Training programs and workshops should be designed to improve the soft and generic CE skills of H&T employees and managers. Employers in these areas require the following skills: teamwork and communication; resilience, stress tolerance, and flexibility; problem-solving; self-management; social intelligence; learning agility/information literacy/intellectual autonomy and self-management; managerial/leadership; and language, literacy, and numeracy (LLN). Table 7.1 described the practical contribution and implication in more detail.

Table 7.1 *The Practical Contribution and Implications*

Finding	Practical Contributions	Implication for CE Managers & Other Departments	Implication for Government & Decision-Makers in H&T
Learning Orientation Cultural Capabilities	CEM teams in the H&T industry strongly agree that a learning orientation and customer orientation culture is critical.	**CE Managers in the H&T industry should:** • remain open-minded; • be active learners; • willing to capitalise on opportunities to learn about customers; • be committed to learning and development; • invest in employee learning; • learn about customers and employees; • associate learning with delivering the experience; • transform organisational goals and vision from being product or service-oriented to customer-centric. Frontlines and managers to dedicate the effort to learn more about their customers on a business level, and a personal level.	**Government and decision-makers in H&T should:** • create better awareness program/courses and training on the benefits of CEM. • work with industry leaders to support the development of tourism infrastructure that can drive demand.
	There is a lack of understanding of digital technology readiness.	Additional efforts must be made to improve digital readiness within organisations by training managers to recognise the impact of learning technology on customer experience through coaching and learning of the staff, to create a well-functioning organisational culture.	
Customer orientation	The closer the interaction between employees and customers is, the greater the opportunity to add value to customers' experiences.	**CE Managers in the H&T industry should:** • be aware of the goals, strategies, etc. that support customers' needs; • adopt a customer-centric mentality; • understand the critical roles of engagement and interaction between employee and customer, and encourage it over time.	
	Customer orientation has developed into one of the single most important 'battlefields', and those who excel in this area are likely to gain a significant competitive advantage over business rivals.	Managers need to make sure that the customer is supported at every stage of the customer life cycle.	

	Customer orientation in CEM is about being proactive to estimate the customer's current and future needs	**CE Managers in the H&T industry** need to: • seek what the customer might need in the future • share all the customer information and resources to other departments to anticipate the customer needs by designing the journey, creating a customer-centric strategy. • personalising the experience that matches the individual basis and makes an adaptation of service in a way that is relevant to satisfy individual (Literature)	
	H&T organisations struggle to anticipate customers' future needs	**CE Managers in the H&T industry** need to: • recognise that the traditional way of capturing and responding to customer needs is no longer enough. • try using various sources from big data and marketing research organisations to curate a customised experience tailored to their purchase preferences, keyword searches, and even GPS data tracking their whereabouts	Government to support micro-businesses and SEMs to apply simple technologies or advanced big data or website technologies to capture customers' needs.
	H&T is still learning how to develop customer experience teams	**CE Managers in the H&T industry** need to: • share vision for the organisation with all employees in each department involved in CEM. • be proactive to lead the team and aligned other departments with any changes applied.	
Employee Intrapreneurship	The autonomy, freedom, support for ideas, and risk-taking as part of Employee Intrapreneurship are not supported	Managers to give the employees the freedom to make decisions without referring to the management team To nurture employee voice and encourage reasonable risk-taking	Government and decision-makers to enforce laws for H&T employees that regulate work hours (night shift, overtime), minimum wages, better conditions to reduce the level of staff turnover in the industry (Literature)
	Having a playful, easy-going, and light-hearted atmosphere at work enables both managers and employees to deliver a great customer experience	Managers to continue or to start implementing an easy-going, playful environment that raises employees' motivation	
Human resources practices and Employee Experience	Human resources practices enable organisations to deliver superior value to customers	HR Managers to: • understand and appreciate the value of the employee in H&T • consider them as the most valuable resource within the industry • developed customer experience training, make sure is delivered, monitored, and evaluated by HRP for all employees across the organisation. • acquire more relevant skills needed to meet customer needs	
	Human resources practices provide employees with incentives and rewards to acknowledge their ongoing accomplishments in customer experience	HR Managers to: • design the incentives and rewards based on employees' needs • recognise the different incentives and rewards based on gender or age group of employees, for example generations Z and Y (literature)	

	Human resources practices lack a recruitment process that targets customer experience-centric candidates or those with high emotional intelligence	HR Managers to: • adopt a new recruitment process that targets employees with high emotional intelligence • implement test during the recruitment process that assists to target employee with high emotional intelligence rather than high IQ.	Government and decision-makers to provide tailored training for soft skills to H&T employees including: teamwork and communication; resilience, stress tolerance, and flexibility; problem-solving; self-management; social intelligence; learning agility/information literacy/intellectual autonomy and self-management; managerial/leadership; and language, literacy, and numeracy (LLN).
Customer-oriented leadership and Employee Experience	Customer-oriented leadership affects employee in CEM	• Managers to evaluate current leadership style and adopt any leadership style that supports good customer experience • Managers to spend more time with key customers, responding rapidly to customer issues, fostering good relationships between and within teams, and acknowledging when commitments have not been met • Managers to work closely with customers and employees and keep putting themselves in the customer's shoes	
	Customer-oriented leadership in CE models the organisation's values and demonstrates customer-centric behaviours throughout the organisation	• Managers to be a role model and ensure their actions are based on the organisation's values • Managers to admit when things are not working when they should be • Managers to show authenticity, vulnerability and modesty traits as it allows the employee to admit and own their mistakes and learn from them. • Managers to assign the right team with the right skills • Managers to adopt a culture of trust, autonomy and communication and authenticity to promote the job performance, and loyalty of employees in H&T • Managers use of transformational and servant leadership styles will have different affective and attitudinal outcomes such as job satisfaction, cognitive customer-oriented citizenship behaviour, and will enhance the customer experience and employee creativity, loyalty and overall experience (Literature)	
IT/database and Employee Experience	IT/database and digital technology capabilities significantly affect the employee experience	• IT Managers to provide hardware and software to H&T frontline employees. • IT Managers to provide centralised, up-to-date, real-time customer database, and the integration of all the data based on the customer experience journey touchpoints	Government and industry decision-makers to provide SMEs with technological support and other forms of assistance to facilitate customer mapping, journeys, and metrics. Training programs and workshops should be designed to improve the soft and IT CE skills of H&T employees and managers.
	CEM requires an investment in digital technology and integration of automated systems to more effectively engage digital customers at every touchpoint in the customer experience lifecycle	Managers to use technologies that are aligned to the employee, and customer experience.	H&T decision-makers to implement advanced technologies, Artificial intelligence and any other analytics tools that enhance task performance, efficiency and ultimately customer experience
Employee Experience and Customer Experience Performance	The overall satisfaction, loyalty, and engagement of employees with their organisation, as well as the level of their emotional intelligence affect the customer experience	Managers to focus on employee experience by making sure that it is satisfactory.	

	The emotionally intelligent employee is required in H&T to enhance the customer experience.	Managers to focus on employees' levels of emotional intelligence and empathy while serving customers.
Customer Experience Performance and Organisational Performance	Having a loyal customer who comes back to the brand many times, and introduces new customers can greatly assist organisational profitability, revenue, return on investment and market share.	Managers to ensure customer loyalty program is implemented in the H&T to promote loyalty, satisfaction through word-of-mouth networking

7.6 Limitations and Future Research

There are several limitations associated with this study that future researchers should consider. The researcher only investigated three different organisational cultural capabilities that influence CEM: learning culture orientation, customer orientation, and employee intrapreneurship. To obtain more reliable insights into CEM, the scope of this study could be extended to other organisational cultural capabilities factors such as organisational and citizenship culture in the same industry or different fields.

