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FROM EMPLOYEE COMPETENCE TO CUSTOMER SATISFACTION: EXAMINING CUSTOMER ORIENTATION OF SERVICE EMPLOYEES IN HEALTHCARE SERVICES

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Abstract

Customer orientation of service employees (COSE) is an important determinant of service quality and customer satisfaction because frontline employees play a central role in shaping customers' service experiences. Drawing on the four-dimensional conceptualization of COSE, which encompasses technical skills, social skills, motivation, and decision-making authority, this study examines the relationship between employee customer orientation and customer satisfaction in the healthcare sector. While previous research has examined the COSE framework in service settings such as travel agencies and retail/CD-selling businesses, its application to healthcare services remains comparatively underexplored, particularly in emerging-market contexts. This study extends the existing COSE literature by examining the extent to which employees' customer-oriented capabilities are associated with customer satisfaction in hospitals in Haripur. A quantitative, deductive research design was adopted, and data were collected through a structured questionnaire based on established COSE measures. The study focuses on customers' perceptions of employees' technical skills, social skills, motivation, and decision-making authority and their relationship with overall customer satisfaction. Data were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis. The study provides empirical evidence on the applicability of the COSE framework within the healthcare service context and highlights the importance of employee capabilities in shaping customer satisfaction. The findings offer implications for healthcare managers seeking to strengthen customer-oriented service delivery through employee development, interpersonal competence, motivation, and appropriate decision-making authority. The study also contributes to the growing service-management literature by extending the COSE perspective to a healthcare setting in an emerging-market context.

INTRODUCTION

Service employees play a critical role in shaping customers' experiences because, in many service encounters, employees are not merely providers of the service but also constitute an integral part of the service itself. Their knowledge, interpersonal behavior, motivation, and ability to respond to customer needs can directly influence customers' evaluations of the service encounter and, ultimately, their satisfaction. The importance of employee behavior in service delivery has therefore received considerable attention in service

marketing and relationship marketing research (Kelley, 1992; Brown et al., 2002; Donavan et al., 2004; Hennig-Thurau & Thurau, 2003).

A central concept emerging from this literature is Customer Orientation of Service Employees (COSE). COSE focuses on the extent to which employees' behavior during interpersonal interactions with customers enables them to identify and respond effectively to customer needs. Unlike broader organizational customer orientation, COSE emphasizes the employee as a frontline actor whose behavior directly shapes the service encounter. Hennig-Thurau and Thurau (2003) conceptualized COSE as a multidimensional construct reflecting employees' customer-oriented skills, motivation to serve customers, and perceived decision-making authority. The broader COSE framework used in the present study incorporates four dimensions: technical skills, social skills, motivation, and decision-making authority.

The role of employees becomes particularly important in healthcare services. Unlike many conventional service encounters, healthcare interactions are characterized by high customer involvement, information asymmetry, perceived risk, and considerable dependence on frontline employees. Patients and other service users frequently lack the technical expertise required to independently evaluate the quality of professional services. Consequently, employee competence may influence satisfaction not only through the technical quality of service delivered but also through the quality of interpersonal interaction. Technical skills may contribute to customers' confidence in the employee's ability to provide appropriate services, while social skills may influence how customers perceive communication, empathy, responsiveness, and respect during the service encounter.

Previous research has established important relationships between employee customer orientation and service-related outcomes. Studies by Kelley (1992), Brown et al. (2002), Donavan et al. (2004), and Hennig-Thurau and Thurau (2003) contributed to the development and empirical examination of the COSE construct. Related service research has also demonstrated that employees' interpersonal behavior can influence customers' perceptions of service quality and relationship outcomes. However, the existing COSE literature has largely developed around conventional service settings, while comparatively less attention has been given to the application of the COSE framework within healthcare service encounters.

This context is important because healthcare services differ from many other service industries in the nature and consequences of customer–employee interactions. A customer visiting a travel agency or purchasing a retail product may evaluate the service primarily in terms of convenience, responsiveness, and interpersonal interaction. In healthcare, however, service users may simultaneously evaluate employees' professional competence, communication, responsiveness, willingness to address individual needs, and ability to deal with service-related problems. The relevance of different dimensions of employee customer orientation may therefore differ across service contexts.

Despite the established theoretical foundation of COSE, limited empirical attention has been given to how its dimensions operate within hospital services, particularly in emerging-market contexts. The present study addresses this contextual and empirical gap by examining COSE among service employees in hospitals in Haripur and investigating its relationship with customer satisfaction. The study draws on the COSE framework developed by Hennig-Thurau and Thurau (2003) and examines four employee-level dimensions—technical skills, social skills, motivation, and decision-making authority—in relation to customer satisfaction. The study therefore extends the application of the COSE framework from previously examined service contexts to the healthcare sector.

By examining employee customer orientation from the customer's perspective, this study seeks to contribute to service management and relationship marketing research in two ways. First, it provides empirical evidence regarding the applicability of the COSE framework in a healthcare service context. Second, it highlights the importance of employee-level capabilities and behaviors in shaping customer satisfaction in an emerging-market healthcare setting. The findings

may also provide healthcare managers with insights into employee development, customer-oriented service delivery, and the organizational conditions required to improve customer experiences.

2. LITERATURE REVIEW

2.1 Customer Orientation in Service Organizations

Customer orientation has become an important concept in marketing and service management because organizations that focus on identifying and responding to customer needs are more likely to create superior customer value and achieve favorable organizational outcomes. The market-orientation literature emphasizes the importance of understanding customer needs and translating this knowledge into organizational actions (Narver & Slater, 1990; Jaworski & Kohli, 1993). However, in service organizations, customer orientation is not implemented exclusively through organizational strategies and policies. Frontline employees are particularly important because they directly interact with customers and frequently represent the organization during service encounters.

The importance of employee behavior in service encounters has been recognized extensively in the service marketing literature. Bitner et al. (1990) demonstrated that employee behavior can influence customers' perceptions of service encounters. Similarly, several dimensions of the SERVQUAL framework are directly or indirectly associated with employee behavior, including responsiveness, assurance, and empathy (Parasuraman et al., 1988). Dabholkar et al. (2000) also identified employee-related attributes as important elements in customers' evaluations of service quality.

These perspectives suggest that the behavior of service employees represents an important mechanism through which an organization's customer orientation is translated into the actual customer experience. Nevertheless, traditional service-quality research has generally focused on overall service quality rather than examining the specific characteristics that make an individual employee customer-oriented. The concept of Customer Orientation of Service Employees (COSE) addresses this issue by shifting attention from the organization as a whole to the employee who directly interacts with the customer.

This employee-level perspective is particularly relevant in high-contact services, where customers evaluate both the outcome of the service and the manner in which it is delivered. In healthcare services, for example, customers interact with employees under conditions that may involve uncertainty, information asymmetry, personal vulnerability, and high involvement. Consequently, employees' technical competence, interpersonal behavior, motivation, and ability to respond to customer needs may substantially influence customer satisfaction.

2.2 Customer Orientation of Service Employees (COSE)

Customer Orientation of Service Employees refers to the extent to which service employees behave in ways that identify, understand, and respond to customers' needs during interpersonal service encounters. The development of the COSE construct is associated with research examining the customer-oriented behavior of frontline employees.

