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Consistency and Ownership:

A Qualitative Study of Ten Sales and Service Organizations in Japan

Publication Summary

No cases have been published in English.

Abstract

Through qualitative research of ten cases, this paper aims at identifying propositions on the determinants of ownership among sales and service people. Ownership is a concept proposed by Heskett and his Harvard colleagues (2008) in their argument on the service profit chain. Employees, who feel as if they own the organization they work for, are eager to make efforts to improve their organization and service delivery to their customers. Ownership is important as it encourages desirable attitudes and behavior in sales and service persons, while mere satisfaction does not.

We chose ten cases consisting of five pairs from different industries: SPA (specialty-store retailers of private-label apparel), life insurers, hotels, coffee shops, and sushi-go-round restaurant chains. They are competitive and successful companies that employ unique human resource management policies to leverage employee ownership and to improve service delivery. Each of the two companies in the industry pairs has practices and operations very distinct from its counterpart. We present several propositions arising from their practices to predict and control the level of employee ownership by searching for factors and logic in common. In this way, our research is an exploratory work, inductively inferring specific relationships between factors that are applicable to broader cases. As a result, we propose that consistency between target employees and management increases the level of ownership, and that consistency between target customers and value or experience delivered by employees increases the level of customer satisfaction. These consistencies are expected to improve financial performance as well.

Key Words

sales management, service management, personal selling, human resource management, service profit chain, ownership

Introduction and Objectives

Many companies state that customer satisfaction is their ultimate goal. Regardless of industry, this statement seems to be attractive. Asahi Breweries declared its mission as supreme quality, hospitality, customer satisfaction, and the realization of health and wealth worldwide. S&B, a major food and spices company in Japan, officially states their mission as "striving for genuine customer satisfaction." All employees, including executives, at Microsoft Japan are evaluated by their attainment of customer satisfaction goals. Furthermore, even a technology-oriented infrastructure provider, NTT DoCoMo, claims customer satisfaction as a goal to pursue. (These companies' mission statements are cited from their websites or IR reports.)

An intriguing message from Harvard Business School professors was introduced to Japan in 1998. Heskett and his colleagues posit that companies that succeed in satisfying their customers also satisfy their employees. In other words, employees that are well-satisfied achieve customer satisfaction. Heskett, et al., insist that there is a link from employee satisfaction to customer satisfaction in their arguments on the service profit chain. The link is not necessarily direct, but some companies began to think that they had to increase employee satisfaction in order to increase customer satisfaction—a myth, one that Tokyo Disney Resorts and McDonald's of Japan, in particular, may have played a role in disseminating. Business case paperbacks and seminars further contributed to spreading this myth. These CEOs' statements that they valued employee satisfaction to increase and maintain customer satisfaction have been repeatedly cited and introduced.

Although this myth has convinced many practitioners regarding their own situations, they are also skeptical of its ability to affect customer satisfaction. To provide empirical support for this theory (or confirmation of the skeptic's doubt), one of the authors (2012) examined whether employee satisfaction could be a determinant of desirable salesperson behavior (e.g., customer care, help to colleagues, or extra-role performance) (Bettencourt, et al. 2005; Netemeyer & Maxham III, 2007.) He collected samples from skilled and promising salespersons in Japanese department stores, and the results were insignificant. Rutherford, Park, and Han also employed a model that showed no direct relationship between satisfaction and service quality. One may easily imagine that those who don't have to work hard are satisfied, or those who find their job easier than their colleague's are satisfied.

On the contrary, the salespersons' sense of ownership has a positive and significant impact on their desirable actions. This finding was derived from the same data set from Japanese department stores. When we re-examined what Tokyo Disney Resorts have taught us, we began to think that they were improving employee ownership. The term “satisfaction” should be replaced by “ownership,” and the story should be rewritten. Brief observation revealed some interesting aspects of their operations, as follows. Their employees are called “casts”; they are very proud of their jobs; they enjoy privileges; and customers’ appreciation motivates them, etc.

Here, our objective is not to describe the old case of Tokyo Disney Resorts, but to introduce some original cases with our focus on the determinants of ownership. We selected ten cases from the practices and operations of sales and service organizations in Japan.

