Leveraging Employee Engagement and Employee Performance Towards Excellent Service Quality : An Action Research on TMD Hair Dressing and Beauty Salon Services in Yangon, Myanmar

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Abstract

This research paper analyzed the impact of employee engagement and employee performance on the service quality of TMD Hairdressing and Beauty Salon Services in Yangon, Myanmar. This study used organization development interventions (ODIs) to improve employee engagement, employee performance and service quality. The objectives were: to assess and analyze the current situation of the organization; to design and implement the deliberate organization development interventions (ODIs); to measure the initial impact of ODIs; to determine the difference between the values of pre and post ODI; to draw up a three year Road Map for the organization to sustain the change. The level of employee engagement, employee performance and service quality were relatively low at the pre ODI stage. Based on the pre-ODI results, the researcher conducted purposeful organization development interventions on employee engagement and employee performance to improve service quality. The post ODI results showed significant improvement on employee engagement, employee performance and service quality. According to the results of paired sample t-test, there were significant differences between pre and post ODI outcomes related to Employee Engagement, Employee Performance and Service Quality. Based on the regression results, employee engagement and employee performance had significant impacts on the level of service quality. The organization development interventions (ODIs) positively affected the level of employee engagement, employee performance and service quality. Based on the data from the study, the researcher drew up a three year Road Map in terms of three levels: Manager Level, Employee Level and Organization Level. Further organization development interventions to improve employee engagement, employee performance and service quality were recommended to meet the vision of the company.

Key words: leveraging, employee engagement, employee performance, service quality, beauty salon, organization development intervention

Introduction

The beauty salon industry in Myanmar is currently undergoing excellent growth potential and beauty salons in Myanmar are steadily becoming a relevant cultural force, influencing not only how consumers care for their beauty, well-being, and appearance but also for their health. As the interest in beauty and wellness increases, beauty salons businesses are increasingly becoming more popular in Myanmar and people are highly committed beauty salon treatment for hair style and skin care. As a result, the numbers of beauty salons are increasing and are challenged with growing competition. The services delivered by beauty salons to their customers are fundamentally about the power of human touch and human interaction. In reality, people are the heart of a beauty salon. People are a beauty salons' greatest asset and are essential to its success, but people are also typically a beauty salons' greatest challenge. The role of people in the beauty salon industry is a key factor and there is a need to leverage their satisfaction, motivation, engagement and performance.

In today's competitive business environment, things are rapidly changing and the organizations need to adapt to the rate of change. Success is not easy nowadays as the market is highly competitive and the skills and capabilities of the employees are key factors. Business success depends on employees and their happiness, energy, morale, beliefs and attitudes as key factors. Thus, the companies should not ignore employees' needs and wants. If organizations fail to consider these human factors, they cannot survive in the long run. Happy and motivated employees know and do job responsibilities while their motivation helps to implement the company goals successfully. When employees are engaged with the organization values and goal, they are eager to contribute to company success and develop their individual sense of happiness. In fact, employee engagement and employee performance are vital factors improving service quality towards the organizational success.

Research Objectives

Based on the SWOTAR analysis, the researcher reviewed the interrelated literature by aligning with the company context and the following research objectives were formulated; hardly

(1) To assess and analyze the current situation of the organization in term of Employee Engagement, Employee Performance and Service Quality

(2) To design and implement appropriate organization development interventions (ODIs) to improve Employee Engagement, Employee Performance, and Service Quality

(3) To measure the initial impact of Organization Development Interventions (ODIs) on Employee Engagement, Employee Performance and Service Quality

(4) To determine the differences between the values of Pre ODI and Post ODI on Employee Engagement, Employee Performance, and Service Quality

(5) To draw up a three year Roadmap of the organization to sustain the change.

Research Questions

(1) What is current situation of Employee Engagement, Employee Performance, and Service Quality of the organization?

(2) What are appropriate organization development intervention programs (ODIs) to improve Employee Engagement, Employee Performance, and Service Quality?

(3) What are the initial impact of organization development interventions (ODIs) on Employee Engagement and Employee Performance and Service Quality?

(4) What are the differences and relationship between Pre ODI and Post ODI values on Employee Engagement and Employee Performance and Service Quality?