Kelley (1992) examined the determinants of customer-oriented behavior among service employees and highlighted the importance of individual and organizational factors in encouraging employees to act in a customer-oriented manner. Brown et al. (2002) subsequently conceptualized employee customer orientation as an individual's tendency or predisposition to meet customer needs during service interactions. Their work established an important distinction between employee-level customer orientation and broader organizational customer orientation.

Donavan et al. (2004) further developed the concept by examining the dimensions and consequences of employee customer orientation. Their conceptualization emphasized employees' desire to serve customers, maintain relationships with customers, understand customer needs, and provide appropriate service. This work reinforced the multidimensional nature of customer orientation at the employee level.

An important theoretical development was provided by Hennig-Thurau and Thurau (2003), who conceptualized COSE in terms of employees' behavior during interpersonal interactions with customers. Their framework proposes that effective customer-oriented behavior depends on three fundamental conditions:

1. **Customer-oriented skills** – the employee's capabilities required to identify and satisfy customer needs;
2. **Motivation to serve customers** – the employee's willingness and desire to satisfy customer needs; and
3. **Self-perceived decision-making authority** – the employee's perceived discretion to make decisions in response to customer requirements.

The underlying logic of this framework is that employees require not only the ability to serve customers but also the motivation and discretion necessary to translate that ability into customer-oriented behavior. An employee may possess appropriate knowledge and interpersonal skills but may still be unable to respond effectively to customer needs if motivation is low or organizational restrictions prevent appropriate decision-making.

Building on this theoretical foundation, the present study conceptualizes COSE through four dimensions: **technical skills, social skills, motivation, and decision-making authority**. The distinction between technical and social skills provides a more detailed understanding of the skills component of COSE. Technical skills refer to employees' knowledge and competence in performing service-related tasks, whereas social skills refer to their ability to communicate, interact, and establish effective interpersonal relationships with customers.

This four-dimensional conceptualization is particularly relevant to healthcare services. Healthcare employees must demonstrate professional and technical competence while simultaneously managing sensitive interpersonal interactions. Customers may therefore evaluate employees on the basis of what they provide as well as how they communicate, respond, and behave during the service encounter.

2.3 Employee Motivation and Customer Satisfaction

Motivation represents an employee's willingness and desire to serve customers and respond to their needs. Within the COSE framework, motivation is important because customer-oriented service behavior requires more than possessing the necessary skills. Employees must also be willing to apply those skills in the interests of customers.

A technically competent employee may not necessarily provide a customer-oriented service if the employee lacks the motivation to understand customer concerns, provide assistance, or make additional efforts to resolve problems. Motivated employees, by contrast, are more likely to invest effort in customer interactions and demonstrate responsiveness toward customer needs.

In healthcare services, employee motivation may influence the attentiveness, responsiveness, and willingness of employees to assist patients and other service users. Employees who are motivated to serve customers may be more likely to provide attentive and supportive service, thereby creating more favorable customer experiences.

Therefore, the following hypothesis is proposed:

H1: Employees' motivation to serve customers has a positive and significant relationship with customer satisfaction.

2.6 Decision-Making Authority and Customer Satisfaction

Decision-making authority refers to the extent to which service employees perceive that they have sufficient discretion to make decisions and take appropriate actions in response to customer needs. The concept is closely related to employee empowerment, although decision-making authority in the COSE framework emphasizes the employee's perceived ability to act on behalf of customers during service encounters.

The availability of appropriate decision-making authority can enable employees to respond more quickly to customer requests and resolve routine service problems without unnecessary organizational delays. When employees have sufficient discretion, they may be better able to adapt their responses to individual customer circumstances rather than relying exclusively on standardized procedures.

This dimension is particularly relevant to customer-oriented service delivery because customer needs are not always predictable. Employees may encounter situations in which standard procedures do not provide an immediate solution. Appropriate decision-making authority can enable employees to respond flexibly while maintaining organizational and professional boundaries.

In healthcare services, however, decision-making authority must be understood within appropriate professional, ethical, and organizational constraints. Nevertheless, where employees are appropriately empowered to address customer-service issues, such authority may improve responsiveness and contribute to customer satisfaction.

Accordingly:

H4: Employees' decision-making authority has a positive and significant relationship with customer satisfaction.

2.7 Customer Satisfaction in Healthcare Services

Customer satisfaction is a fundamental outcome in service marketing and healthcare management. It reflects customers' overall evaluation of their service experience and is influenced by their perceptions of service performance relative to their expectations. Satisfaction is particularly important in healthcare because customers may evaluate not only the technical outcome of a service but also the quality of their interactions with healthcare personnel.

The service encounter perspective suggests that employees can substantially influence customer evaluations because they are often the most visible representatives of the service organization. Employees' competence, interpersonal behavior, motivation, and responsiveness may therefore become important cues through which customers form overall judgments about the service provider.

The COSE framework provides a useful employee-level explanation for this process. Technical and social skills determine whether employees have the capabilities required to respond to customers; motivation influences whether they are willing to apply those capabilities; and decision-making authority determines whether they have sufficient discretion to translate their capabilities and motivation into actual customer-oriented behavior.

Taken together, these dimensions provide a theoretically grounded basis for expecting a positive relationship between employee customer orientation and customer satisfaction.

2.8 Hypothesis Development

Based on the preceding literature, the present study proposes that the four dimensions of Customer Orientation of Service Employees are positively associated with customer satisfaction in healthcare services.

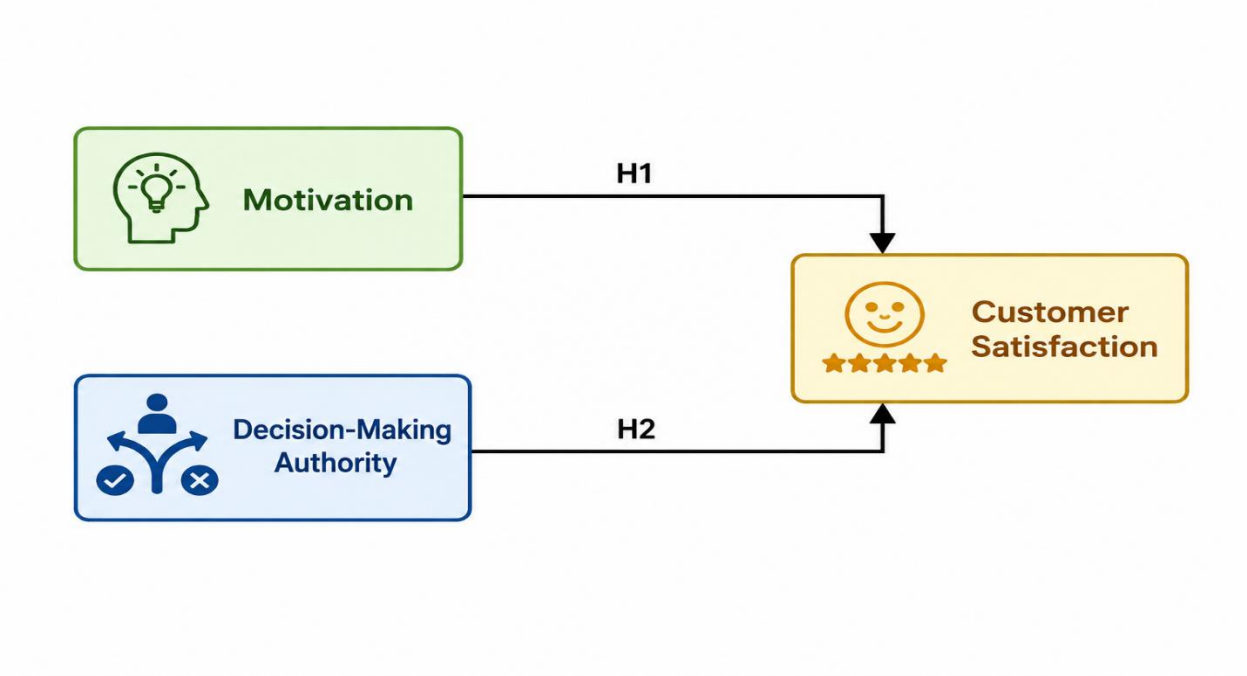
H1: Employees' motivation to serve customers has a positive and significant relationship with customer satisfaction.