Conceptual Framework / Literature Review / Research Model

An organization benefits by leveraging employee ownership. The employees act and perform enthusiastically, as if they own the organization. According to our interview data, employees with high levels of ownership (seemingly) hit where the organization hurts—they do so out of a wish to cure and heal it. Satisfied employees are not expected to do so. The concept of ownership was proposed by Heskett et al. (2008). The concept is very important in the Japanese setting, especially in sales and service sectors. Employee turnover has been very high, even in Japan which used to be quite famous for its lifetime employment practices. We also assume that it is more difficult to foster ownership among sales and service people than among the founders or mechanics, who are supposed to have passion and love for their organizations or products. Hence, it is important to identify the antecedents and determinants of ownership among sales and service people.

As antecedents and determinants of ownership, Heskett, et al., suggested some factors. For example, they mentioned hiring for attitude, latitude within limits, compensation, and personal development programs. But their suggestions seem normative; these factors or specific relations must be tested empirically. Moreover, the appropriateness of hiring or suitable degrees of latitude must be case-specific. Therefore, we aim at identifying more general antecedents and determinants of ownership to create propositions and measures to be tested. At the end of this paper, we build several propositions based on what we found in our exploratory research. In addition, we will introduce diagnostic scales for managerial application.

Method

For the sake of proposition-building, we conducted qualitative research to identify antecedents and determinants of ownership. We chose ten successful cases to find the logic to be applied to broader cases. Before studying the ten cases, we interviewed consultants and many employees working in sales or service sectors, such as McDonald's, GAP, and Teikoku Hotel. Then, we chose ten cases, consisting of five pairs from five industries. This is partly due to the companies' cooperation, but the following reason is also of note—we seek to identify a universal logic. This logic must be found across various cases, so we decided to study pairs that had distinctive features of their own. Five pairs were selected from industries such as specialty store retailers of private-label apparel (SPA), life insurers, hotels, coffee shops, and sushi-go-round restaurant chains. The cases are United Arrows and Uniqlo from SPA, Prudential Japan and Lifenet from life insurers, The Ritz-Carlton and Super Hotel from hotels, Starbucks and Doutor from coffee shops, and Sushiro and Choushimaru from sushi restaurants.

One is quite remarkable for its operations in providing customized experiences to its customers, while the other is notable for its universal chain operation that delivers efficiency. But even the latter is not bad at motivating employees, in spite of its no-frill, automated, and standardized service delivery and human resource management.

Our research was conducted from spring 2010 to spring 2012. Many frontline sales and service people and some managers in charge of customer or employee satisfaction, and sometimes franchise owners and undergraduate part-time workers cooperated in our study. Secondary data are also used to describe each case. They are listed at the end of Bibliography. This is a non-profit, collaborative work of researchers, consultants, and practitioners from various levels of the hierarchy.

Findings

1. SPA

United Arrows Ltd., one of the best-known retail apparel chains in Japan, has been opening various styles of shops. It segments the market very carefully, and offers many kinds of extended brands and shops. It is a retailer of private-label apparel, and has a strong commitment to design, production, and assortments. The company practiced brand extension (store brand extension, as well), as a result of the aging of its main target customers. These practices are not so distinctive.

However, it is remarkable that United Arrows hires all employees on a full-time basis. Part-time employees with over 3 months of experience as trainees will be offered full-time status. This policy is quite different from that at other companies which are apt to rely on part-time employees to deal with industry fluctuations. The retail apparel industry is characterized by its sales concentration in specific bargain seasons.

The founder and CEO aims at fostering “creative merchants,” who are eager to work with their colleagues and independently at the same time. Independence implies that salespersons value their own judgment to increase customer loyalty. United Arrows targets customers who buy sets of items. Because the organization expects customers to be stimulated by the total coordination proposed by individual salespeople, his or her sensitivity to fashion and independent decision-making capability are indispensable. Thus, they make their efforts: salespersons are encouraged to create strong personal ties with their customers to gain trust. Full-time employees can maximize the time shared with their customers. The salesperson’s commitment also arises from full-time employment. There is a clear hierarchy among salespeople. Along with sales evaluation, the organization often uses paper tests for promotion. These tests always include several questions about its policy of “creative merchants,” cooperation, independence, and sensitivity.