The researcher focused only on these organisational cultural capabilities, without considering the three dimensions of dynamic capabilities sensing (i.e., business assessment and information acquisition), seizing (i.e., product portfolio decisions and investment in technologies or human resources), and reconfiguring (i.e., innovation, decentralisation, and knowledge management). Future researchers should evaluate the same capabilities while considering these three dimensions. The current investigation of CEM was from an organisational perspective, which may have affected the validity, generalisability, and reliability of the research findings. Other stakeholders, such as employees and customers, might have different thoughts and needs. Future researchers may obtain a better understanding of the organisational cultural capabilities required to manage the customer experience for both employee and customer perspectives by aligning the results of three different surveys.

The researcher developed the research model based on an organisational focus, with the aim to explore the linear impacts of organisational culture capabilities, management-created workplace experience and finally employee experience on customer experience performance (CEP) which is valid but limited in scope at the time the research was undertaken and when COVID hence online shopping was not prevalent. Future research could consider other relevant variables that greatly impact CEM and that have not been included in the analysis due to the impact of COVID on the tourism industry. One way of doing this is to extend the current model by measuring the digital experience of customer (tourists) when interacting with the firm. This is important especially in a post-COVID era as CEs include not only the face-to-face contact with company employees but experience of customers from searching the company website, social media platforms, to during the stay. Data captured using technological channels are critical for customer attention or information. All these interactions can be determinant for building customer experience in a post-COVID business environment. In addition, measuring the direct impact of digital technology used by firms on CEP can also be a direction of research.

The author of this research collected single survey responses from the managers or the owner of each organisation. The lack of multiple respondents from the same organisation meant that the researcher could not analyse the perspectives of the entire group. This makes the results susceptible to method bias. Future scholars could recruit and survey multiple informants, such as managers and employees or employees and customers, which would significantly alleviate the possibility of method bias.

The sampling frame was obtained from third-party market research agencies. As a result, the participants of this study were employed in the H&T industry and other industries in Australia. The researcher reduced the sample size to focus only on the H&T industry to ensure the homogeneity of the dataset, a requirement of SEM. Furthermore, due to the lack of the number of managerial levels involved in CEM in the H&T industry, future research should obtain data from other sectors; this would promote the validity, generalisability, and reliability of the findings.

The sample was drawn from the hospitality and tourism industries (H&T) in Australia. The H&T is a large and diverse industry and is comprised of a number of subsectors including restaurants, hotels, casinos, amusement parks, events, cruises, entertainment, as well as other tourism-related services, such as lodging, food and drinks service, event planning, theme parks, transportation, cruise line, travelling, airline and additional fields within the tourism industry. Each of these sectors varied in the population and consequently the sample may be not totally representative of the entire tourism industry in Australia. Future studies should replicate the research model in specific samples focusing on each tourism sector, such as accommodation firms or retailers, to examine if the proposed relationships are also valid in that context.

Another limitation is concerned with model fit, which is related to the sample size for analysis. When examining discriminant validity during data analysis, two of the constructs, namely Employee Experience and Customer Experience Performance, were found highly correlated. This high correlation was reflected in high values of both AVE and HTMT suggesting that the two constructs are duplicated to a large extent. This lack of discriminance is a limitation of this study as it can affect the estimated relationship between the two constructs. Future research can address this limitation by increasing the sample size to minimize sampling errors.

This research adopted a quantitative methodology to investigate the impact of organisational cultural capabilities on customer experience performance. There is a need to

adopt other methodologies to expand upon the findings of this research. The study was the first that utilised an organisational perspective to explore the impact of organisational cultural capabilities on the customer experience. Future researchers could seek to explain how and why these contextual capabilities influence the customer experience using alternative methodologies.

The target population in this study was H&T organisations in the Australian market; this included both organisations that had implemented customer experience strategies and those in an early stage of CEM planning. As a result, differences in their perceptions of the organisational culture could have biased the empirical results. A comparative study on the organisational culture required to adjust the experience between both groups could be conducted to develop appropriate suggestions to guide H&T organisations and decision-makers in their formulation of new specific strategies, policies, and designs to facilitate the overall experience.

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Appendices

Appendix A: The Survey Questionnaire

RMIT UNIVERSITY

Customer Experience Management (CEM)

Introduction

Thank you for participating in this questionnaire survey.

The survey will take about 10-15 minutes to complete. You will answer one question at a time and will have up to 2 minutes for each task and the "next" button doesn't show up before then. You cannot move to the next question until the time allocated for answering the question is up. You also cannot return to the question upon submitting the answer. So, please make sure your choice of answer is correct before submitting and moving to the next question.

This study investigates and explores the impacts of organisational cultural capabilities of management team on customer experience management through employee experience and customer experience and consequently on firm performance.

The main objective is to find the relationships between organisational cultural capabilities, management team, employee, customer experience, and organisational performance. The findings are expected to contribute to knowledge and management practice.

Data gathered in this survey will be used entirely for analysis in relation to the above-mentioned objective. The findings will be published in thesis, journal articles and conference papers in such a way that no individual or company can be identified. The data will be kept in a secured server at RMIT University for up to 5 years before they are destroyed. Strict confidentiality will be observed, and no personal data will be collected or stored. The data will also not be used for any other project or made available to the public.

By answering the questions in the questionnaire, you are consenting to participate in the questionnaire survey of this research which is highly appreciated.

Having read the above, you understand that by clicking the "Yes" button below, you agree to take part in this study. If you do not agree to participate, please close your browser window to exit the survey.

○ Yes, "I agree to participate"

This survey contains the following sections:
Section one: General demographic questions.

Section two: Rating Scale Questions: (All in 1, 2, 3, 4, 5, 6, 7)

Part 1: Organisational Cultural Capabilities

Part 2: Customer Experience Management (CEM)

Part 3: Experience Performance

Section one: General demographic questions:

Q 1: What is you gender?

□ Male   □ Female   □ Other (specify)

Q 2: Which category below includes your age?

□ 17 or younger

□ 18-20

□ 21-29

□ 30-39

□ 40-49

□ 50-59

□ 60 or older

Q 3: What is your Position in the organisation?

(…………………………………………..)

Q 4: How many years of experience do you have in customer experience management (CEM)

□ Less than 1 year

□ 1 – 2 years

□ 3 – 5 years

□ 6 – 9 years

□ 10+ years

Q 5: What is the organisation's focus?

□ Good   □ Service   □ Combination
of both

Q 6: In which industry is your business?

(………………………………………..)

Q 7: How long has your company been in business?

□ Less than 1 year

□ 1 – 2 years

□ 3 – 5 years

□ 6 – 9 years

□ 10+ years

Q 8: How many employees do you have in your organization ?

□ 1 – 19

□ 20-199

□ 200 or more

Q 9 : How many staff do you have in CEM department ?

□ 1 – 19

□ 20-199

□ 200 or more

Section two: Rating Scale Questions: (All in 1, 2, 3, 4, 5, 6, 7)

NOTE:

In answering the following questions, which aim to explore how important the various factors of organisational culture capabilities to management-created workplace experience, please refer to your company or organisation to provide the most relevant and appropriate answer.

Please answer these scaled questions based on your understanding and show your agreement with the importance of a factor ranging from "1" to "7".