H2: Employees' decision-making authority has a positive and significant relationship with customer satisfaction.

The four hypotheses collectively form the empirical model of the study, in which motivation and decision-making authority constitute the dimensions of COSE and customer satisfaction represents the outcome variable.

2.9 Conceptual Framework

The proposed conceptual framework assumes that the four dimensions of Customer Orientation of Service Employees contribute to customer satisfaction in healthcare services.



The framework provides the basis for empirically examining the relative contribution of each dimension of COSE to customer satisfaction among users of hospital services in Haripur.

3.1 INTRODUCTION

This chapter presents the methodological approach adopted for the study. It describes the research design, research strategy, study population, sampling procedure, data collection process, research instrument, conceptual framework, and techniques used for data analysis. The methodology was developed in accordance with the research questions and the theoretical framework underlying the study.

The study employs a quantitative research approach to examine the relationship between **Customer Orientation of Service Employees (COSE)** and **Customer Satisfaction** in the hospital industry of Haripur. A structured questionnaire survey was used to collect primary data from customers who had received services from hospitals in Haripur. The collected data were subsequently analyzed using appropriate statistical techniques to examine the relationships among the study variables and to test the proposed hypotheses.

3.2 UNIVERSE OF THE STUDY AND SAMPLE SELECTION

The population of the study comprised customers who had received services from hospitals in Haripur. The study was conducted within the broader stream of research on **Customer Orientation of Service Employees (COSE)**, with particular emphasis on the hospital service sector. The primary purpose of the study was to examine the extent to which hospital service employees demonstrate customer-oriented behaviors and to determine whether such behaviors contribute to customer satisfaction. The unit of analysis was the individual customer who had experienced services provided by hospital employees.

A questionnaire-based survey was employed to obtain information from the selected respondents. The sample was drawn from customers of hospitals operating in Haripur. Respondents were selected based on their direct experience with hospital services, enabling them to evaluate the customer-oriented behaviors of service employees and their own level of satisfaction.

3.3 DATA COLLECTION

The study sought to answer the research question: **"What is the effect of Customer Orientation of Service Employees (COSE) on overall Customer Satisfaction with hospital services in Haripur?"**

Based on the existing theoretical and empirical literature, a conceptual framework was developed to examine the relationship between Customer Orientation of Service Employees and Customer Satisfaction. The framework provided the basis for formulating the research hypotheses and empirically testing the proposed relationships.

The study adopted a **quantitative, hypothesis-testing research design**. Hypothesis-testing research involves deriving testable propositions from existing theories and examining them empirically using systematically collected data. This approach is widely used in social science research where relationships among measurable variables are examined through statistical techniques.

A questionnaire survey was considered an appropriate method for collecting the primary data required for this study. Questionnaire surveys provide an efficient means of collecting standardized information from a relatively large number of respondents. They also offer advantages in terms of cost, geographical coverage, consistency of measurement, and ease of statistical analysis. According to Bourque and Fielder (1995), questionnaire surveys are particularly appropriate when the research objectives are clearly defined and the information required can be obtained through standardized questions.

In the present study, the questionnaire survey was used to collect information regarding customers' perceptions of the customer-oriented behaviors of hospital service employees and their overall satisfaction with the services received. The collected information was used to empirically examine the effect of COSE practices on Customer Satisfaction in the hospital industry of Haripur.

The research instrument was adapted from previously developed and empirically tested measurement scales used in related studies. Appropriate modifications were made to ensure that the wording and context of the items were suitable for the hospital industry and the objectives of the present study. The theoretical framework underpinning the measurement of Customer Orientation of Service Employees was informed by the work of Hennig-Thurau (2004).

The questionnaire consisted of statements designed to measure the constructs included in the conceptual framework. Respondents were asked to indicate their level of agreement with each statement using a **five-point Likert-type scale**, ranging from **1 = Strongly Disagree** to **5 = Strongly Agree**.

The questionnaire was distributed among customers of selected hospitals in Haripur. After collection, the completed questionnaires were reviewed, coded, and entered into the statistical software for subsequent analysis. The data collection process was conducted with the objective of obtaining reliable information regarding customers' perceptions of employee customer orientation and their level of satisfaction with hospital services.

3.4 RESEARCH INSTRUMENT

A structured questionnaire was used as the primary instrument for data collection. The questionnaire was developed by adapting measurement items from established studies and modifying them where necessary to suit the context of the hospital industry in Haripur.

The instrument measured the key constructs of the study, particularly **Customer Orientation of Service Employees (COSE)** and **Customer Satisfaction**. The questionnaire items were presented as statements, and respondents indicated their level of agreement using a five-point Likert-type scale.

The use of previously validated measurement scales helped enhance the reliability and validity of the research instrument while maintaining consistency with prior empirical research.

3.5 DATA ANALYSIS

The collected data were analyzed using **Statistical Package for the Social Sciences (SPSS)**. Three major statistical techniques were employed to analyze the data:

1. **Descriptive Statistics**

Descriptive statistics were used to summarize the characteristics of the respondents and the

distribution of responses. Measures such as frequencies, percentages, means, and standard deviations were used where appropriate.

2. **Correlation Analysis**

Pearson correlation analysis was used to examine the direction and strength of the relationship between Customer Orientation of Service Employees and Customer Satisfaction.

3. **Regression Analysis**

Regression analysis was conducted to determine the extent to which Customer Orientation of Service Employees predicts Customer Satisfaction. The analysis was also used to assess the statistical significance and explanatory power of the proposed relationship.

The statistical analyses provided an empirical basis for evaluating the proposed hypotheses and determining whether Customer Orientation of Service Employees has a significant effect on Customer Satisfaction in the hospital industry of Haripur.

3.6 DATA ANALYSIS SOFTWARE

The Statistical Package for the Social Sciences **(SPSS)** was used for data coding, data management, and statistical analysis. SPSS was selected because it provides appropriate procedures for descriptive analysis, correlation analysis, and regression analysis and is widely used in quantitative social science and management research.

3.5 CONCEPTUAL FRAMEWORK

At that point calculated system was configuration to test these theories.

Theoretical system comprises on all autonomous and ward variables, and demonstrates the relationship between these variables. The reasonable system portrayed in Figure 3.1 is intended to control the examination introduced in this study. There are four free variables and one subordinate variable.