(5) What is the proposed three year Roadmap of the organization to sustain the change?

Research Hypothesis

H01: There is no significant difference between pre and post of ODI impacts on Employee Engagement.

Ha1: There is significant difference between pre and post of ODI impacts on Employee Engagement.

H02: There is no significant difference between pre and post of ODI impacts on Employee Performance.

Ha2: There is significant difference between pre and post of ODI impacts on Employee Performance.

H03: There is no significant difference between pre and post of ODI impacts on Service Quality.

Ha3: There is significant difference between pre and post of ODI impacts on Service Quality.

H04.   There is no significant impact of Employee Engagement, Employee Performance on Service Quality after ODIs.

Ha4.   There is significant impact of Employee Engagement, Employee Performance on Service Quality after ODIs.

Review of Literature

Based on the topic that has been decided, the researcher reviewed the relevant literature that supported this study such as employee engagement, employee performance and service quality. In terms of employee engagement, the researcher expressed the concepts and determinants of employee engagement, earlier studies and key drivers of employee engagement, outcomes of employee engagement, measuring employee engagement and previous research frameworks and engagement models. On employee performance review, the researcher pointed out concepts of employee performance and factors impact on employee performance, performance management system, measuring employee performance and previous research frameworks of the employee performance. With service quality, the researcher mentioned perception of service quality, service profit model, measuring service quality and variables of service quality. The researcher applied Tuckman's five stages of team development model to improve employee engagement and also used McKinsey (7S) Model to draw up a three year Roadmap for the organization.

Employee Engagement

The concept of employee engagement is too broad and practitioners, corporations, and academic researchers defined employee engagement in many ways. Many previous studies stated that employee commitment, communication and involvement are vital factors of employee engagement.

Vance (2006) stated that employee engagement is the extraordinary effort over the minds and the hearts that means rational and emotional commitment. Blessing White, Macey and Schnieder (2008) identified that employee engagement is about commitment and passion to expand discretionary effort to help the employer succeed. Raynald (2010) mentioned that Employee commitment is a vital part of the employee engagement in that commitment is conceptualized as enthusiasm to apply energy for success of the

organization. Field & Buitendach (2011)defined that commitment is feature of employee engagement which in sequence has logical value for organizational commitment. Ganiron(2013) expressed that employee commitment also contributes in career satisfaction and employee engagement.

Watson Wyatt (2006) highlighted that communication is critical in achieving an ideal engagement level. Watson Wyatt(2006) stated that supervisors and senior management repeatedly communicate with high engagement employees than low engagement employees. Schmidt (2006) described that employee engagement as individually involvement and pleasure in addition to eagerness for their work. Lawler and Worley (2006) mentioned that the high-involvement work practice positively impact on employee engagement.

Determinants of Employee Engagement

A model of engagement was proposed by Edward M. Mone and Manuel London (2012) and it included six main factors with the attitudes and associated behaviors. Six main factors of employee engagement are: (1) commitment (2) Involvement (3) Empowerment (4) Meaningfulness (5) Loyalty and (6) Manager support. Anitha J. (2014) identified facilitating factors of employee engagement and which are: (1) Work Environment (2) Leadership (3) Team and co-worker relationship (4) Training and Career development (5) Remuneration or Compensation and (6) Workplace Well-being. Aon Hewitt (2011) stated model of employee engagement. According to Aon Hewitt's employee engagement model, the six key drivers can be used to engage employee in the work place namely: Quality of life, Work, People, Opportunities, Company practices and Total Rewards.

In 2006, "Employee Engagement" was published by the conference board that is the current research review and its effect according to the 12 most important studies by Gallup, Blessing White, Corporate leadership council, and other well-known researchers. The finding of the four of the researches stated that there are eight major drivers out of 26 concerning with employee engagement. These eight main drivers of employee engagement are: (1) Trust and Integrity (2) Job Nature (3) Line of sight for both employee and company performance (4) Career Development Occasions (5) Company Pride (6) Coworkers (7) Employee Progress and (8) Manager Attitude.