For questions in Part 1, "1" represents "Strongly Disagree" while "7" represents "Strongly Agree".
For questions in Part 2, "1" represents "Strongly Agree" while "7" represents "Strongly Disagree".
For questions in Part 3, "1" represents "Much Lower" while "7" represents "Much Higher".

Part 1: Organisational Cultural Capabilities

1. Organisational Cultural Capabilities are defined as an organisation's capacity to deploy its assets, tangible or intangible, and to utilise these resources to perform a task or activity that provides a customer-focused experience and improves overall performance.
In this study, Organisational Cultural Capabilities include:

1.1 Learning Orientation: A set of organisational values that influence the propensity of the firm to create and use customer experience knowledge. Three organisational values are routinely associated with the predisposition of the firm to commitment to learning, open-mindedness and sharing of vision.

1.2 Customer Orientation: It is the ability of the organisation to be proactive and reactive to fulfil the current and further customer needs.

1.3 Employee Intrapreneurship: is described as an organisational style or a managerial strategy that stimulates entrepreneurial behaviour among employees to become entrepreneurs with the support of the organisation. It is characterised by factors, such as freedom, autonomy, idea support, risk-taking and fun at work.

Based on the practice of your company or your experience as a professional, indicate your agreement with each of the following statements with respect to Organisational Cultural Capabilities. ("1" represents "Strongly Disagree" while "7" represents "Strongly Agree".)

<pre>
1_____2_____3_____4_____5_____6_____7
</pre>

Strongly Disagree   **Strongly Agree**

1.1 Learning orientation

1.1.1   Commitment to learning

- Our organisation's ability to learn is considered as a key competitive advantage
- Our organisation believes that employee learning is an investment, not an expense

1.1.2   Shared vision

- In our organisation, all employees are aware and commit to the organisational goals, vision.
- Employees view themselves as partners in charting the direction of the organisation
- Management believes in sharing its vision for the organisation with all employees

1.1.3   Open-mindedness

- Our organisation places a high value on open-mindedness
- Original ideas are highly valued in this organisation

1.2 Customer orientation

1.2.1   Functional Coordination

- Management understands how everyone in this organisation can contribute to creating customer value
- We share Market information and resources with other divisions

1.2.2   Customer orientation

- The objectives and strategies of our organisation are driven by the need to achieve excellent customer experience
- In our organisation, customer experience is considered to be a top priority
- Our employees are encouraged to focus on customer experience
- Our senior management emphasises the importance of customer experience and employee experience

1.2.3   Customer need

- We continuously seek to uncover / unexpressed new customers' needs
- We seek to understand what customers might need in the future

1.3 Employee Intrapreneurship

1.3.1   Autonomy/freedom

- Employees are encouraged to take responsibility for their work
- Employees are supposed to get the job done with minimum supervision
- Employees are encouraged to prioritise and make decisions on their own.

1.3.2   Idea support/ Risk-taking

- Employees receive support and encouragement when presenting new ideas
- In this organisation, new venture failure is viewed as a learning experience

1.3.3   Fun at work

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- Employees have fun when they work
- The atmosphere here is playful, easy-going and light-hearted
- Managers are socialising with Employees at work or outside of work
- Our organisation celebrations special occasions at work

Part 2: Customer Experience Management (CEM)

2. Management-created workplace experience is the capability of the organisation to provide an excellent human resources practise, inspirational leadership, organisational system and technology supports for its employee to provide a great customer experience, including three components:

2.1 Human Resources Practices is the ability to focus on aligning the employee behaviour that reacted to job, training and reward-related to achieving alignment around the desire interface experience and excellent customer experience.

2.2 Leadership is the ability of the organisation leaders to empower its employees to assist in customer experience by exhibiting customer-centric leadership behaviours, committing to the core value of organisation, effectively communicating to all the employee, coaching trusted team, and finally matching skills and tasks.

2.3 IT/ Database Support is the ability of the organisation to provide the required IT/Database Support to the employees to shape the customer experience.

Based on the practice of your company or your experience as a professional, indicate your agreement with each of the following statements with respect to Customer experience managament. ("1" represents "Strongly Agree" while "7" represents "Strongly Disagree".)

1_____2_____3_____4_____5_____6_____7

Strongly Disagree   **Strongly Agree**

2.1 Human Resources practices
- Our organisation ensures that the recruitment process targets customer experience-centric candidates/highly emotional intelligence
- Our organisation treats our employees as the most valuable resources within our organisation
- Customer experience Training is developed, monitored and evaluated for all employees
- In our organisation employees receive incentives and rewards to acknowledge their ongoing customer experience accomplishment

2.2 Leadership
2.2.1   Customer-oriented leadership behaviours

- Leaders consider Customer experience a top priority when making decisions and implementing CE strategy
- Leaders spend a lot of time with key customers and react rapidly when dealing with a customer issue

2.2.2 Core value of organisations
- Leaders role model the organisation's values
- Leaders acknowledge when we do not deliver against our commitments

2.2.3 Effectively communicate/ Coaching trusted team/ Match skills and tasks
- Leaders help to develop good relations between and across teams
- Leaders assign the right tasks for the right skills

2.3 IT/Database supports
- Our organisation had the right hardware and software to serve its customers
- Our organisation is able to consolidate all information acquired about customers in a comprehensive, centralised, up-to-date, real-time database
- The database within our firm is capable of providing front-line employees with customer information
- The database within our firm is capable of integrating customer information from different contact points (e.g., mail, web, fax, etc)

Part 3: Experience Performance

3.1 Employee Experience is the overall employee satisfaction, loyalty and engagement over the course of the employees' journey in an organisation and the level of their emotional intelligence while they are dealing with customers compared to competitors.

3.2 Customer Experience Performance is the overall customer experience from the organisational perspective meeting satisfaction, loyalty, acquisition and retention.
3.3 Organisational Performance is measured as profitability, revenue, competitive position, and return on investment. It is measured by the top management teams' assessment of their organisation relative to those with which they compete.

Based on the practice of your company or your experience as a professional and relative to your competitors, what is the level of Experience Performance in your company? ("1" represents "Much lower" while "7" represents "Much higher".)

3.1 Employee Experience (EX)

Relative to your competitors, what is the level of Employee experience in your company

- Levels of employee satisfaction with their jobs compared to competitors
- Levels of employee loyalty with the company compared to competitors
- Levels of employee engagement compared to competitors

- Levels of employee's emotional intelligence skills while they are dealing with customers compared to competitors

How do you measure the employee experience? (You can choose more than one)

- Employee Net Promoter Score
- Customer Satisfaction
- Annual engagement survey
- Customer service quality
- Management Performance Review Surveys
- Others (Please specify)

3.2 Customer Experience Performance (CEP)

Relative to your competitors, how well does your company perform on

- Customer satisfaction
- Customer loyalty
- Customer acquisition
- Customer retention

What are the Customer Experience Metrics that the companies used? (You can choose more than one)

- Net Promoter Score
- Customer Satisfaction
- Customer Effort Score
- Customer Churn Rate
- First Response and Average Handling Time
- Customer lifetime value
- Others (Please specify)

3.3 Organisational Performance (OP)
Relative to your competitors, how well does your company perform on

- Overall Profitability achieved compared to competitors
- Revenue compared to competitors,
- Competitive position (Market share) compared to competitors
- Return on investment (ROI) compared to competitors

Appendix B: Ethics Approval

RMIT
UNIVERSITY

Deputy Pro Vice-Chancello
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Notice of Approval

Date: 9 August 2019

Project number: 22172

Project title: *Impacts of organisational cultural capabilities on customer experience management and firm performance via employee experience and customer experience*

Risk classification: Low Risk

Chief Investigator: Dr Charles Lau
Student Investigator: Rowa Adel Barashi
Other Investigators: Dr Elizabeth Tait

Project Approved: **From: 3 June 2019** **To: 30 September 2020**

Terms of approval:

Responsibilities of the principal investigator
It is the responsibility of the principal investigator to ensure that all other investigators and staff on a project are aware of the terms of approval and to ensure that the project is conducted as approved by BCHEAN. Approval is only valid while the investigator holds a position at RMIT University.