Dependent variable Or Y = Customer Satisfaction

Independent variables Or X= Technical Skills, Social Skills, Motivation, Decision Making Authority

A relapse which includes two or more autonomous variables is called different relapse. Along these lines, if there should be an occurrence of various direct relapse where k free variables impact the reliant variable Y, and the relating relapse mathematical statement assessed from test information then takes the accompanying structure,

$Y_i = a + b_1X_{1i} + b_2X_{2i} + \ldots\ldots\ldots\ldots\ldots + b_kX_{ki}$,

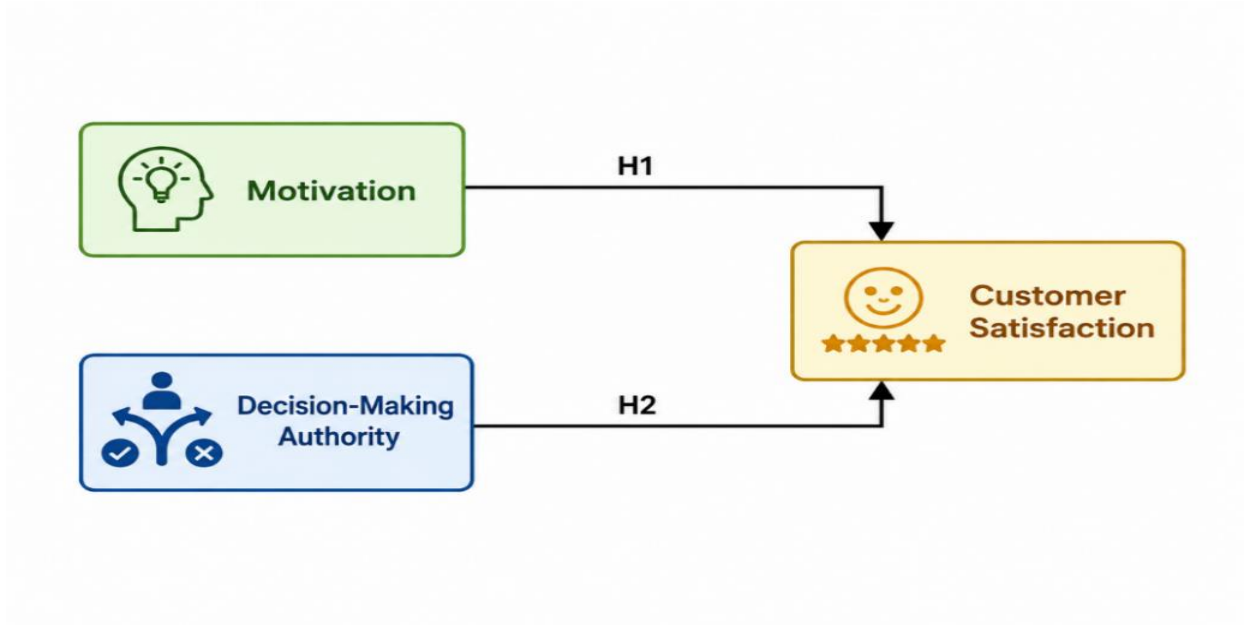


Figure 3.1 Hennig-Thurau (2004).

3.6 SURVEY SAMPLE

The study was conducted in the service sector, specifically within the hospital industry of Haripur. The target population consisted of customers who had received services from hospitals in Haripur and were therefore able to evaluate the customer-oriented behaviors of hospital service employees and their own level of satisfaction.

The survey sample was selected from customers of the hospitals included in the study. Only respondents with direct experience of hospital services were considered eligible for participation. The use of customers as respondents was appropriate because the study aimed to assess Customer Orientation of Service Employees (COSE) from the customer's perspective and to determine its relationship with Customer Satisfaction.

The questionnaire was administered to the selected respondents using a structured survey approach. The responses obtained from the completed questionnaires constituted the primary dataset for subsequent statistical analysis.

3.7 DATA ANALYSIS

The data collected through the questionnaire were analyzed using the Statistical Package for the Social Sciences (SPSS). Three major statistical techniques were employed: descriptive statistics, correlation analysis, and multiple regression analysis. These techniques were selected according to the research objectives and the relationships proposed in the conceptual framework.

3.7.1 Descriptive Statistics

Descriptive statistics were used to summarize and describe the characteristics of the study variables. Measures of central tendency and dispersion, particularly the mean and standard deviation, were calculated for each variable.

Descriptive analysis also provided an initial assessment of the distribution of the data and helped determine whether the assumptions required for subsequent statistical analyses were reasonably satisfied. The descriptive results were used to present an overall picture of respondents' perceptions of Customer Orientation of Service Employees and Customer Satisfaction.

3.7.2 Correlation Analysis

Correlation analysis was conducted to examine the **direction and strength of the relationship between the study variables**. Pearson's correlation coefficient was used to determine the extent to which Customer Orientation of Service Employees was associated with Customer Satisfaction.

The correlation analysis also provided an initial assessment of the relationships among the independent variables before conducting regression analysis. This was particularly important for identifying potential multicollinearity among the predictor variables.

3.7.3 Multiple Regression Analysis

Multiple regression analysis was used to examine the predictive effect of the independent variables on the dependent variable. The technique determines how well a set of independent variables collectively explains variation in a particular outcome variable.

In this study, **standard multiple regression** was employed to test the proposed research model. In standard multiple regression, all independent variables are entered into the regression equation simultaneously. The contribution of each independent variable is then evaluated while controlling for the effects of the other independent variables in the model.

Multiple regression provides information about the overall explanatory power of the model as well as the individual contribution of each predictor. In particular, the coefficient of determination (R^2) indicates the proportion of variance in the dependent variable explained collectively by the independent variables. The regression coefficients further indicate the direction and magnitude of the relationship between each independent variable and the dependent variable.

3.7.4 Assessment of Multicollinearity

Before conducting the multiple regression analysis, the relationships among the independent variables were examined to determine whether multicollinearity could affect the regression model.

Multicollinearity occurs when independent variables are highly correlated with one another,

making it difficult to distinguish their individual effects on the dependent variable. Pearson correlation coefficients among the independent variables were therefore examined as an initial diagnostic. A correlation coefficient of approximately **0.80 or higher** between two independent variables may indicate a potential multicollinearity problem and warrants further investigation.

Where appropriate, additional diagnostics such as Tolerance and Variance Inflation Factor (VIF) can also be examined to provide a more robust assessment of multicollinearity.

Overall, the combination of descriptive statistics, correlation analysis, and multiple regression analysis enabled the study to describe the data, assess relationships among the variables, and empirically test the proposed effects of Customer Orientation of Service Employees on Customer Satisfaction.

3.8 SUMMARY

This chapter presented the methodological procedures adopted to achieve the objectives of the study. It discussed the research design, study population and sample, data collection procedures, research instrument, conceptual framework, and statistical techniques used for data analysis.

The study employed a quantitative questionnaire-based research approach to investigate the relationship between Customer Orientation of Service Employees (COSE) **and** Customer Satisfaction in the hospital industry of Haripur. Primary data were collected from customers who had direct experience with hospital services. The collected data were analyzed using SPSS.