As a comparative case, Uniqlo Co. Ltd. offers a self-service environment to customers buying “parts.” Stores, products, and services are all standardized. This is true of its entries in international markets as well. Customers enjoy its value of “basic casuals for anytime, anywhere, anyone.” One report states that 96% of Japanese have shopped at Uniqlo. Manuals and procedures are rigidly followed by store managers who are in charge of choosing and displaying merchandise, point-of-purchase advertising, and hiring and appointing employees in their stores. To be one of these managers requires perhaps only a year of experience (2 years on average). A year is not actually long enough for young managers. They tread thorny paths, but the organization dares to put them in hard situations, expecting young and inexperienced managers to be “professional.” Uniqlo does not question their managers’ educational backgrounds either. It looks for those who are obedient and achieve goals, no matter how hard they seem. The career of store managers has some possible paths, one of which leads to independent shop ownership as a franchisee.

2. Life Insurers

The life insurance industry in Japan has been shrinking in size. Although the number of contracts has been increasing, their average size is getting smaller and smaller. In spite of this, two insurers keep growing rapidly: Prudential Life Insurance of Japan and Lifenet Insurance Company.

The former is the Japan branch of a U.S.-based insurer, operating since 1987. It stands out for its distinctive agents, called Life-planners. These are mainly males, who act quite differently from the traditional Japanese female insurance agents. Lifenet is one of the newest entrants in the market, starting in 2008. It is an Internet-based insurer that focuses on three types of insurance: death benefits, medical, and disability income insurance. Lifenet offers no options for its contracts.

Traditionally, the life insurance business has sold personal insurance policies using a few, charismatic middle-aged ladies, who exploit their personal networks to gain more commissions. The graph of salary versus age shows a dramatic increase after the age of 40. This also means that there are many young ladies who quit their jobs at an early stage. These ladies may work well with the organizational policies. We are visited by different, newly-appointed ladies every year at our offices; the corresponding author received a couple of new name cards this year as well. It is very interesting that all the major insurers have employed this way of selling policies. Both young and middle-aged women are not always knowledgeable about the complicated contract details; neither are the customers. Both enter into contracts mainly for emotional and personal reasons, rather than rational ones. However, Prudential and Lifenet have completely different approaches.

Prudential basically depends on mid-year hiring. They employ agents who have never experienced the existing life insurance business. Candidates are all highly-motivated individuals who are very confident of their selling ability. Prudential employs full-commission practices (to meet Japanese regulations, it is a performance-based annual salary system). Agents are well-motivated by their compensation and absolute reward system, but these employees are all trained to understand and sympathize with the origins of the U.S. Prudential and the heroic episodes of the founder of Prudential Japan, a former Japanese actuary at U.S. Prudential. They sell very social products and services that are directly connected to one’s life and death. This prevents opportunistic behavior, and they are very proud of handling innovative contracts that old Japanese giants had never imagined. For example, the Living-Needs contract refers to a death benefit that enables one to receive money before he or she dies. This has now been imitated by major competitors. They target middle- or upper-class customers who are eager to acquire detailed information on insurance. They also offer speculative contracts, such as foreign-currency-based insurance.

Lifenet is also quite different from traditional insurance businesses. It differs from Prudential as well, since it has no personal agents or salespersons at all. On its website, customers can estimate the exact amount of premium and benefits 24 hours a day. They can also conclude their contracts with Lifenet without meeting anyone. Japanese official documents frequently require name stamps, but Lifenet did away with this custom. Customers have to apply their seal only if they want to pay premiums from their bank accounts. The CEO had questioned the tradition when he founded Lifenet. Customers sign insurance policies without understanding the contents; they don't know how much they pay for what kinds of options, and whether these options are needed. Thus, he stated the company's mission as providing "honest, convincing, and reasonable" policies that can be "self-selected." This attracted customers. Lifenet was founded to break the rules. Many employees recommended themselves when joining Lifenet. According to an article, Lifenet is eager to hire people who have been regarded as "difficult" in their former workplaces since they do not like obeying unreasonable laws and rules, although they are very talented. They feel very uncomfortable, particularly in the huge, traditional Japanese companies. Lifenet opened a door for them.