1. *Amendments*
   Approval must be sought from BCHEAN to amend any aspect of a project including approved documents. To apply for an amendment submit a request for amendment form to the BCHEAN secretary. This form is available on the Human Research Ethics Committee (HREC) website. Amendments must not be implemented without first gaining approval from BCHEAN.
2. *Adverse events*
   You should notify BCHEAN immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.
3. *Participant Information and Consent Form (PICF)*
   The PICF must be distributed to all research participants, where relevant, and the consent form is to be retained and stored by the investigator. The PICF must contain the RMIT University logo and a complaints clause including the above project number.
4. *Annual reports*
   Continued approval of this project is dependent on the submission of an annual report.
5. *Final report*
   A final report must be provided at the conclusion of the project. BCHEAN must be notified if the project is discontinued before the expected date of completion.
6. *Monitoring*
   Projects may be subject to an audit or any other form of monitoring by BCHEAN at any time.
7. *Retention and storage of data*
   The investigator is responsible for the storage and retention of original data pertaining to a project for a minimum period of five years.

Appendix C: The Participant Information Sheet(S) & Consent Form(S)

Survey Participants	
Title	Influence of Organisational Cultural Capabilities on Customer Experience Management and Firm Performance: Evidence from Hospitality and Tourism Industry in Australia
Chief Investigator/Senior Supervisor	Dr. Charles Lau
Associate Investigator(s)/Associate Supervisor(s)	Dr Elizabeth Tait
Associate Investigator(s)/Associate Supervisor(s)	Dr Belinda Moloney
Principal Research Student(s)	Rowa Barashi

Dear Participant,

You are invited to take part in this research project, which is called "The organisational cultural capabilities of customer experience management and its impact on the employee, customer experience and performance". You have been invited because you are registered as a panelist on CINT's OpinionHUB/ASKABLE.

This Participant Information Sheet tells you about the research project. It explains the processes involved in taking part of the study. Knowing what is involved will help you to decide if you want to take part in the research or not.

Please read this information carefully. Ask questions about anything that you don't understand or want to know more about. Before deciding whether or not to take part, you might want to talk about it with a relative or friend.

Participation in this research is voluntary, if you don't wish to participate, you don't have to or you can leave the survey at any stage. Your decision to withdraw from the survey will not bring any harm to you. Since the survey is anonymous, your consent will be considered obtained through implied consent (i.e. implied by the return of the anonymous survey).

What does my participation involve?

Your participation will involve answering a survey which will take around 20 minutes. The survey will consist of a set of questions where you will be able to provide your perceptions of the organisational cultural capabilities of customer experience management and its impact on the employee, customer experience and performance. You will not be asked to provide any personal information nor personal records.

Submitting your completed questionnaire is an indication of your consent to participate in the study. You can withdraw your responses any time before you have submitted the questionnaire. You cannot withdraw your participation once you submit your questionnaire as your response is anonymous.

What is the purpose of this research?

Mrs Rowa Barashi is undertaking this research as part of the doctoral program in the School of Business IT and Logistics at RMIT University.

The first research objective of this research is to identify and explore the impacts of the cultural capabilities on Customer experience management. The second objective of this research is to empirically test the validity of the service-profit chain (SPC) to comprehensively explicate the relationship between organisational cultural capabilities for customer experience management, employee experience, customer experience, and organisational performance and the role of customer experience as a mediator between employee experience and organisational performance in Hospitality and Tourism (H&T) Industry.

By investigating the relationship between these constructs, organisations can make a more informed decision on whether they should change their culture and how these change impact the

The results of this research can contribute to Customer experience management, IT, HR and marketing practices.

The results of this research will be used by the researcher Rowa Barashi to obtain a PhD degree in Business information systems from RMIT University and for publications in academic journals or conference proceedings.

Do I have to take part in this research project?

Participation in any research project is voluntary. If you do not wish to take part, you do not have to. If you decide to take part and later change your mind, you are free to withdraw from the project at any stage. If you do decide to take part, you will be given this Participant Information Sheet and Consent Form to sign, and you will be given a copy to keep. Your

decision whether to take part or not to take part, or to take part and then withdraw, will not affect your relationship with the researcher or with RMIT University. Submitting your completed questionnaire is an indication of your consent to participate in the study. You can withdraw your responses any time before you have submitted the questionnaire. Once you have submitted it, your responses cannot be withdrawn because they are non-identifiable and therefore we will not be able to tell which one is yours.

What are the possible benefits of taking part?

There is no cost associated with participating in this research project. All participants that complete the survey will paid an incentive for their time to complete. This incentive is paid by Cint to the individual member upon completion. The incentives are paid and once the member has enough points they can redeem cash from PayPal or gift cards.

For participants, the reward could be the positive feeling that they have contributed to the knowledge creation process and have facilitated scholars. Your contribution is important since you are the major stakeholder of entrepreneurial performance in the country. Participating in the survey is a valuable opportunity for you and you may appreciate contributing to knowledge. Possible benefits may include:

> ➢ By investigating the relationship between organisational culture, customer experience management and how is it impact all employee experience, customer experience and overall firm performance
> ➢ From the orgnisational point of view, the research will enhance further understanding on the capabilities that enhance the performance of customer experience management and therefore assists orgnisatinsl to think widely of other resources and capbilities that required for making a great customer experience.

What are the risks and disadvantages of taking part?

The is no risk is of discomfort or inconvenience. It is considered that participants will not be exposed to any risk greater than the everyday norm.

This project will use an external site to create, collect and analyze data collected in a survey format. The site we are using is Qualtrics (https://www.qualtrics.com/au/). CINT (https://www.cint.com/)/ AND ASKABLE(https://www.askable.com/) will disseminate this survey to the panel members. If you agree to participate in this survey, the responses you provide will be stored on Qualtrics' host server.

What if I withdraw from this research project?

The information provided in the survey will not be identifiable or specific to you or your organisation. Upon submission of your survey, the results cannot be withdrawn as we will not be able to identify you.

What will happen to information about me?

The data collected through the survey will be analysed and may appear in a PhD thesis, student reports, journals, and conference proceedings. The data will be anonymous, and no respondent will be identifiable. Data will be collected through Qualtrics and disseminated by CINT.

If respondent agrees to participate in this survey, the responses they provide will be stored on the Qualtrics' host server. Data will not be retained by CINT /ASKABLE.

No personal information will be collected in the survey, so the respondents' entry will be anonymous. Once data collection and analysis are completed the data will be imported to the RMIT server where it will be stored securely for five years. The data on the host server will then be deleted and expunged. The result of this study can be shared upon request.

Who is organising and funding the research?

This research project is being conducted by the principle research student Rowa Barashi of RMIT University as part of her PhD research project.

Who has reviewed the research project?

All research in Australia involving humans is reviewed by an independent group of people called a Human Research Ethics Committee (HREC). This research project has been approved by the RMIT University HREC.

This project will be carried out according to the *National Statement on Ethical Conduct in Human Research* (2007). This statement has been developed to protect the interests of people who agree to participate in human research studies.