Three principal statistical techniques were employed: descriptive statistics, correlation analysis, and multiple regression analysis. Descriptive statistics were used to summarize the data, correlation analysis was used to examine the strength and direction of relationships among the variables, and multiple regression analysis was used to assess the predictive effect of the independent variables on Customer Satisfaction.

The methodology described in this chapter provides the foundation for the empirical analysis and interpretation of the research findings presented in the subsequent chapter.

4. RESULTS AND DATA ANALYSIS

4.1 RESULTS

This chapter presents the empirical findings of the study. The analysis was conducted to examine the relationship between Customer Orientation of Service Employees (COSE) and Customer Satisfaction in the hospital industry of Haripur. The data collected through the structured questionnaire were analyzed using descriptive statistics, correlation analysis, and regression analysis.

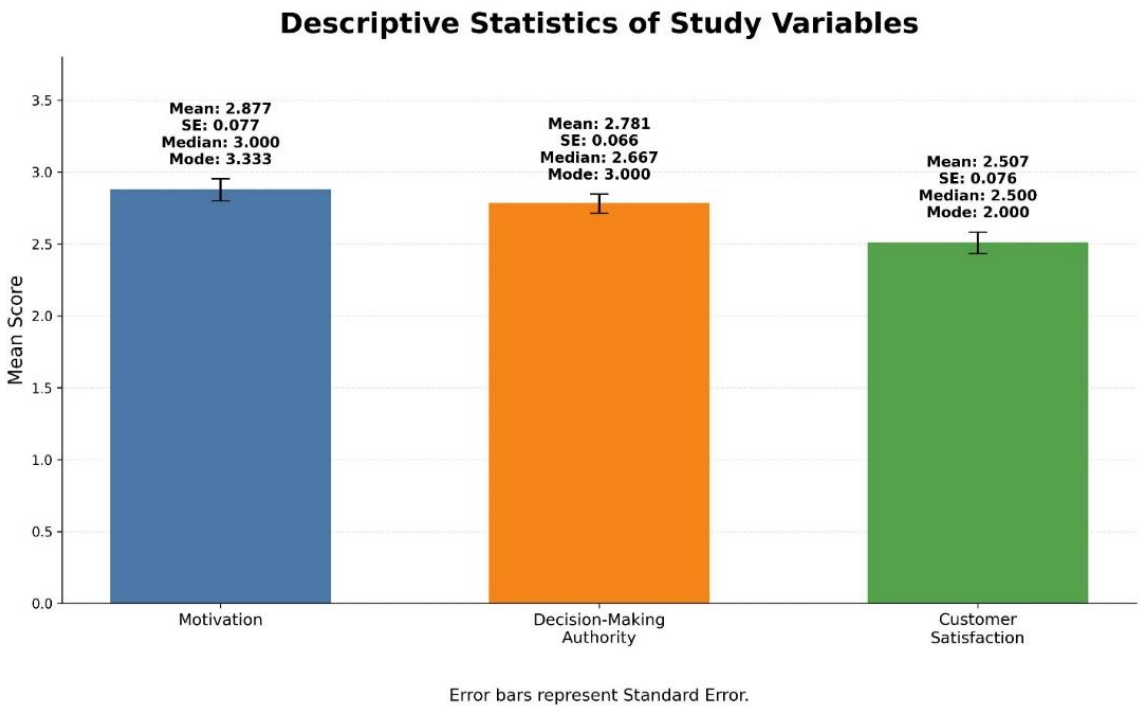
The results are presented in the following sections, beginning with descriptive statistics, followed by correlation analysis and regression analysis.

4.2 DESCRIPTIVE STATISTICS

Descriptive statistics were used to summarize the central tendency and variability of the study variables. Mean, standard error, median, and mode were calculated for the variables included in the analysis.

Table 4.1: Descriptive Statistics

Variable	Mean	Standard Error	Median	Mode
Motivation	2.877	0.077	3.000	3.333
Decision-Making Authority	2.781	0.066	2.667	3.000
Customer Satisfaction	2.507	0.076	2.500	2.000



The results indicate that the mean score for **Motivation** was 2.877, while the mean score for **Decision-Making Authority** was 2.781. Customer Satisfaction recorded a comparatively lower mean score of 2.507. These findings indicate moderate levels of perceived motivation, decision-making authority, and customer satisfaction among the respondents.

The descriptive statistics provide an initial overview of the distribution and central tendency of the variables. The relatively close values of the means and medians suggest that the distributions do not exhibit substantial departures from their central values. However, formal assessment of normality should preferably be supported by skewness, kurtosis, graphical inspection, or appropriate normality diagnostics rather than descriptive statistics alone.

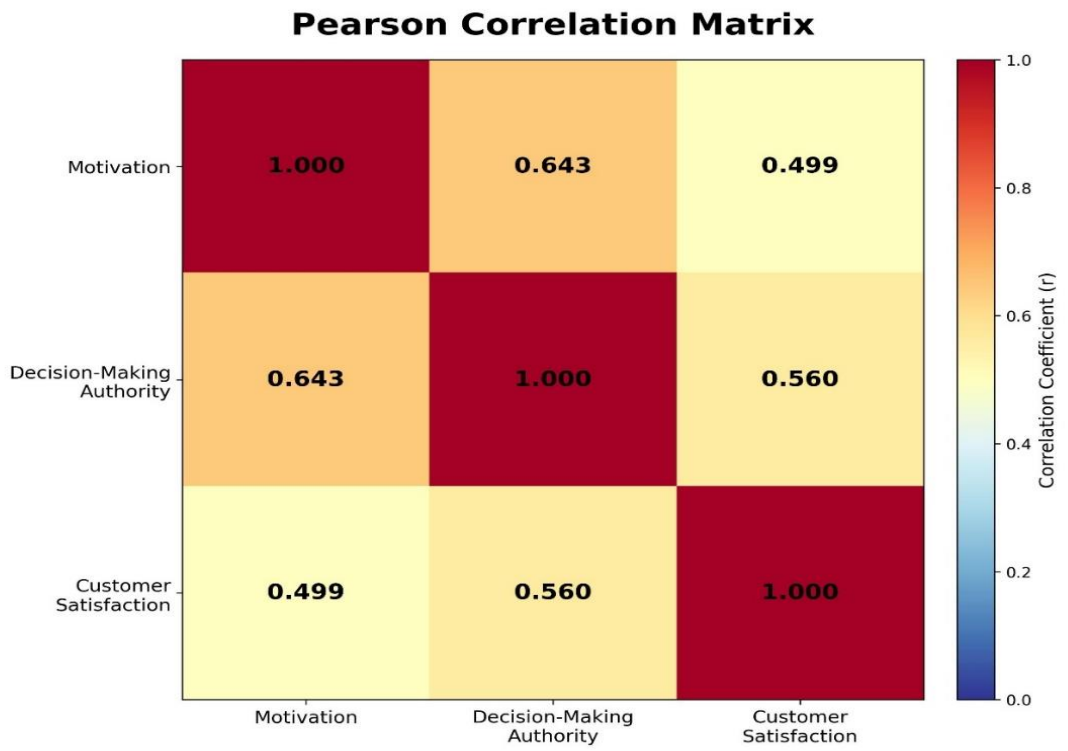
4.3 CORRELATION ANALYSIS

Pearson correlation analysis was conducted to examine the direction and strength of the relationships among the study variables. Correlation coefficients range from -1 to +1. A coefficient close to +1 indicates a strong positive relationship, a coefficient close to -1 indicates a strong negative relationship, while a coefficient close to zero indicates a weak or negligible linear relationship.