Lifenet's recruiting system is distinctive. When evaluating a new candidate, all those who are supposed to work with him or her are invited to the process. The CEO emphasizes that Lifenet must be a joyful place to work. Once hired, much will be delegated to employees. Compensation is not the draw so much as the shared value of breaking the rules for those who work at Lifenet.

3. Hotels

The Ritz-Carlton is an orthodox example for a case study of successful strategies and practices. In addition to its dramatic, prestigious, and gorgeous customer experience, its human resource management is also eye-catching.

Their phone-based hiring exam should be very well-known. Called the Quality Selection Process, it is a psychological test to probe one's hospitality. Candidates receive an unscheduled phone call from the hotel that asks them questions. Doing so requires improvisation and flexibility. Once hired, they are expected to fully understand and practice the hotel's credo. The Ritz-Carlton delegates as much authority to its service personnel as they need to make decisions to satisfy customers. The Five Stars reward program also motivates its employees. The twenty best service people are selected quarterly, and the top five among those wear a lapel pin with five stars for a year. Employees recognized for supreme hospitality can be very proud.

The Ritz-Carlton promises its employees that the company values its human resources most highly of all its assets. An employee sends First Class Cards of appreciation to a fellow employee who helped him or her. This card is posted in the staff cafeteria. Appreciation from customers and colleagues delights employees, and creates a better workplace.

While the Ritz-Carlton won a prize for customer satisfaction in the category of prestigious hotel chains in Japan, the Super Hotel chain, with 104 hotels, won the prize overall. Super Hotel operates as a self-service operation, and hotel guests do not have to stop by the reception desk to check out. They check in (just saying hello to the front desk personnel; a machine complete the procedure), arrange their payments, get a security code for their room, select toilet articles from the assortment beside the reception desk, sleep, take a bath, and leave the hotel. It might be interesting that the hotel does offer a selection of alternative pillows. The chain's clear target market consists of businesspersons with lower budgets or those who use hotels just to sleep. There is no phone in the room, the fridge is empty, and guests actually have few chances to talk with service people. What, then, distinguishes Super Hotel? A pair of managers.

Each Super Hotel has a manager and an assistant manager. They are couples, husband and wife, who are obliged to work for the hotel for at least 4 years, and for 6 years at the longest. They have to live at the hotel and have no official holidays. Of course, they can set their own holidays or take a rest at any time, as they decide, but they must hire part-time workers to do their jobs. Wages for part-time workers are paid out of their income. The managers are not hired, but are independent contractors with the hotel. They are prohibited from having a baby during the term of the contract. This seems like an unbelievably severe situation. Why would they sign such a contract?

It is to realize their dreams. They actually own the hotel for a certain period, after which, they will get what they want. First, they acquire a huge amount of money; they are paid over 7 million yen (approximately 70,000 euros) in the first year, and 8 million yen from the second. While the wages seem too low, they can actually save a large amount because they are too busy to use it. They don't have to pay for rent, water, lighting, or fuel. Commissions are added, depending on their performance as the hotel managers. The greater their efforts, the more they are paid, and the closer they get to their dreams. Secondly, they acquire experience as part of the hotel chain with the top customer satisfaction scores. The hotel's training programs are attractive, and in addition to the basic programs, they can receive advice from outside experts for free. Indeed, there are applicants for the positions all the time.

4. Coffee Shops

Starbucks Coffee Japan, Ltd. is a joint venture of Starbucks Coffee International and a local partner namedSazaby League. It holds the leading share of Japanese coffee shops—currently over 33%. In second place is a domestic coffee shop chain, Doutor Coffee, a subsidiary of Doutor Nichires Holdings, with approximately 31% market share. The former basically invests directly in managing its coffee shops, while the latter is a franchiser. About 80% of its coffee shops are owned by its franchisees.