The Employee Perception Survey (EPS) data of Public Sector Commission (2015) identified eight key factors affecting employee engagement namely: (1) Senior leadership (2) Work/life balance (3) Job empowerment (4) Diversity (5) Development (6) Productivity (7) Ethics and integrity and (8) Immediate supervisor. Research identified that higher level of employee engagement encouraged better productivity, enhanced service quality, lower absenteeism, higher retention, and improved innovation. (2015, EPS data)

Measuring Employee Engagement

One of the reliability instruments to measure employee engagement is Gallup's G12 feedback system. Gallup recognized the elements that define whether people are actively engaged, disengaged, or actively disengaged. The research generated a sequence of 12 questions known as Gallup's Q12 (Q12 Meta – Analysis). The Gallup Q12 instrument was developed from the 199 study lessons which were related to the employee engagement and performance throughout 152 firms and 32,394 business units employing 955,905 employees. The Q12 was developed by Gallup specifically to link the measurement of employee engagement and customer loyalty, worker productivity and sales growth. The twelve questions were developed with the four classifications: (1) Two Questions for the Basic Needs (2) Four Questions for the Management Support (3) Four Questions for Teamwork (4) Two Questions for Growth. On the other hand, some researcher measured employee engagement employee engagement in terms of employee commitment, communication and involvement.

Employee Performance

Employee performance recognizes the non-financial and financial performance of the employees which has a direct link with organizational performance and its success. Many studies mention that the key way to increase employee performance is to focus on employee engagement. Hennig- Thurau et al. (2006) defined that employee performance is a vital part of customers' appraisal of service quality and their relationship with service providers. Kreitner and Kinichi (2007) mentioned that employee performance is greater in happy and pleased workers and good to motivate high performers to reach company objectives. Damerouti and Cropanzano (2010) expressed that there is positive relationship between individual performance and employee engagement. Gungor (2011) mentioned

that employee performance can be defined in terms of quality and quantity of output, presence of work, timeliness of output and cooperativeness.

Factors influence on Employee Performance

Abdul Hameed and Aamer Waheed (2011) stated that the factors that increase employee performance are (1) Skill growth (2) Employee learning (3) Self directed (4) Employee attitude and behaviors. Fakhar Shahzad (2014) mentioned that the impact of organizational culture on employee performance. It includes (a) Employee Participation (b) Openness to Communication (c) Risk taking and Innovation (d) Customer Service Orientation (e) Reward System. Rashid Saeed, Shireen Mussawar, Rab Nawaz Lodhi, Anam Iqbal, Hafiza Hafsa Nayab and SomiaYaseen (2013) identified that the factors were Manager's attitude, Organization's Culture, Personal Problems, Job Content and Financial rewards are key factors in influencing employee performance.

Measuring Employee Performance

In the year 2008, David Hakala identified sixteen ways to measure the employee performance. Performance appraisal are procedures that measure how employees' are alerted to the delivery of the organizational goals .The pointers to measure employee performance are: (1) Quantity (2) Quality (3) Timeliness (4) Cost-Effectiveness (5) Nonattendance (6) Creativity (7) Policy loyalty (8) Personal Habits & Gossip (9) Personal Appearance (10) Manager Appraisal (11) Self-Appraisal. (12) Appraisal by Peers (13) Team Appraisal (14) Assessment Center (15) 360-Degree Appraisal (16) Management according to Objectives.

Service Quality

In 1970s, Marketers, researchers and managers were more attentive in service quality. Cronin and Taylor (1992) mentioned that service quality is the key for business' performance as it is able to: grow customer satisfaction, lower cost, and more customer return, create business more gainful. Herath, McDaniel and Gupta (2005) stated that service quality can be defined as the variance between failure and success both service and manufacturing companies. Ladhari (2009) mentioned that the enhancement of service quality is one of the key factors for the success of the service business. Sharibi and Davidow (2010) identified that service quality is crucial for achievement in the situation of highly competitive global market where customer expectancy is increasing. Etemad-

Sajadi and Rizzuto (2013) stated that the improvement of service quality is the key to competitive success. The delivery of high quality service to customers with commitment has totally effect on the success of the service industry (Zheng, 2009, Dhar, 2011)

Measuring service quality

SERVQUAL is the most widely applied model of service quality (Ladhari, 2008, Taapet al., 2011, Etemad-Sajadi and Rizzuto, 2013). The SERVQUAL is the commonly used tool that links the concept of service quality to the viewpoints of expectations and perception (Ali et al., 2012). The SERVQUAL model has five major elements: tangible, reliability, responsiveness, assurance and empathy (Shahin et al., 2012). Hsieh and Chen (2010) have six dimensions: tangible, reliability, responsiveness, assurance, empathy and environmental element. These six dimensions are sub divided into twenty-seven units.