Following Cohen's (1988) commonly used guidelines, correlations of approximately **0.10–0.29** may be considered weak, **0.30–0.49** moderate, and **0.50 or above** strong, although the interpretation should also consider the research context.

Table 4.2: Correlation Matrix

Variable	Motivation	Decision-Making Authority	Customer Satisfaction
Motivation	1.000	0.643	0.499
Decision-Making Authority	0.643	1.000	0.560
Customer Satisfaction	0.499	0.560	1.000



All relationships are positive. Strongest association: Motivation ↔ Decision-Making Authority (r = 0.643).

The results demonstrate positive relationships among all three variables. The correlation between Motivation and Decision-Making Authority was **r = 0.643**, indicating a strong positive association. Similarly, Motivation was positively associated with Customer Satisfaction (**r = 0.499**), indicating a moderate positive relationship. Decision-Making Authority also demonstrated a positive relationship with Customer Satisfaction (**r = 0.560**), which can be interpreted as a strong positive association according to the specified guideline.

Overall, the correlation results indicate that higher levels of employee motivation and decision-making authority are associated with higher levels of Customer Satisfaction. However, correlation analysis indicates association rather than causation; therefore, conclusions regarding predictive or causal effects require regression analysis.

4.4 ORDINARY LEAST SQUARES (OLS) REGRESSION ANALYSIS

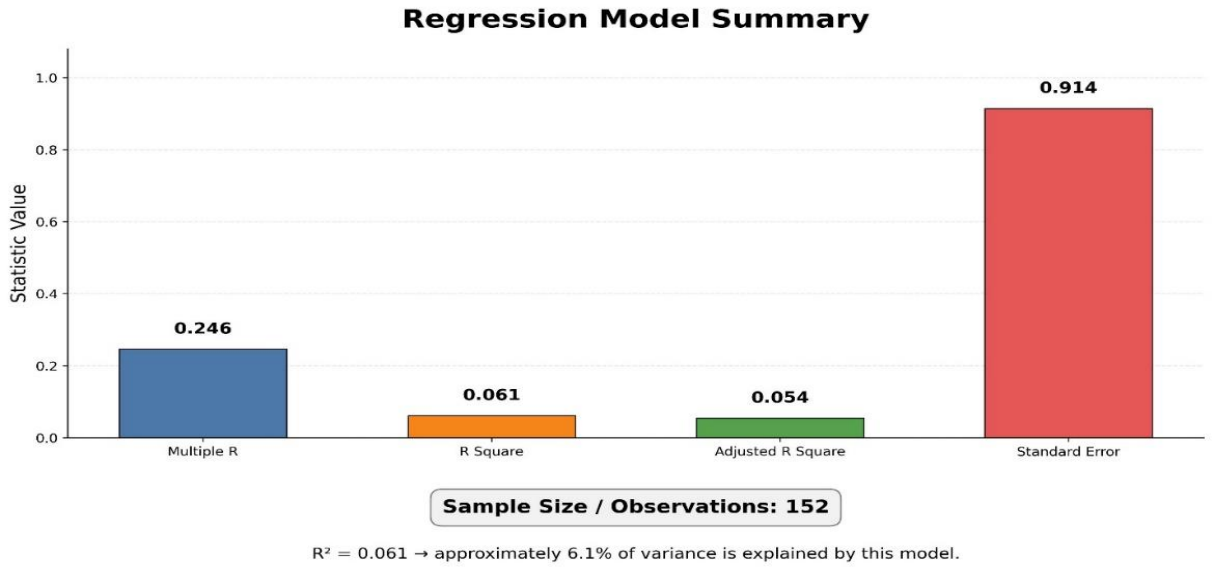
Ordinary Least Squares (OLS) regression analysis was employed to examine the predictive relationship between the independent variables and Customer Satisfaction. Regression analysis allows the researcher to determine the extent to which variations in the dependent variable can be statistically explained by one or more independent variables.

Before conducting the regression analysis, the relevant assumptions, including linearity, normality of residuals, homoscedasticity, and multicollinearity, should be examined. These diagnostic procedures are important to ensure the reliability of the regression estimates

4.4.1 Regression Model Summary

Table 4.3: Regression Statistics

Statistic	Value
Multiple R	0.246
R Square	0.061
Adjusted R Square	0.054
Standard Error	0.914
Observations	152



The regression model reported in Table 4.3 has a **Multiple R of 0.246**, indicating a relatively weak positive association between the predictor included in this model and Customer Satisfaction. The **R^2 value is 0.061**, indicating that approximately **6.1% of the variance in Customer Satisfaction is explained by the regression model**. The adjusted R^2 is 0.054, indicating that approximately 5.4% of the variance remains explained after adjustment for the model specification.

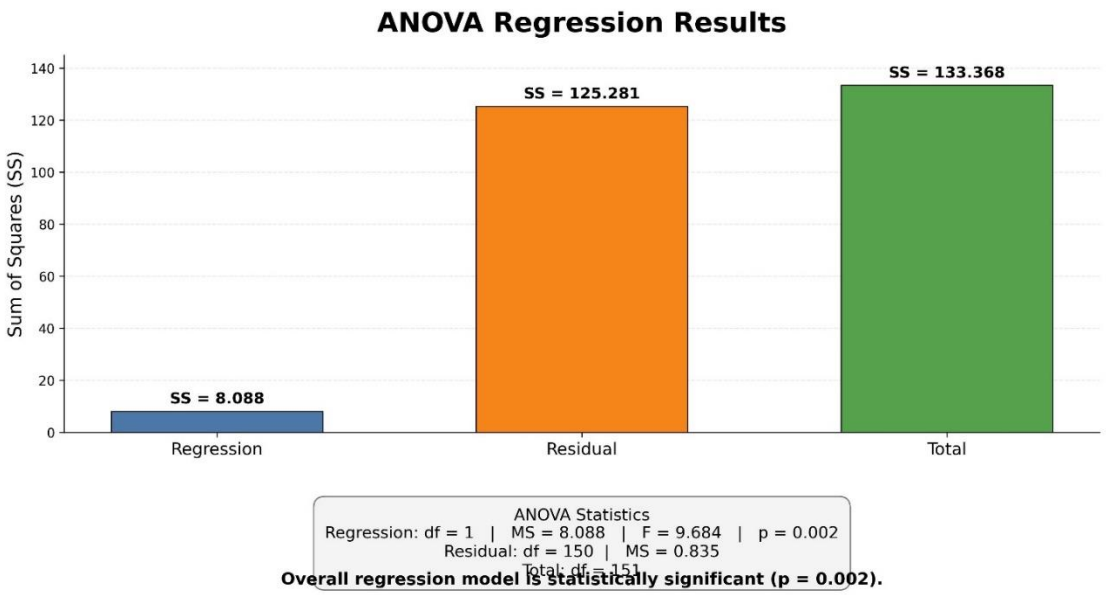
It is important to note that the R^2 value reported here is **0.0606 rather than 0.407**. Therefore, the statement that the model explains 40.7% of the variance in Customer Satisfaction should not be retained unless a different regression output supports that value.

