

Managerial motivation as an antecedent to service orientation of industrial's business strategy

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Abstract— There is considerable literature in marketing management that deal with potential benefits associated to the service orientation of industrial's business strategy. In fact, extending services becomes a necessity to survive and to increase firm's performance. Conscious by this opportunity, many managers in industrial firms reorient their business strategy from product-orientation to service orientation. In this regard, the main purpose of this article is to examine the relationship between managerial motivation and service orientation of industrial's business strategy. An empirical survey of 130 industrial firms in Tunisia was conducted. The findings show that the level of managerial motivation has a positive impact on both services offered in the support of the client's action (SSC) and services offered in the support of the product (SSP).

Keywords— Service Orientation, managerial motivation, industrial firms.

I. INTRODUCTION

Nowadays, provide superior quality or offer best price on the market are not sufficient to be competitive. A number of studies have testified that providing more services cannot be considered as an option. However, extending services became a necessity, a key to sustained competitiveness. In this context, industrial companies cannot escape this new market trend. Traditionally, these firms have focused their efforts on developing and producing physical products with high quality. But, this view has recently changed. It is therefore questionable to admit that the product remains the only important element of the offer. Industrial firms must reorient their business strategy. It comes to pass from a product-orientation to service-orientation. Therefore, services are no longer perceived to be a source of generating high costs but a source of creating value and customer satisfaction [1]. Drawn by the benefits associated to services, several firms attempt to implement a strategy oriented to service offer in order to guarantee customer loyalty [2].

This study focuses on extending services in industrial firms. We consider that service orientation as a strategic initiative, adopted by industrial firms to improve their competitiveness. In fact, this service orientation constitutes a new philosophy that mobilizes all the firm's efforts. Firms move from a purely « traditional » industrial and technical culture (in which the product formed the core of the industrial offer) to a new culture based on an orientation towards offering services [3]. This progressive change is considered by some scholars as a global phenomenon called « servitization » of the industry ([4], [5], [6]). Today and in this respect, all the industrialists give propositions of combined product and service offers on the market to create value and make the difference compared to their competitors [6]. Solnet and Kandampully (2005) showed that service orientation must be embedded in the firm as a core strategic initiative [7]. Moreover, the effective of a service orientation strategy in industrial firms can reflect the attitudes of the firm's managers.

According to the innovation marketing and management literature, we argue that initiating and accomplishing practical changes in the firm need the attention of top management. That's why, we aim to analyse the relationship between the managerial motivation and service orientation of industrial's business strategy. This subject was relatively less studied and even less examined in the emerging or developing countries. That's why our study was set in the particular context of Tunisia, an emerging country in a transition phase. The first part of paper presents the conceptual framework of the study. The second part illustrates the results of our survey. The last part of paper discusses the important findings as well as managerial implications and future research avenues.

II. LITERATURE REVIEW

The purpose of this section is to review researches concentrate to explaining the service orientation, the

managerial motivation and the relationship between this two constructs.

A. Service orientation of industrial's business strategy

In the modern industrial marketplace, many factors such as the rising pressure of competition, technological innovation, customer needs, are forcing firms to seek new strategies to improve their offers better than its competitors do. That's why, managers are more and more numerous in adjusting their business activity in the profit of services ([1], [8]).

Consequently, all the organizations in all the sectors, in both developed and developing countries, are witnessing real transformations and permanent mutations.

There is considerable literature supports the importance of providing services. A range of authors used several terminologies such as "servitization" ([6], [9]), "product-service systems" ([3], [10]), "service transition strategy" [11], transition from product to service [12], service orientation strategy ([13], [14]), and "service business orientation [15] Despite this various terms, researchers widely recognized that today, firms move from a purely « traditional » industrial and technical culture (in which the product formed the core of the industrial offer) to a new culture based on an orientation towards offering services [3]. They believe that industrial firm may align service development activities with their business strategies. Services have certainly and greatly changed the industrial firm [16]. In fact, services have the potential to change the industrial activity's, the culture and fundamental characteristics [16] and can even intervene in all the operations of the production process [17].