Further information and who to contact

If you want any further information concerning this project, you can contact the researcher or any of the following people:

Complaints

Should you have any concerns or questions about this research project, which you do not wish to discuss with the researchers listed in this document, then you may contact:

Reviewing HREC name	RMIT University
HREC Secretary	Peter Burke

Appendix D: Dimensionality Assessment

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.868
Bartlett's Test of Sphericity	Approx. Chi-Square	6178.111
	df	1596
	Sig.	.000

Communalities[a]

	Initial	Extraction
LOCL1	.583	.499
LOCL2	.699	.610
LOOM1	.730	.581
LOOM2	.760	.735
LOSV1	.643	.638
LOSV2	.734	.714
LOSV3	.620	.467
COCO1	.615	.488
COCO2	.682	.636
COCO3	.750	.749
COCO4	.645	.636
COLN1	.576	.432
COLN2	.640	.595
COIFC1	.581	.364
COIFC2	.596	.468
EIAF1	.472	.287
EIAF2	.688	.700
EIAF3	.581	.577
EIFW1	.776	.824

EIFW2	.704	.660
EIFW3	.596	.494
EIFW4	.628	.589
EIIS1	.610	.451
EIIS2	.821	.848
LODT1	.385	.302
LODT2	.658	.544
LODT3	.687	.541
CXHR1	.498	.360
CXHR2	.731	.660
CXHR3	.650	.661
CXHR4	.595	.517
CXLEM1	.726	.736
CXLEM2	.790	.811
CXLCO1	.721	.732
CXLCO2	.643	.531
CXIT1	.645	.676
CXIT2	.712	.697
CXIT3	.640	.644
CXIT4	.649	.594
CXLCV1	.561	.481
CXLCV2	.724	.609
CXITDT1	.714	.725
CXITDT2	.735	.700
CXITDT3	.749	.763
CXITDT4	.577	.458
CXP1	.494	.370
CXP2	.617	.525
CXP3	.552	.485
CXP4	.714	.646
EXP1	.614	.571

EXP2	.702	.657
EXP3	.744	.640
EXP4	.703	.652
OP1	.666	.633
OP2	.794	.913
OP3	.597	.739
OP4	.728	.665

Extraction Method: Maximum Likelihood.

a. One or more communalitiy estimates greater than 1 were encountered during iterations. The resulting solution should be interpreted with caution.

Appendix E: Construct Reliability

	Mean	Std. Deviation		
	Statistic	Statistic	Skewness	Kurtosis
LOCL1	5.64	1.255	-.869	.218
LOCL2	5.80	1.268	-1.226	1.203
LOOM1	5.74	1.286	-1.059	.579
LOOM2	5.43	1.257	-.627	-.351
LOSV1	4.90	1.456	-.543	-.177
LOSV2	5.43	1.183	-.997	1.116
LOSV3	5.76	1.174	-.970	.736
COCO1	6.04	1.124	-1.296	1.309
COCO2	6.00	1.084	-1.157	1.130
COCO3	6.04	1.119	-1.557	2.584
COCO4	5.81	1.056	-.803	.431
COLN1	5.60	1.195	-.962	.889
COLN2	6.06	1.042	-1.547	3.782
COIFC1	5.15	1.411	-.592	-.128
COIFC2	5.80	1.161	-.823	-.030
EIAF1	5.78	1.210	-1.457	2.777
EIAF2	6.35	.859	-1.780	4.492
EIAF3	5.66	1.208	-1.163	1.894
EIFW1	5.27	1.440	-.690	-.073
EIFW2	5.34	1.140	-.542	-.052
EIFW3	5.18	1.598	-.886	.115
EIFW4	5.54	1.289	-.989	.765
EIIS1	5.10	1.256	-.424	-.044
EIIS2	5.53	1.281	-1.014	.917
LODT1	5.23	1.476	-1.034	.855
LODT2	5.19	1.356	-.504	-.507
LODT3	5.57	1.192	-.843	.548
CXHR1	3.25	1.696	.449	-.881
CXHR2	5.08	1.601	-.724	-.331
CXHR3	4.77	1.697	-.469	-.835

CXHR4	5.04	1.520	-.595	-.387
CXLEM1	2.79	1.425	.776	-.022
CXLEM2	5.19	1.464	-.773	-.149
CXLCO1	5.48	1.391	-1.067	.736
CXLCO2	5.39	1.443	-.817	.047
CXIT1	4.98	1.582	-.630	-.516
CXIT2	4.65	1.699	-.460	-.738
CXIT3	4.92	1.622	-.666	-.445
CXIT4	4.67	1.736	-.513	-.854
CXLCV1	5.27	1.291	-1.025	.824
CXLCV2	5.26	1.511	-.955	.497
CXITDT1	5.51	1.443	-1.050	.629
CXITDT2	5.06	1.496	-.802	.138
CXITDT3	5.26	1.438	-.901	.384
CXITDT4	5.32	1.359	-1.077	1.009
CXP1	4.43	1.253	.041	-.049
CXP2	5.15	1.240	-.335	-.367
CXP3	5.09	1.151	-.133	-.105
CXP4	5.05	1.101	.002	-.396
EXP1	5.01	1.110	-.273	.481
EXP2	5.00	1.370	-.320	-.467
EXP3	5.11	1.347	-.435	-.264
EXP4	5.01	1.278	-.241	-.519
OP1	4.66	1.306	-.372	.063
OP2	4.60	1.338	-.355	.047
OP3	4.67	1.247	-.090	-.043
OP4	4.59	1.490	-.420	-.015

Appendix F: Descriptive Statistics for Scales

	Minimum Statistic (Min)	Maximum Statistic (Max)	Mean Statistic (M)	Std. Deviation Statistic (SD)	Skewness	Kurtosis
LOCL1	2	7	5.64	1.255	-.869	.218
LOCL2	1	7	5.80	1.268	-1.226	1.203
LOOM1	2	7	5.74	1.286	-1.059	.579
LOOM2	2	7	5.43	1.257	-.627	-.351
LOSV1	1	7	4.90	1.456	-.543	-.177
LOSV2	1	7	5.43	1.183	-.997	1.116
LOSV3	2	7	5.76	1.174	-.970	.736
COCO1	2	7	6.04	1.124	-1.296	1.309
COCO2	2	7	6.00	1.084	-1.157	1.130
COCO3	2	7	6.04	1.119	-1.557	2.584
COCO4	2	7	5.81	1.056	-.803	.431
COLN1	1	7	5.60	1.195	-.962	.889
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COIFC1	1	7	5.15	1.411	-.592	-.128
COIFC2	3	7	5.80	1.161	-.823	-.030
EIAF1	1	7	5.78	1.210	-1.457	2.777
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EIFW1	1	7	5.27	1.440	-.690	-.073
EIFW2	2	7	5.34	1.140	-.542	-.052
EIFW3	1	7	5.18	1.598	-.886	.115
EIFW4	1	7	5.54	1.289	-.989	.765
EIIS1	1	7	5.10	1.256	-.424	-.044
EIIS2	1	7	5.53	1.281	-1.014	.917
LODT1	1	7	5.23	1.476	-1.034	.855
LODT2	2	7	5.19	1.356	-.504	-.507
LODT3	2	7	5.57	1.192	-.843	.548
CXHR1	1	7	3.25	1.696	.449	-.881
CXHR2	1	7	5.08	1.601	-.724	-.331
CXHR3	1	7	4.77	1.697	-.469	-.835

