FRONTLINE EMPLOYEES' PARTICIPATION IN SERVICE INNOVATION IMPLEMENTATION: THE ROLE OF PERCEIVED EXTERNAL REPUTATION: SPECIAL REFERENCE TO COMMERCIAL BANKS IN BATTICALOA DISTRICT

SAJEEVAH KUNALARAJ

DEPARTMENT OF MANAGEMENT

FACULTY OF COMMERCE AND MANAGEMENT

EASTERN UNIVERSITY, SRI LANKA

2018

ABSTRACT

In an increasingly competitive global economy, corporations are seeking new opportunities to differentiate against other players and to gain a sustainable market advantage. Companies today face the challenge not only of designing innovative customer-focused service strategies to compete and grow but also of translating such strategies into results through successful execution. Frontline employee participation is critical to successful innovation implementation (SII), especially in service contexts. Perceived external reputation (PER) is conceptualized as employees' impressions of how outsiders rate their employer in terms of the corporate reputation. Drawing on expectancy theory and social exchange theory, this study investigates how employees' perceived external reputation is associated with their willingness to participate in service innovation implementation in banking industry.

This is a quantitative study. The study area was limited to Batticaloa District and data were collected from selected commercial banks in Batticaloa District through the structured questionnaire. Random sampling method was used to choose survey sample. Sample size included 150 frontline employees from selected commercial banks. Primary and secondary data were collected during the survey. The data were analysed with univariate and bivariate analyses using SPSS 22.0.

Findings of the study suggested that there are high level of frontline employees' PER, their involvement in participation in SII and base on social political perspective their Expected Reputation Gain (ERG) among selected banks in Batticaloa District. Other finding of this study stated that there is a positive relationship among PER, ERG and Participation in SII. Further, the finding revealed that PER has a significance impact on frontline employees' Participation in SII in selected bank in Batticaloa District. And also the finding stated that PER and frontline employees' Participation in SII partially mediated by ERG.

This study suggested that management encourage frontline employees to participate in service implementation, in order to increase their organization reputation. The study also discusses the implications for future research.

Keywords: Perceived external reputation (PER), successful innovation implementation (SII), Expected Reputation Gain (ERG) and frontline employees

TABLE OF CONTENTS