In this article we use the term of service orientation witch considered as a strategic initiative within the industrial sector. According to Homburg et al. (2002), service orientation from organizational and marketing strategy perspectives can be defined as a set of decisions established with three dimensions: "the number of services offered, how many customers these services are offered to (breadth), and how strongly these services are emphasized" [18]. On the other hand, authors support that the number of services itself remains the important facets of service orientation. This dimension is the key of strategic decision. In fact, "firm that offers more services would be considered more service oriented". This proposal is especially interesting for the aims of our study. Indeed, the decision to offer more services is up to managers. First of all, they must analyse how important service is to firm's marketing strategy. Secondly, they mainly decide the number of services offered. If they find that substantial revenue and higher profit marketing can be generated by extending services, managers offer a large number of services. As suggested by Geauber et al. (2005), then, is it true that this service orientation strategy requires a managerial motivation [19].

Otherwise, the services offered by industrial firms are various [16]. That's why several authors such as Mathieu (2001) note the distinction between:

- Services in the support of the product (SSP): services which are delivered to support the use of a tangible product (installation, repair...),
- And services in the support of the client's action (SSC): services delivered without purchasing the tangible product (training, consulting...). This conceptualization is especially interesting. In fact, we note that regarding the number of services offered by industrial firms, the distinction between SSP and SSC may better reflects the behavioural process of industrial firm that aims to extend services.

B. Managerial motivation

In the recent literature typically treating innovations in marketing and management, several studies have largely investigated the antecedents to change in firm's strategy orientation. For example, Gebauer et al. (2005) argue that "the effective implementation of any strategy requires managerial motivation and supporting organizational arrangements" [19]. According to this view, all things to be equal, in industrial firm which aims to reorient their business strategy to pass from a product-orientation to service-orientation, managerial motivation considered as a key of success to this new strategy. Moreover, Pinet and Coupet (2009) think that a truly business service, operate a major cultural shift driven by managers also committed to service [20]. It is important that the leader or the top management do share with its employees his vision for change. Therefore, changing the culture of industrial firms involves more that changing the organization. Change is to make better, more efficiently or at a lower cost. But, in this changing the managers of the firm play an important role. In fact, managers must be conscious that changing strategies can have a potential benefit. Service orientation strategy is the most important change that affect industrial's business. That's why is very interesting to exanimate the influence of managerial motivation on service orientation of industrial's business strategy. This is the aim of our study (figure 1).

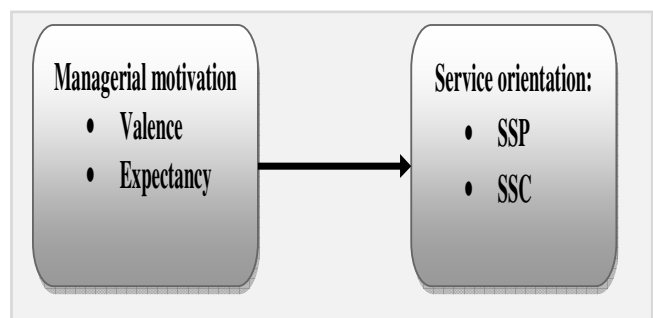


Fig. 1 Managerial motivation and service orientation

Many past studies have investigated the importance of motivation. Therefore, many definitions were suggested. However, the definition of Vroom (1964) remains the most widely used in recent researches. According to this cognitive approach, managerial motivation can be defined as the formulation established by two levels: valence and expectancy. In the service orientation and according to Geauber and Fleish (2007), the first level (valence) explains if managers put a high valence on extending the service business. The second (expectancy) explains if managers expect that their effort in extending the service business will succeed in more service revenue [1]. Consequently, we hypothesize:

- **H1:** The level of managerial motivation has a positive impact on the extending SSP.
- **H2:** The level of managerial motivation has a positive impact on the extending SSC.