Business techniques and theories employed in the organization

Tuckman's five stages model of team development

The researcher applied Tuckman's five stages model of team development to enhance employee engagement towards excellent service quality. The Five stages model of team development was introduced by Dr. Bruce Tuckman in 1965. Fifth stage was added by Tuckman ten years later. The Four stages theory- Forming, Storming, Norming and performing were well-designed and helpful description of team development. Tuckman's model described group development ability, establishment of relationships, and changing leadership style. It started with directing style, moved forward through coaching, and then participating, finishing delegating and detaching. The team may select a successor leader and the former leader can move on to grow a new team. Tuckman stated that forming, storming, norming, performing are essential phases and unavoidable for growing team, facing challenges, tracking problems, catching solution and delivering results.

McKinsey 7s model

The researcher applied the McKinsey 7s model to draw up a three year Roadmap for the organization. McKinsey 7s model is an instrument which explores the organization strategy by observing at seven key internal features: shared value, system,

structure, strategy, style, skills and staff and these features are effectively supports to reach the organizational goals.

This model was established by McKinsey advisors Robert Waterman, Tom Peters and Julien Philips with Richard Pascale and Anthony G. Athos in 1980s. This model has been extensively used by many academics. It is a useful strategic and it aimed to contribute to the organization to effectiveness in the organization.

Conceptual Framework

Independent Variable   Dependent   Variable

Employee Engagement

- **Commitment**
- **Communication**
- **Involvement**

Service Quality

Tangible

Reliability

Responsiveness

Assurance

Empathy

Environmental Element

Employee Performance

- **Quality**
- **Quantity**
- **Timeliness**
- **Creativity**
- **Personal Appearance**
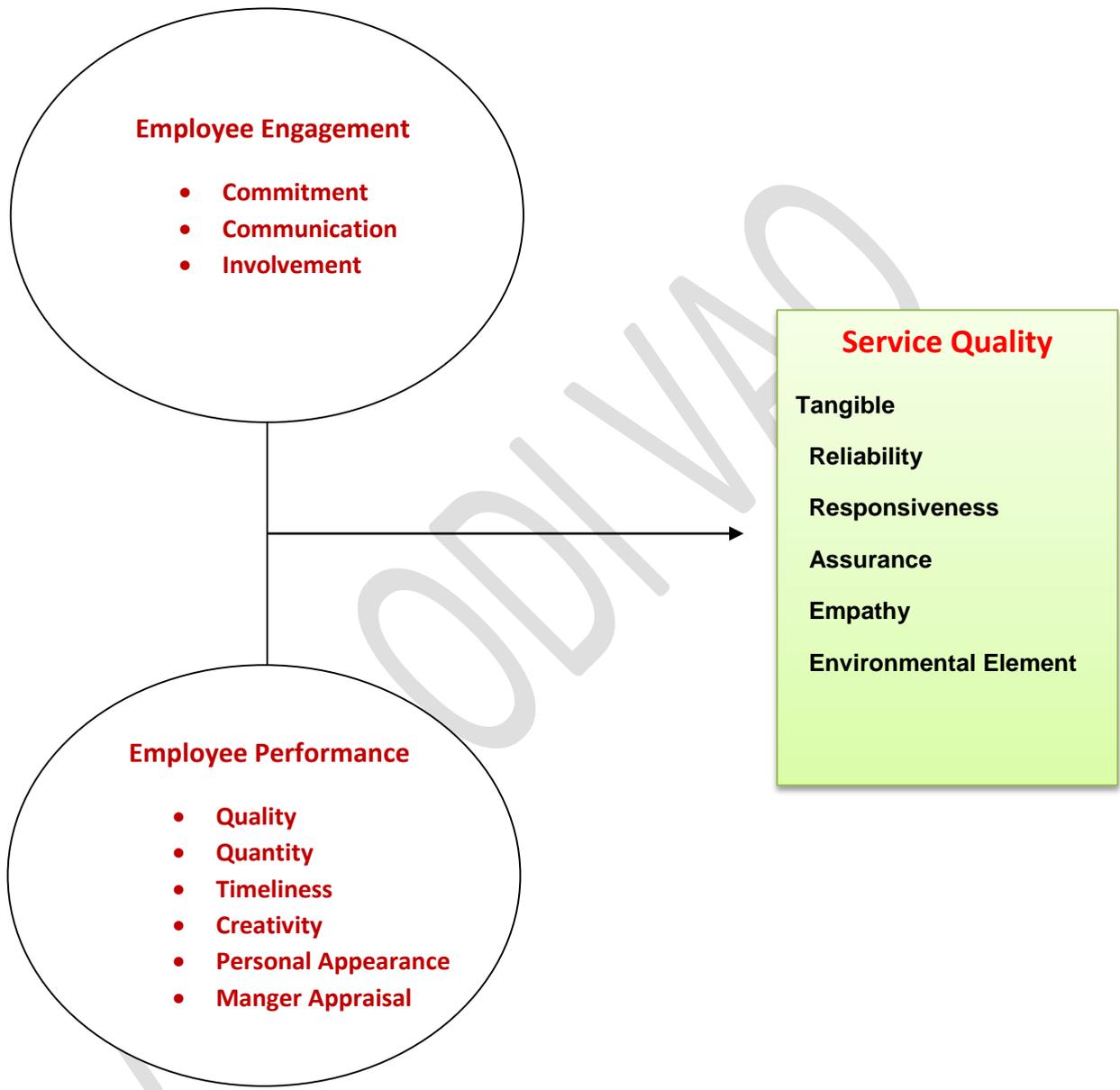- **Manger Appraisal**