Starbucks has become a leading coffee shop chain in Japan since it opened its first shop in

1996, offering fashionable products. Price for a cup is higher than at the other coffee shop chains, and according to our fieldwork, Japanese customers are willing to pay around 400–500 yen (4–5 euros) for a cup of caffé latte or a Frappuccino (a trademarked cold beverage.) That is to say, typical customers do not buy coffee. Starbucks in the U.S. provides customers a "third place" (not at home, not at work) to stay and have a pleasant time in its coffee shops, and Starbucks Japan actually followed this model, only to find out that many Japanese tend to buy food and beverages to take away. This is due to the fact that the shops are always occupied, and customers stare at each other, sitting or lining up for orders. A serviceperson said that "to-go" customers usually pay approximately 900–1,000 yen (9–10 euros) during the crowded lunch hours. He noted that many frontline workers feel that the U.S. model is not as compelling in Japan, as customers pay high prices without staying in "the third place." Customers are very fashion-conscious, and may feel glad to be able to afford buying lunch at Starbucks. It seems that they enjoy conspicuous consumption. Starbucks' gross margin is 72.8%, and this information drives the rumor that Starbucks gets over 80% benefit out of its price. The rumor is, at least, effective in drawing out effort from the employees, who are very proud of working for a coffee shop that is fashionable and (seemingly) rich, and that customers love. Employees must earn their pay by showing hospitality.

Starbucks service people are told to say yes to customers at all times. They must divide a donut into seven pieces, should a customer ask. They must take the initiative in showing hospitality (many Japanese hesitate showing their hospitality in the way Starbucks expects.) Employees, then, have very active attributes in working with their colleagues, and there is no service manual. A more-experienced serviceperson carries out on-the-job and off-the-job training for newcomers, who sometimes have to change their plans to adjust to their trainer's convenience. Personal ties are indispensable to doing well at a Starbucks coffee shop.

Though personal ties are necessary, service people also compete in the shop. We find small and detailed steps to earn money in its hierarchy. Many times, a newcomer will go beyond others. They are evaluated not only by their skills but also by their hospitality. In this sense, those who make efforts to be winners feel at-home at Starbucks. Winners serve winners, i.e., customers who pay more for a cup. And winners have fun working with winners.

The second leading chain, Doutor, opened its first shop in 1980, with a franchisee who formerly managed a sushi restaurant. As Doutor had its origin as a wholesaler and retailer of coffee beans, business as a franchiser looked feasible. Its wholesale business is still very large.

Before Doutor entered the market, the coffee shop business was considered disreputable. When the founder visited Paris, to find businesspeople enjoying cups of coffee, he decided to begin the same business. He viewed it as infrastructure, making it possible for all segments of the market—young and old, men and women—to enjoy coffee. New, clean coffee shops pamper businesspersons on the way to work and on the way back home. They attracted local small storeowners to take a rest after lunch and housewives to chat after finishing their daily shopping in the afternoon. Many visited after dinner. Doutor kept on opening new shops in the period after the bubble economy collapsed in Japan, offering cups of coffee at very reasonable prices.

A cup of coffee is an inexpensive 210 yen (2 euros 10 cents). This is not the sole vivid difference from Starbucks. Doutor's training program for service people and its store evaluation system are also quite different—they are standardized. Illustrated manuals in color are handed out to train newcomers, who have to memorize the procedures at home to become independent. Franchisees have to follow the instructions rigidly to meet the franchiser's standards. Both franchisees and franchiser are very confident in the quality of their coffee beans and their roasting expertise, but all would be in vain if they could not follow the instructions. Customers spend an average of fifteen minutes in the shop; Doutor sets its goal at serving a cup of coffee in fifteen seconds. Most procedures are supported by machines. Franchisees receive checklists to evaluate their own shops; the lists may include as many as 230 items, and help them remain independent and confident.

5. Sushi-Go-Round Restaurants

Over the last eight years, the market for sushi-go-round restaurants has doubled, whereas the food service industry generally has been reducing its volume. Sushi-go-round refers to the mainly self-service restaurants where sushi is delivered to customers by a conveyor belt. Customers can place orders, as well as pick up dishes that circle automatically on the belt. Akindo Sushiro Co. Ltd. (Sushiro) is a leading company that has its origins in traditional sushi restaurants. About 100 million people visit its restaurants nationwide annually. Most parts of its operation are automated. For example, a sophisticated demand prediction and order processing system is installed in each restaurant, which tells the largely part-time work staff how to handle orders. They actually cook sushi by putting *neta* (mainly fish and other variations like meat or vegetables) on the top of *shari*, steamed rice pressed into shape by machine. On holidays, over 30 or 40 part-time workers are in each restaurant to meet customers' requests and orders. Customers touch a panel screen, sitting in front of the counter or beside the conveyor, to make orders.