CXHR4	1	7	5.04	1.520	-.595	-.387
CXLEM2	1	7	5.19	1.464	-.773	-.149
CXLCO1	1	7	5.48	1.391	-1.067	.736
CXLCO2	1	7	5.39	1.443	-.817	.047
CXIT1	1	7	4.98	1.582	-.630	-.516
CXIT2	1	7	4.65	1.699	-.460	-.738
CXIT3	1	7	4.92	1.622	-.666	-.445
CXIT4	1	7	4.67	1.736	-.513	-.854
CXLCV1	1	7	5.27	1.291	-1.025	.824
CXLCV2	1	7	5.26	1.511	-.955	.497
CXITDT1	1	7	5.51	1.443	-1.050	.629
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CXITDT4	1	7	5.32	1.359	-1.077	1.009
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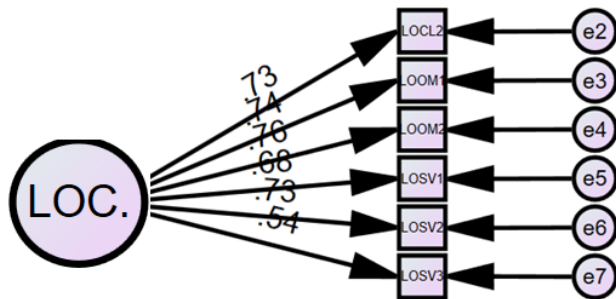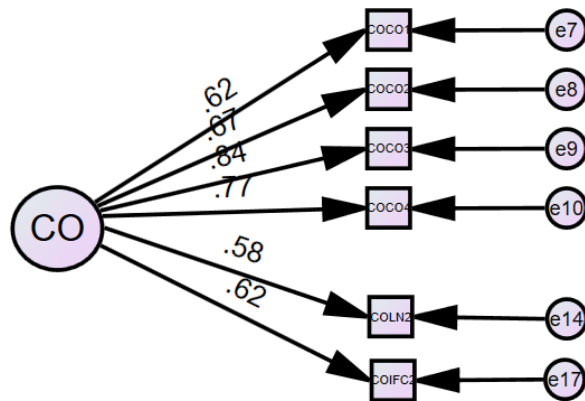# Appendix G: The Initial Full Measurement Model
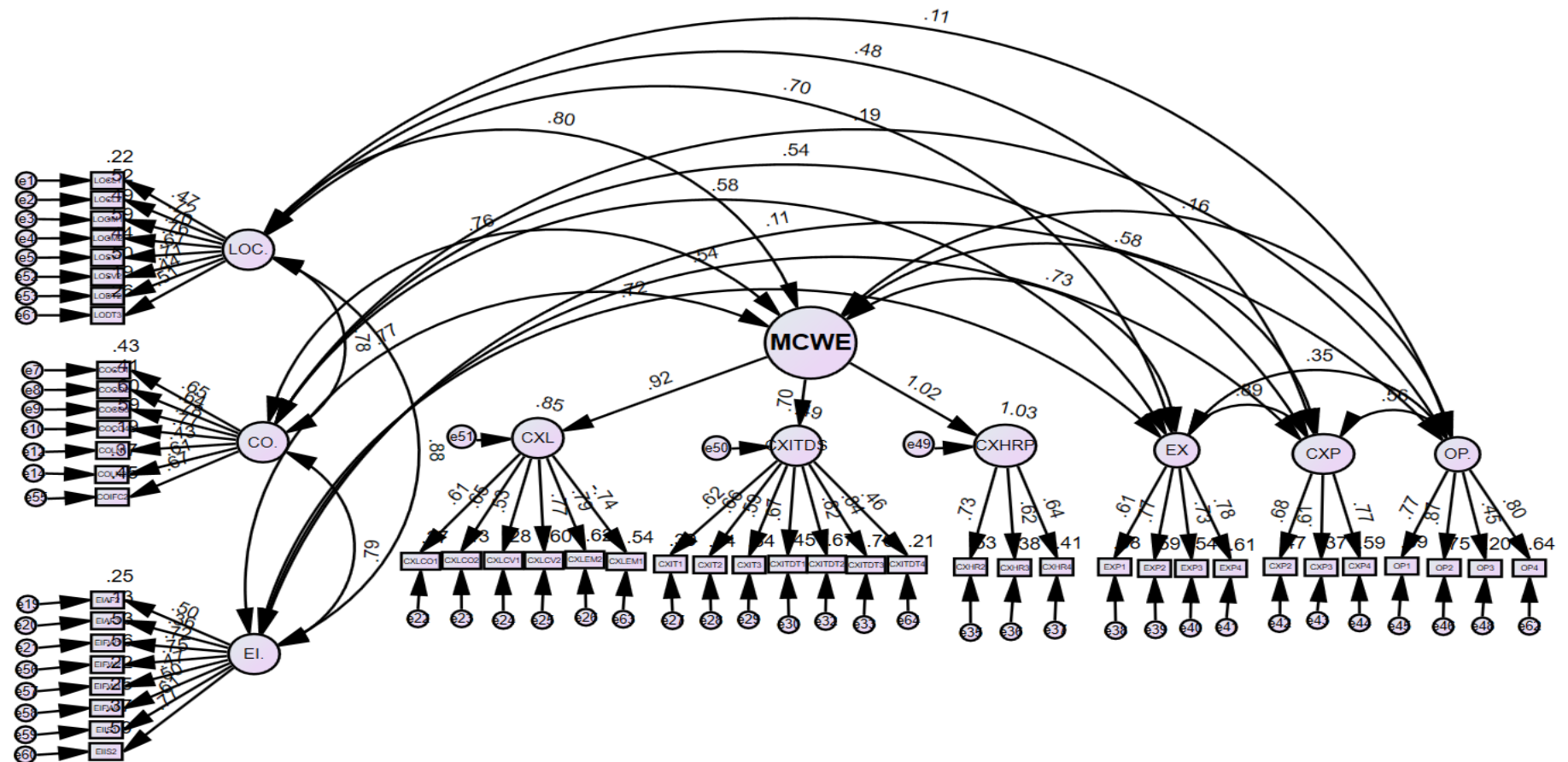
Appendix H: One-Factor Congeneric Models
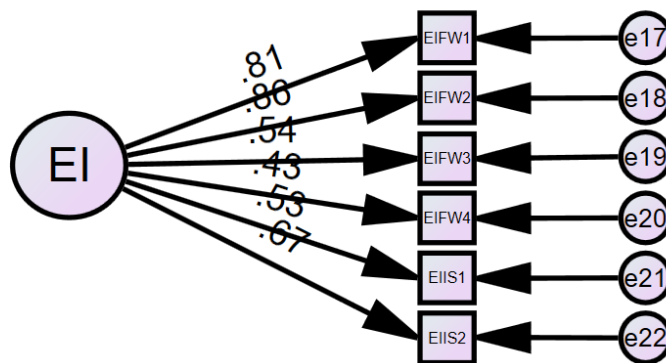
Organisational Cultural Capabilities