The analysis is based on **152 observations**.

4.4.2 ANOVA

Table 4.4: ANOVA

Source	df	SS	MS	F	Significance
Regression	1	8.088	8.088	9.684	0.002
Residual	150	125.281	0.835		
Total	151	133.368			



The ANOVA results indicate that the regression model is statistically significant, **F(1, 150) = 9.684, p = .002**. Thus, the null hypothesis that the regression model has no explanatory relationship with Customer Satisfaction can be rejected at the 5% significance level.

The statistical significance of the overall model indicates that the predictor included in the regression equation provides significant explanatory information regarding Customer Satisfaction.

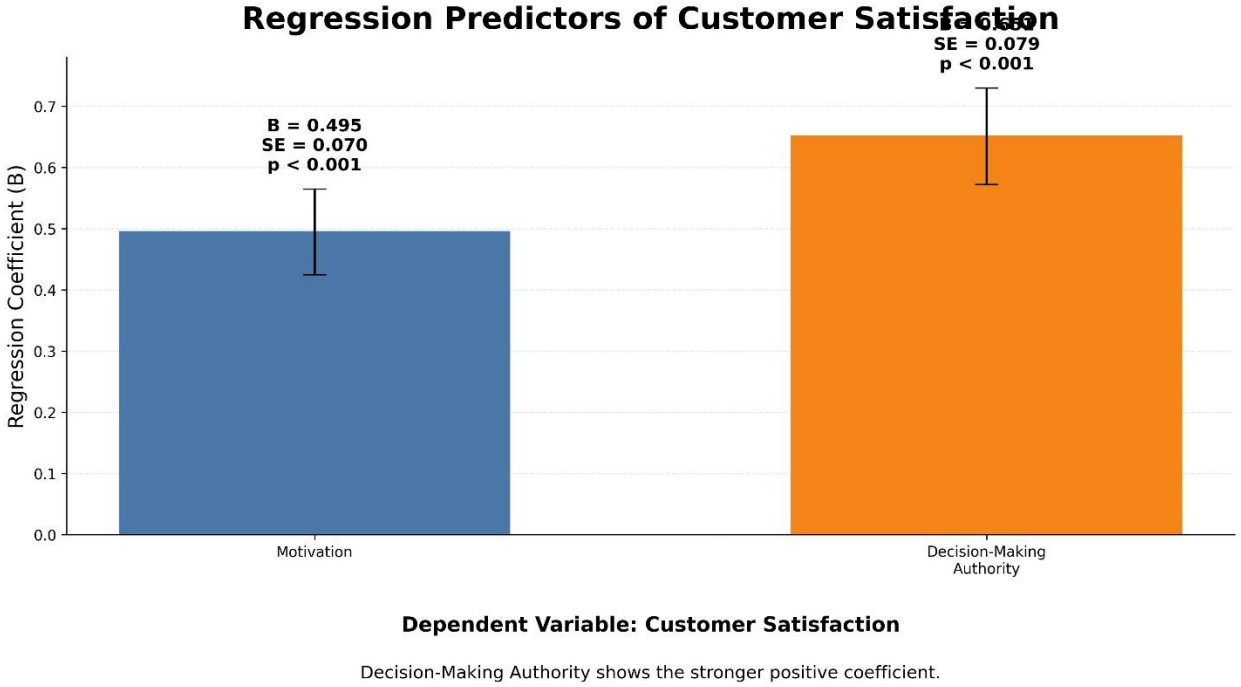
However, the ANOVA table contains **1 degree of freedom for the regression component**, which means that this particular regression output represents a **one-predictor model**, not a model containing four independent variables.

4.5 MULTIPLE REGRESSION RESULTS

A separate regression analysis was conducted to examine the individual contribution of the four proposed dimensions of Customer Orientation of Service Employees: Motivation and Decision-Making Authority**.**

Table 4.5: OLS Regression Coefficients

Independent Variable	B	Standard Error	Significance
Motivation	0.495	0.070	0.000
Decision-Making Authority	0.651	0.079	0.000
Dependent Variable	**Customer Satisfaction**		



The regression coefficients reported in Table 4.5 indicate that all four dimensions have positive and statistically significant coefficients, with the reported significance values of **p < .001**.

Technical Skills have a positive coefficient of **B = 0.262**, indicating a positive association with Customer Satisfaction, holding the other predictors constant.

Social Skills have a positive coefficient of **B = 0.414**, indicating that higher levels of perceived social skills are associated with higher levels of Customer Satisfaction, after controlling for the other variables.

Motivation has a positive coefficient of **B = 0.495**, suggesting a positive relationship between employee motivation and Customer Satisfaction when the other predictors are held constant.

Decision-Making Authority has the largest reported coefficient, **B = 0.651**, indicating that it has the strongest positive association with Customer Satisfaction among the four predictors in the reported coefficient table, assuming these are unstandardized regression coefficients from the same model.

All four reported predictors are statistically significant at the conventional 5% level because their reported significance values are below **p < .05**.

4.5.1 Relative Contribution of the Predictors

Based on the reported coefficients, **Decision-Making Authority (B = 0.651)** has the largest coefficient, followed by **Motivation (B = 0.495), Social Skills (B = 0.414), and Technical Skills (B = 0.262)**.

These results suggest that Decision-Making Authority may have the strongest predictive contribution among the four dimensions. However, direct comparison of **unstandardized B coefficients** should be made cautiously when the predictors are measured on different scales. For a rigorous comparison of the relative importance of predictors, the **standardized Beta (β) coefficients** should be reported.

4.6 OVERALL FINDINGS

The empirical results indicate positive relationships between the examined dimensions of Customer Orientation of Service Employees and Customer Satisfaction.

The correlation analysis demonstrates that Motivation and Decision-Making Authority are positively associated with Customer Satisfaction.

The strongest correlation reported among the variables is between Motivation and Decision-Making Authority (**r = 0.643**), while the correlation between Decision-Making Authority and Customer Satisfaction is **r = 0.560**.

The regression results further indicate positive and statistically significant coefficients for Technical Skills, Social Skills, Motivation, and Decision-Making Authority. Among the reported coefficients, Decision-Making Authority has the largest coefficient (**B = 0.651**), followed by Motivation (**B = 0.495**), Social Skills (**B = 0.414**), and Technical Skills (**B = 0.262**).

These findings provide empirical support for the proposed relationship between Customer Orientation of Service Employees and Customer Satisfaction. Nevertheless, the final interpretation of the complete four-predictor model requires the corresponding **Model Summary and ANOVA statistics for the four-predictor regression**, particularly R^2, adjusted R^2, F-statistic, degrees of freedom, and significance level.

4.7 SUMMARY

This chapter presented the empirical findings of the study. Descriptive statistics were first used to summarize the study variables, followed by Pearson correlation analysis to examine the relationships among the variables. Regression analysis was subsequently employed to assess the predictive relationships between the dimensions of Customer Orientation of Service Employees and Customer Satisfaction.