Choushimaru Inc. is a local restaurant chain in the east part of Tokyo. Other automated and standardized sushi restaurants offer dishes for 100 yen (about one euro), but it offers more expensive dishes with seasonally distributed fresh ingredients. Employees are called "cast members" of an imaginary theatrical group. Like Sushiro, nationwide large-scale chains have changed the rules. It has become hard for independent sushi restaurants to compete and survive, as large-scale purchases lower costs for chains in obtaining fresh raw ingredients. Choushimaru hires professional sushi chefs who are eager to entertain customers as cast members. They come to life when they show their skill in slicing huge fish into pieces right in front of the customers. This show gives them a sense of pride as professionals, and it attracts customers with the fish freshness. The professional "casts" feel loyal to their organization.

On the contrary, Sushiro operates with a few full-time store managers and dozens of part-time workers. There are no professional employees; as mentioned above, housewives and undergraduate students are good and great actors who prepare the sushi. Systems and machine-based operation are its characteristics. Then, how does it motivate these managers and employees? It provides a sense of joining in a game of prediction and racing. Its operation is actually capital intensive, but the president claims digital analysis and information make up approximately 70% of prediction. Managers have to provide the remaining 30%. Their decisions about making stocks of dishes and placing them on the conveyor belt (so that customers may pick them up without ordering) are analogue. It makes "fun" for managers. And for part-time sushi chefs, it is fun to compete with other colleagues. The system tells them what and how many they have to prepare, using colorful charts of commands projected on the personalized screens in front of them. When an employee fails to keep up with the orders, charts will occupy his or her (most are males) screen. This raises competition, or the sense of joining a race, and helps employees to get closer to each other. As a Sushiro restaurant deals with hundreds of customers a day, many employees have to be engaged. However, when fewer customers come to a restaurant than expected, managers do not hesitate to send some employees home. Of course they are not paid, since this is to reduce costs. Personal relationships between part-time workers makes them tolerant of the mangers' decisions. Tolerance seems to be a result of the joy of participating in races and games with friends.

Discussion

Through our exploratory research, we are to build propositions on determinants of employee ownership. First of all, we grouped and characterized five cases and their counterparts. United Arrows, Prudential, The Ritz-Carlton, Starbucks, and Choushimaru are all characterized by the customized experiences that they seek to provide. Their counterparts—Uniqlo, Lifenet, Super Hotel, Doutor, and Sushiro, respectively—have efficiency-orientation and deliver uniform product and services. We named the former companies “customized” and the latter “universal,” but we do not claim that the latter companies try to meet universal demands. We assume, rather, that they define their specific market segments.

The institutional characteristics appear to remain consistent between customer experience and human resource management. The first group targets employees who feel it natural to be flexible and independent, while the second targets those who feel comfort in being informed and dependent. In terms of human resource management, the customized companies value delegation and welcome creativity, while the universal organizations focus on standardization and encourage rigidity. Customized operations require service professionals who perform flexibly and work thoroughly for their customers, whereas universal operations require strong-willed persons who fulfill their responsibilities and assiduously overcome any difficulties. Each particular finding is perhaps not so eye-catching, as factors vary from case to case. But we insist that consistency holds the key to employee ownership.

Actually, no company other than Starbucks explicitly uses the term “ownership.” There is no English statement of ownership, and no relevant term in Japanese appears in their official documents. Starbucks is atypical in its recruiting ad on its website (see Exhibit 1), but there is no Japanese explanation of what ownership is in the text. The word “ownership” seems to exist to stimulate people, or perhaps it is just a matter of design. Then, how did we find ownership in their practices? We found it among these cases as follows. Employees, when set in the appropriate situation, make efforts to improve customer satisfaction. No matter how emotional or rational they are, when their employers adopt suitable management policies, they work sincerely for the organization and for themselves. They recommend products and services that they sell, and they recommend people to work for their organization. These desirable consequences are indeed “ownership” as proposed by Heskett, et al.