Learning Orientation

Customer Orientation
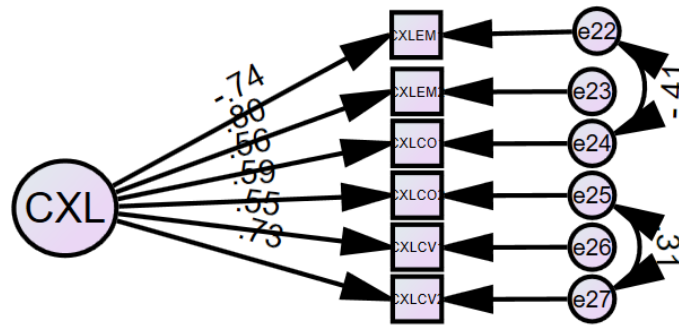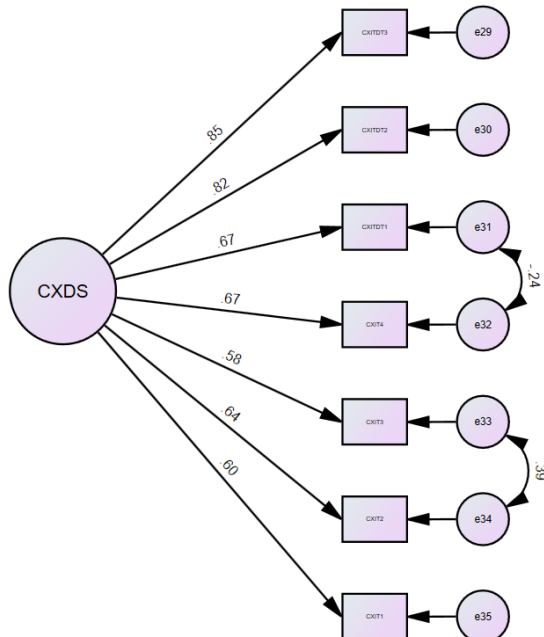

Employee Intrapreneurship

Management-created workplace experience
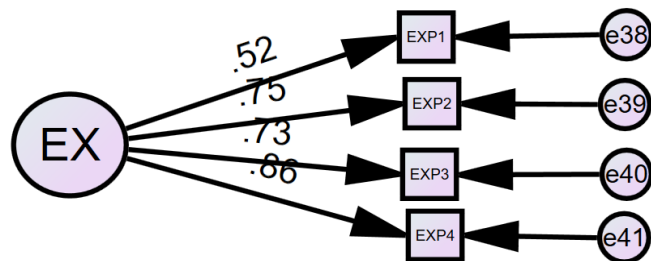
Leadership

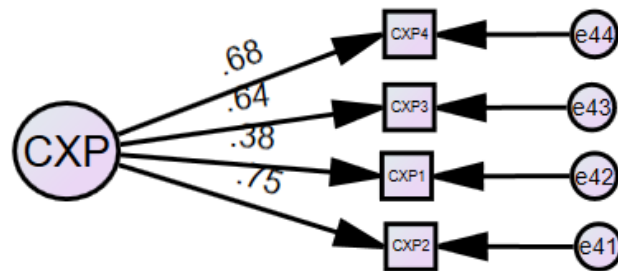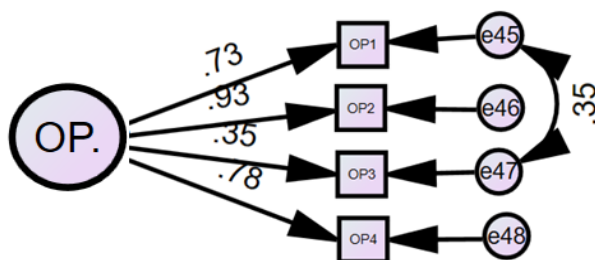**IT/ Database Support**
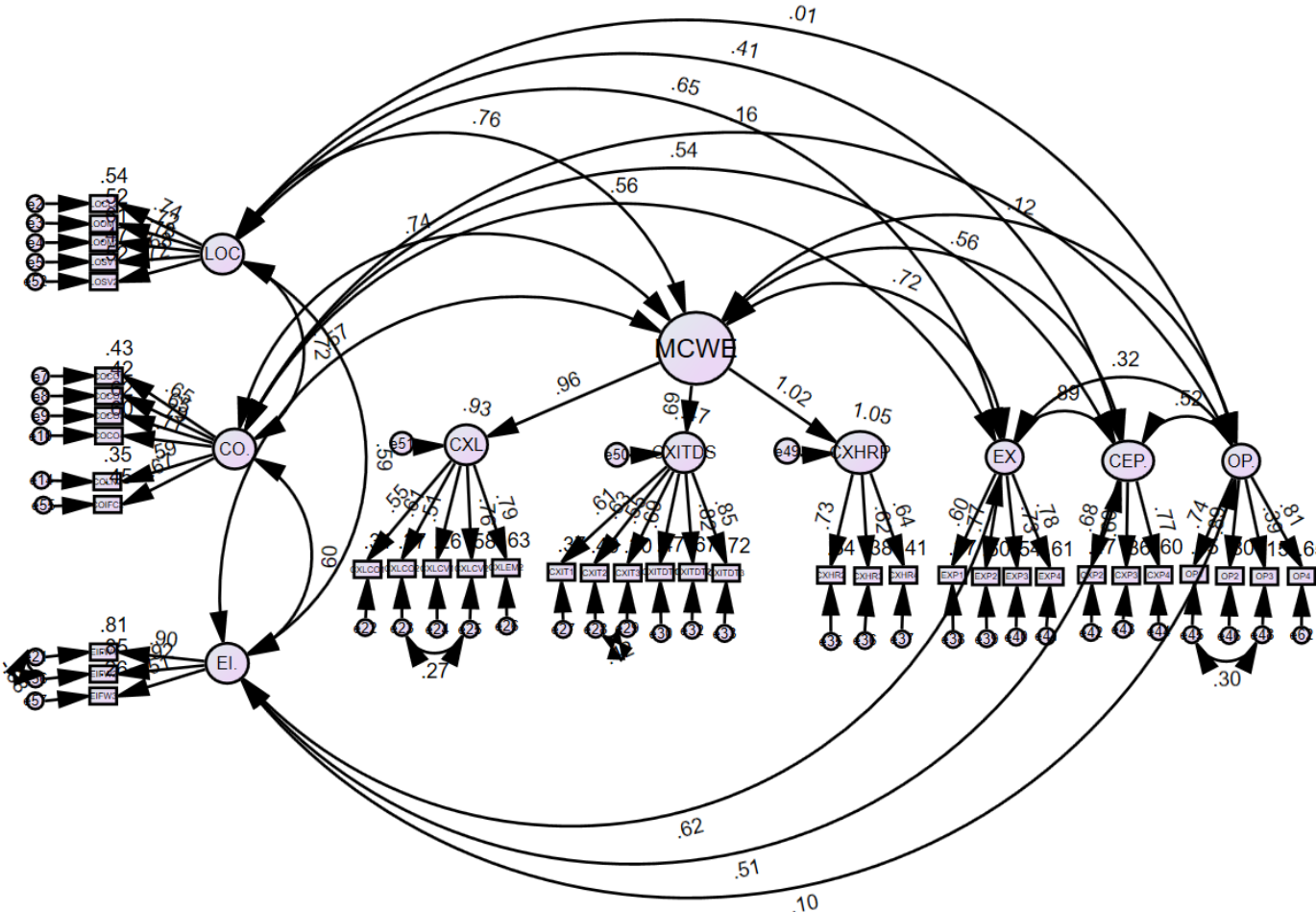
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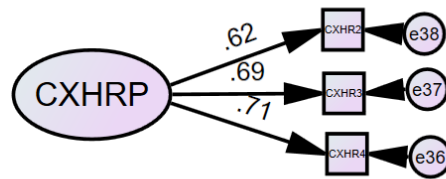
Employee experience