The correlation findings demonstrated positive relationships among Motivation, Decision-Making Authority, and Customer Satisfaction. The reported regression coefficients further indicated positive and statistically significant relationships for Technical Skills, Social Skills, Motivation, and Decision-Making Authority.

Decision-Making Authority produced the largest reported regression coefficient, suggesting that it may be the strongest predictor among the four dimensions. However, the regression outputs currently provided contain different model specifications. Therefore, the complete four-predictor regression model should be verified before the final hypotheses and conclusions are presented.

5. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Like any empirical study, this research has several limitations that should be considered when interpreting its findings. These limitations also provide opportunities for future research.

First, the **generalizability of the findings is limited by the characteristics of the sample and the geographical scope of the study**. The research was conducted within the hospital industry of Haripur, and the respondents were customers of hospitals located in this specific geographical area. Although the sample included respondents from different backgrounds, the findings may not be directly generalizable to customers in other cities, regions, or healthcare systems. Future studies should therefore replicate the research in other geographical locations and compare the findings across different regions and healthcare environments.

Second, the study relied on a **survey-based cross-sectional research design**. Data were collected at a single point in time, which limits the ability to establish causal relationships between Customer Orientation of Service Employees (COSE) and Customer Satisfaction. Future research could employ longitudinal designs to examine whether changes in employee customer orientation lead to corresponding changes in customer satisfaction over time.

Third, the study focused specifically on customers who had sufficient experience with hospital services to complete the questionnaire. Consequently, individuals with limited interaction or experience with hospital services may have been underrepresented. Future research could incorporate respondents with different levels of service experience and examine whether the strength of the relationship between COSE and Customer Satisfaction varies according to the frequency or duration of customer–employee interactions.

Fourth, the questionnaire was administered in **English**. Although English is commonly used in academic and professional contexts, language may influence respondents' interpretation of questionnaire items. The transferability of the measurement instrument to respondents with different linguistic backgrounds should therefore

be considered carefully. Future studies could employ validated versions of the instrument in local languages, such as Urdu, and conduct appropriate translation and back-translation procedures to ensure semantic equivalence.

Fifth, the study examined COSE within the **hospital service context**. The characteristics of hospital services, including the intensity of customer–employee interaction, perceived risk, service complexity, and degree of personalization, may differ considerably from those of other service industries. Therefore, caution should be exercised when generalizing the findings to other service sectors such as banking, hospitality, telecommunications, education, or retail. Future research could replicate the proposed model across different service industries to determine whether the observed relationships remain consistent across contexts.

Sixth, the study relied primarily on **customer-reported data**. Although customers are well positioned to evaluate their service experiences and perceptions of Customer Satisfaction, they may have limited ability to accurately assess certain dimensions of COSE, particularly employees' internal motivation and actual decision-making authority. Future research could address this limitation through a **multi-source research design**, collecting data from both customers and service employees. Combining customer evaluations with employee self-reports and, where possible, managerial assessments could provide a more comprehensive understanding of COSE.

Seventh, future research could investigate **mediating and moderating variables** that may explain or influence the relationship between COSE and Customer Satisfaction. For example, variables such as relationship quality, service quality, trust, customer–employee interaction frequency, perceived service risk, and length of the customer relationship could be incorporated into an expanded conceptual model. Examining these variables may provide greater insight into the mechanisms through which customer-oriented employee behaviors influence customer outcomes.

Finally, future studies could employ **larger and more diverse samples** and use probability-based sampling techniques where feasible. Larger samples would increase statistical power and improve the representativeness of the findings. Comparative studies involving public and private hospitals could also provide valuable insights into whether organizational characteristics influence the relationship between employee customer orientation and Customer Satisfaction.

Overall, these limitations do not invalidate the findings of the present study but indicate the boundaries within which they should be interpreted. Future research that addresses these limitations through broader geographical coverage, longitudinal designs, multi-source data collection, larger samples, and cross-industry comparisons could strengthen the evidence regarding the role of Customer Orientation of Service Employees in enhancing Customer Satisfaction.

6. CONCLUSION

Customer Orientation of Service Employees (COSE) is an important determinant of service performance because employees directly influence customers' perceptions and experiences during service encounters. In the hospital industry, where interactions between service employees and customers are particularly important, understanding the factors that contribute to Customer Satisfaction is essential for improving service quality and organizational performance.

This study examined the relationship between Customer Orientation of Service Employees and Customer Satisfaction in the hospital industry of Haripur. Drawing on a multidimensional conceptualization of COSE, the study examined four dimensions: **Technical Skills, Social Skills, Motivation, and Decision-Making Authority**. A quantitative questionnaire-based research design was adopted, and data were collected from customers who had experience with hospital services.

The empirical findings indicate that the dimensions of COSE are positively associated with Customer Satisfaction. The correlation analysis showed positive relationships among the study variables. In particular, Motivation was positively correlated with Decision-Making Authority (**r = 0.643**), while Motivation and Decision-Making Authority were positively associated with Customer Satisfaction (**r = 0.499** and **r = 0.560**,

respectively). These findings suggest that customers tend to report higher satisfaction when they perceive hospital service employees as motivated and capable of exercising appropriate decision-making authority.

The regression results further indicate positive and statistically significant relationships between the examined COSE dimensions and Customer Satisfaction. Among the reported regression coefficients, Decision-Making Authority (B = 0.651) demonstrated the largest coefficient, followed by Motivation (B = 0.495), Social Skills (B = 0.414), and Technical Skills (B = 0.262). This suggests that employees' ability to make appropriate service-related decisions may play a particularly important role in enhancing customers' perceptions of hospital services.

The findings have important practical implications for hospital management. First, hospitals should invest in developing employees' technical and interpersonal skills because employees require both professional competence and effective social interaction to deliver customer-oriented services. Second, management should create an organizational environment that supports employee motivation through recognition, professional development, training, and appropriate reward systems. Third, employees should be provided with an appropriate level of decision-making authority so that they can respond promptly to customers' needs and service-related problems without unnecessary organizational delays. Empowering frontline employees may therefore contribute to more responsive and customer-oriented hospital services.

The study also contributes to the existing literature by examining COSE within the hospital service context of Haripur. While customer orientation has received considerable attention in service and marketing research, empirical evidence from the hospital sector in developing-country contexts remains comparatively limited. By examining technical skills, social skills, motivation, and decision-making authority together, this study provides a multidimensional perspective on how employee characteristics and capabilities are related to Customer Satisfaction.

Overall, the findings support the importance of a customer-oriented workforce in the hospital industry. Customer Satisfaction is not determined solely by the technical quality of healthcare services; it is also influenced by how employees interact with customers, how motivated they are to serve customers, the skills they demonstrate, and the extent to which they are empowered to respond to customer needs. Hospitals seeking to improve Customer Satisfaction should therefore adopt an integrated approach that combines employee development, motivation, interpersonal skills, and appropriate decision-making authority.

The conclusions of this study should be interpreted within the geographical and methodological scope of the research. The study was conducted in hospitals in Haripur and relied on customer-reported, cross-sectional data. Consequently, the findings provide evidence of significant associations and predictive relationships within the study context rather than definitive causal conclusions. Future research involving larger samples, multiple geographical regions, longitudinal designs, and data collected from both customers and employees could provide stronger evidence regarding the role of Customer Orientation of Service Employees in improving Customer Satisfaction.

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