To conclude, we build the following propositions. Relationships between factors can be outlined as in Exhibit 2.

P Consistency between target employees and management fosters ownership among sales and service people.

P_{1e} *When target employees value customized operations, flexibility and customer-orientation foster ownership.*

P_{2e} *When target employees value universal operations, the clear setting of responsibility and informative actions foster ownership.*

P_{1c} *Flexibility and customer-oriented employees attract customers who seek premium* *products, variety, and symbolic consumption.*

P_{2c} *Responsible employees with sufficient information attract customers who seek value for money, efficiency, and rational consumption.*

Loyal customers of the customized operations enjoy a wide variety of products and services, while loyal customers of universal operations benefit from efficient management practices. The last two propositions are drawn from this

Limitations

We depend entirely on the concept proposed by Heskett. When we asked our research collaborators to confirm what was written in our cases, some of them questioned whether the term "ownership" is appropriate to express enthusiastic and reliable employees. They proposed other terms, such as "partnership" or "commitment." We must identify the differences between these similar concepts. It is of note that the ideas of "organizational commitment" (Rutherford, et al., 2011) and "organizational citizenship behavior" (Smith, et al., 1983) have much in common with the concept of ownership. However, we expect our propositions have some significant ability to predict and explain desirable employee conditions, no matter how many terms can be applied to them.

Further Research

The aim of this paper is to build propositions on the determinants of ownership, and it lacks quantitative evidence. We have been preparing a questionnaire and diagnostic survey, using measures in the next section. Most importantly, we lack quantitative evidence on the impact on financial performance. We would like to examine if consistency and ownership lead to better performance.

Managerial Implications

According to our case study, consistency leads to employee ownership. Therefore, when an organization targets customers who value customized operation, it is important to evaluate its consistency between employee attributes and management. When that company fails to hire employees who value flexibility, diagnostic alerts are set off. In this way, we created diagnostic scales of consistency. Here are the scales to evaluate how “customized” an organization is; these diagnostic questions can be delivered to employees.

D_{c1} *I feel it challenging to do things that cannot be included in manuals.*

D_{c2} *I prefer situations where I have to improvise to communicate with customers.*

D_{c3} *I like tasks that require creativity.*

D_{c4} *To deliver better services, I want to make efforts regardless of time and cost.*

D_{c5} *One of my objectives is to succeed in this organization or in the present task.*

D_{c6} *I have to make my own decisions on my tasks.*

D_{c7} *My organization takes care of me by means of non-financial policies.*

D_{c8} *Teamwork isrequired.*

D_{c9} *Team evaluation affects my evaluation.*

D_{c10} *Team members get in touch with the inexperienced employees to help and train them.*

To measure how “universal” an organization is, please refer to the following scales.

D_{u1} *I want to bewell-informed about my job.*

D_{u2} *I prefer situations where I find and follow instructions.*

D_{u3} *I like tasks that require efficiency.*

D_{u4} *I carefully manage my efforts, time, and cost.*

D_{u5} *Salary is a means of realizing my dreams.*

D_{u6} *Detailed information is provided by my organization to do my task.*

D_{u7} *My organization takes care of me by means of financial policies.*

D_{u8} *Division of labor enables me to work individually.*

D_{u9} *I am evaluated on a personal basis.*

D_{u10} *Because manuals and tools are well-prepared, even an inexperienced employee delivers adequate services.*

These scales were created out of our case study. Calculating and comparing averages and variances of employees working at specific shops, branches, or departments may tell the organization if they are stuck in the middle. They can also learn if their employees are inconsistent with management practices, and whether consistency of employees and management is also consistent with its service delivery and target customer values.

This qualitative study provides information on sales and service operations in Japan. We hope these “bizarre” cases stimulate international testing and provide tips for constructing universal theories beyond cultural difference.

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<u>Exhibits</u>

Exhibit 1: Starbucks Coffee Japan States Ownership

Source: Starbucks Coffee Japan’s website. 4 September 2012.

Exhibit 2: Our Proposition