Customer experience performance

Organisational Performance

Appendix I: The Final Full Measurement Model

Appendix J: The Measurement Items

Construct	Survey Item	Survey question	Reference
Learning Orientation Culture	LOCL1	Our organisation's ability to learn is considered as a key competitive advantage	(Baker & Sinkula 1999; Calantone, Cavusgil & Zhao 2002; Higgs & Rowland 2000; Liu, Luo & Shi 2002; Nasution & Mavondo 2008; Sinkula, Baker & Noordewier 1997)
	LOCL2	Our organisation believes that employee learning is an investment, not an expense	
	LOOM1	Our organisation places a high value on open-mindedness	
	LOOM2	Original ideas are highly valued in this organisation	
	LOSV1	In our organisation, all employees are aware and commit to the organisational goals, vision.	
	LOSV2	Employees view themselves as partners in charting the direction of the organisation	
	LOSV3	Management believes in sharing its vision for the organisation with all employees	
	LODT1	In our organisation, a change of organisational processes, culture or business models are required to enhance the customer experience	
	LODT2	Our organisation accelerates the digital readiness of leadership and people through coaching and learning	
	LODT3	Our organisation accesses the capability of people and process to deliver a great customer experience	
Customer Orientation	COCO1	The objectives and strategies of our organisation are driven by the need to achieve excellent customer experience	(Narver & Slater 1990; Narver, Slater & MacLachlan 2004; Nasution, HN & Mavondo, FT 2008)
	COCO2	In our organisation, customer experience is considered to be a top priority	(Jayachandran et al. 2005; Wang & Feng 2012)
	COCO3	Our employees are encouraged to focus on customer experience	
	COCO4	Our senior management emphasises the importance of customer experience and employee experience	
	COLN1	We continuously seek to uncover / unexpressed new customers' needs	(Narver & Slater 1990; Narver, Slater & MacLachlan 2004; Nasution & Mavondo 2008)
	COLN2	We seek to understand what customers might need in the future	

	COIFC1	Management understands how everyone in this organisation can contribute to create customer value	
Employee intrapreneurship		COIFC2	We share Market information and resources with other divisions	
	EIAF1	Employees are encouraged to take responsibility for their work	(Dorabjee, Lumley & Cartwright 1998; Nasution & Mavondo 2008)
	EIAF2	Employees are supposed to get the job done with minimum supervision	
	EIAF3	Employees are encouraged to priorities and make decisions on their own.	
	EIFW1	Managers are socialising with Employees at work or outside of work	(McDowell 2005)
	EIFW2	Our organisation celebrations special occasions at work	
	EIFW3	The atmosphere here is playful, easy-going and light-hearted	
	EIFW4	Employees have fun when they work	
	EIIS1	Employees receive support and encouragement when presenting new ideas	(Dorabjee, Lumley & Cartwright 1998; Nasution & Mavondo 2008)
	EIIS2	In this organisation, new venture failure is viewed as a learning experience	
CX Human Resources practice		CXHR1	Our organisation ensures that the recruitment process targets customer experience-centric candidates/highly emotional intelligence	(Schmitt 2010)
	CXHR2	Our organisation treats employees as the most valuable resources within our organisation	(Nasution & Mavondo 2008)
	CXHR3	Customer experience Training is developed, monitored and evaluated for all employees	(Delery & Doty 1996; Rogg et al. 2001; Yeh 2014)
	CXHR4	In our organisation employees receive incentives and rewards to acknowledge their ongoing customer experience accomplishment	(Delery & Doty 1996; Nasution et al. 2011; Nasution & Mavondo 2008; Rogg et al. 2001; Schmitt 2010)
CX Leadership		CXLEM1	Leaders consider Customer experience a top priority when making decisions and implementing CE strategy	(Garrido-Moreno & Padilla-Meléndez 2011)
	CXLEM2	Leaders spend much time with key customers and react rapidly when dealing with a customer issue	(Grønholdt et al. 2015; KPMG 2019)

	CXLCO1	Leaders role model the organization's values	(Arnold et al. 2000; Srivastava, Bartol & Locke 2006; KPMG 2019)
	CXLCO2	Leaders acknowledge when we do not deliver against our commitments	(KPMG 2019)
	CXLCV1	Leaders helps develop good relations between and across teams	(Arnold et al. 2000; Srivastava, Bartol & Locke 2006; Yeh 2014)
	CXLCV2	Leaders assign the right tasks for the right skills	(Ahearne, Mathieu & Rapp 2005; Zhang, X & Bartol 2010)
CX IT/Database supports	CXIT1	Our organisation had the right hardware and software to serve its customers	(Chen & Ching 2004; Garrido-Moreno & Padilla-Meléndez 2011; Padilla-Meléndez & Garrido-Moreno 2014; Sin, Alan & Yim 2005)
	CXIT2	Our organisation is able to consolidate all information acquired about customers in a comprehensive, centralized, up-to-date, real-time database	(Garrido-Moreno & Padilla-Meléndez 2011)
	CXIT3	The database within our firm is capable of providing front-line employees with customer information The database within our firm is capable of integrating customer information from different contact points (e.g., mail, web, fax, etc.)	(Garrido-Moreno & Padilla-Meléndez 2011; Powell & Dent-Micallef 1997; Rapp, Trainor & Agnihotri 2010; Salanova, Agut & Peiró 2005; Schmitt 2010)
	CXIT4	The database within our firm is capable of integrating customer information from different contact points (e.g., mail, web, fax, etc.)	
	CXITDT1	The use of new digital technologies, such as social media, mobile, analytics or embedded devices, enables major business improvements	(Eshet 2004; Rachinger et al. 2019)
	CXITDT2	Our organisation investment in, technology and business models to more effectively engage digital customers at every touchpoint in the customer experience lifecycle	
	CXITDT3	Our organisation use technology to radically improve performance or reach of enterprises	
	CXITDT4	The use of new digital technologies requires a change of organisational	

		processes or the creation of new business models		
Customer Experience Performance	CXP1	Levels of customer satisfaction compared to competitors	(Rapp, Trainor & Agnihotri 2010) (Grønholdt et al. 2015; He, Li & Lai 2011; Homburg, Jozić & Kuehnl 2017; Homburg & Pflesser 2000; Hooley et al. 2005; Schmitt 2010; Theoharakis, Sajtos & Hooley 2009)
	CXP2	Levels of customer loyalty compared to competitors	
	CXP3	Levels of customer acquisition compared to competitors	
	CXP4	Levels of customer retention compared to competitors	
Employee Experience	EXP1	Levels of employee satisfaction with their jobs compared to competitors	(Harter, Schmidt & Hayes 2002; Heskett et al. 1994; Hooley et al. 2005; Payne, Holt & Frow 2000; Theoharakis, Sajtos & Hooley 2009)
	EXP2	Levels of employee loyalty with the company compared to competitors	(Lashley 2008; Lemke, Clark & Wilson 2011)
	EXP3	Levels of employee engagement compared to competitors	
	EXP4	Levels of employee's emotional intelligence skills while they are dealing with customers compared to competitors	
Organisational Performance	OP1	Overall Profitability achieved compared to competitors	(Chang, Park & Chaiy 2010; Coltman, Devinney & Midgley 2011; Griffin & Page 1993; Grønholdt et al. 2015; Homburg & Pflesser 2000; Hooley et al. 2005; Hult et al. 2008; March & Sutton 1997; Moorman 1995; Moorman & Rust 1999; Rapp, Trainor & Agnihotri 2010; Richard et al. 2009; Singh, Darwish & Potočnik 2016; Narver and Slater 1994; Solnet, Ford & McLennan 2018; Theoharakis, Sajtos & Hooley 2009; Vorhies & Morgan 2005)
	OP2	Revenue compared to competitors,	
	OP3	Competitive position (Market share) compared to competitors	
	OP4	Return on investment (ROI) compared to competitors	