III. RESEARCH METHODOLOGY

In this paper, the empirical study was conducted in Tunisia, an emerging country in a transition phase. For the data collection, we use a questionnaire survey that administrated to Tunisian industrial firms.

By referring to [21] and [1], we used 2 items to measure managerial motivation. The scale shows that the formulation of managerial motivation is calculated by the valence and the expectancy.

Service orientation, the focal construct of this study, was measured by the number of services offered. However, according to [1], we note the distinction between SSP and SSC.

IV. FINDINGS

First of all, we note that 130 questionnaires were used in the data analysis. Secondly, we note that we used the software SPSS (version 16.0) for the data analysis

A. Factors analysis

Factor analysis applied to managerial motivation's scale show the existence of only one factor (see Table1). The percentage of the total variance explained by retained dimensions is 83.630% with a Cronbach's alpha of 0.803 testifying thus of the present scale's reliability (see table II).

TABLE I
FACTORS ANALYSIS OF MANAGERIAL MOTIVATION

Items	Factor 1
• Valence	0.914
• Expectancy	0.914
Variance	1.763
% of Variance	83.630
Kaiser-Meyer-Olkin (KMO)	0.5 (p=0.000)
Cronbach's alphas	0.803

Factor analysis applied to service orientation's scale show the existence of two factors (see Table 2). The First Factor represents services in support of the client's action (SSC). The second factor represents services in support of supplier's product (SSP).

TABLE II
FACTOR ANALYSIS OF SERVICE ORIENTATION

Item	SSC	SSP
Financing services	0.667	
Caring support personnel	0.694	
Advising clients	0.766	
Easy ordering	0.701	
Ease of access to staff	0.539	
Speed of response to customers requests	0.778	
Visits to clients	0.679	
Product documentation		0.682
Product Delivery		0.700
Product installation		0.689
Product inspection/diagnostics		0.681
Product repair		0.701
Product preventive maintenance		0.638
Product guarantees.		0.567
Variance	5.769	4.571
% of variance	64.622%	
Cronbach's Alpha	0.913	0.919

B. Verification of hypothesis

Table 3 shows that the level of managerial motivation have a positive impact on both SSC (sig= 0.03) and SSP (sig = 0.02).

TABLE III
MANAGERIAL MOTIVATION/SERVICE ORIENTATION

Dependent variable	Independent variable	Cof.	t	Sig.	R2
SSC	Managerial motivation	0.256	2.998	0.03	0.066
SSP	Managerial motivation	0.265	3.113	0.02	0.063

Thus, hypothesis H1 and hypothesis H2 are affirmed.

V. CONCLUSION

In the past decades, the physical product was considered at the core of the offering in industrial firms. However, in today's competitive markets, firms that aim to achieve success business cannot only focus on the physical product itself. In fact, they must develop and provide more services to customers. These activities become a necessity to survive and

a necessity to create a sustainable competitive advantage. According to [1], industrial firms have undergone a service revolution. In fact, service orientation strategy can be considered as the most important change in the activity of the industrial firm. To contribute to this important research stream, the main objective of this paper is to provide testify the relationship between managerial motivation and service orientation of industrial firm, especially in emerging counties.

Our study shows that the level of managerial motivation have a significant influence on both services offered in the support of the client's action (SSC) and services in the support of the product (SSP); the two factors of service orientation's scale.

This result was founded by [1] and [15]. In fact, managers of industrial enterprises on the one hand believe in the importance of the service offering. Moreover, they expect that the effort to extend the service offering will necessarily lead to better business performance. For them, so the services are a major component of competitiveness and a source of competitive advantage. This result is encouraging. However, it is strongly recommended that managerial motivation be followed by a real commitment on the part of business decision makers. In this regard, some authors believe that the commitment is determinant as necessarily resulting behaviour [22]. Indeed, it seems to be imperative to engage more and especially in service activities for the customer to ensure long-term profitability. In addition to motivational factors, some behavioural variables appear to have a direct impact on service orientation of industrial enterprises. That's why, in future researches, it is very interesting to consider the variable commitment to offer service.

VI. REFERENCES

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