Figure1. The Conceptual Framework

The employee engagement and employee performance were the independent variables and service quality was dependent variable. The service quality can be increased based on the improvement level of employee engagement and employee performance.

The survey questionnaires of the employee engagement were developed in terms of commitment, communication and involvement. The survey questionnaires of the employee performance were developed in term of quality, quantity, timeliness, creativity, personal appearance and manager appraisal. The survey questionnaires of the service quality were developed in terms of tangible, reliability, responsiveness, assurance, empathy and environmental element. All the survey questionnaires of employee engagement, employee performance and service quality were adopted from the questionnaires of previous research studies. The ODIs were conducted to enhance employee engagement and performance towards excellent service quality.

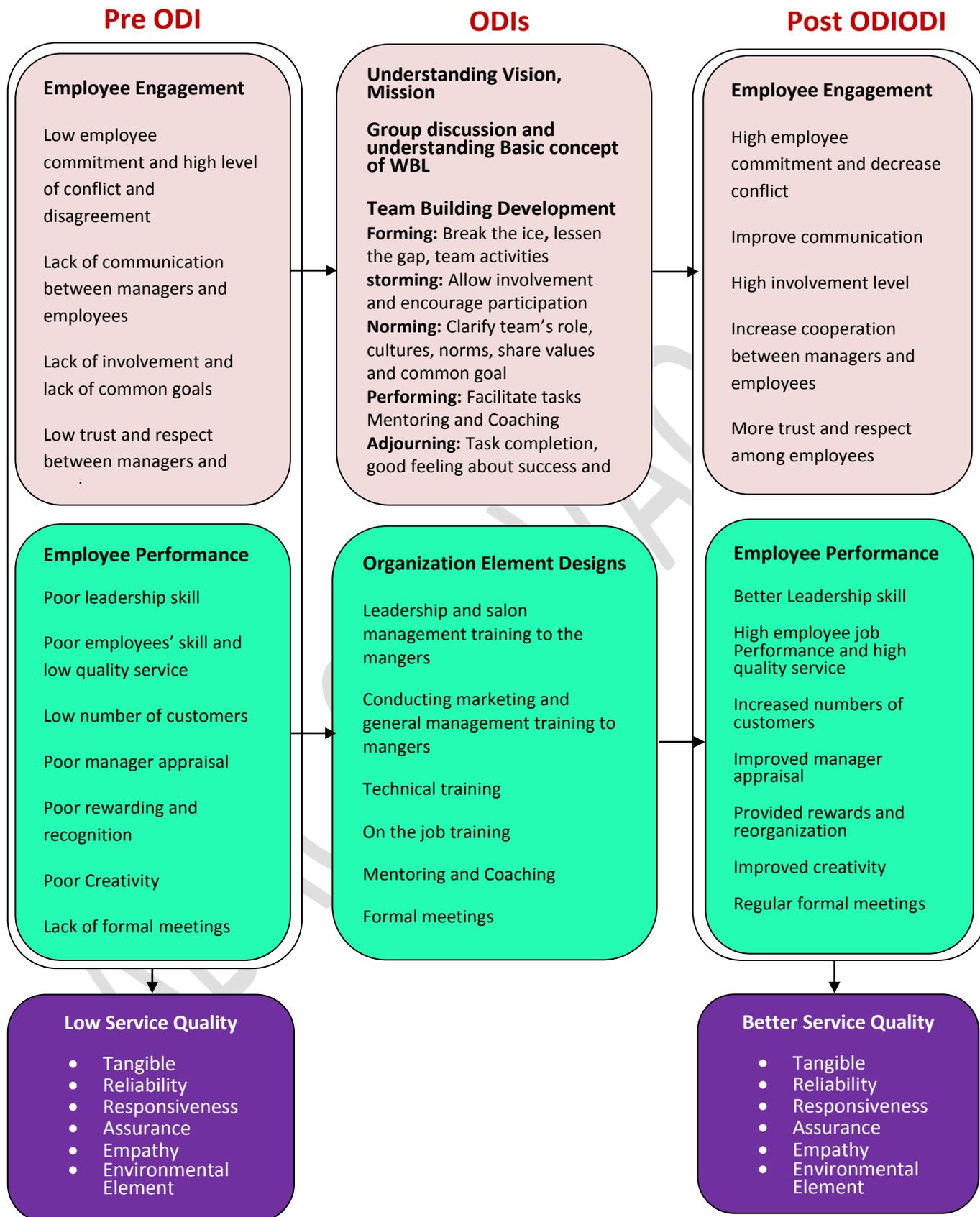| Pre ODI	ODIs	Post ODIODI
Employee Engagement Low employee commitment and high level of conflict and disagreement Lack of communication between managers and employees Lack of involvement and lack of common goals Low trust and respect between managers and .	**Understanding Vision, Mission** **Group discussion and understanding Basic concept of WBL** **Team Building Development** **Forming:** Break the ice**,** lessen the gap, team activities **storming:** Allow involvement and encourage participation **Norming:** Clarify team's role, cultures, norms, share values and common goal **Performing:** Facilitate tasks Mentoring and Coaching **Adjourning:** Task completion, good feeling about success and	**Employee Engagement** High employee commitment and decrease conflict Improve communication High involvement level Increase cooperation between managers and employees More trust and respect among employees
Employee Performance Poor leadership skill Poor employees' skill and low quality service Low number of customers Poor manager appraisal Poor rewarding and recognition Poor Creativity Lack of formal meetings	**Organization Element Designs** Leadership and salon management training to the mangers Conducting marketing and general management training to mangers Technical training On the job training Mentoring and Coaching Formal meetings	**Employee Performance** Better Leadership skill High employee job Performance and high quality service Increased numbers of customers Improved manager appraisal Provided rewards and reorganization Improved creativity Regular formal meetings
Low Service Quality • Tangible • Reliability • Responsiveness • Assurance • Empathy • Environmental Element		**Better Service Quality** • Tangible • Reliability • Responsiveness • Assurance • Empathy • Environmental Element

Figure2. The Action Research Framework

At the pre ODI stage, there was a high level of conflicts and disagreements among employees and the level of employee commitment was relatively low. There is also lack

of communication between managers and employees as the manager did not hold formal meetings. The employee involvement level was low and there was a lack of common goal among the teams. The relationship between managers and beauticians was not fine and there was low trust and respect between them. The employees had poor understanding about the vision and mission and no common goals.

On the other hand, the level of employee performance was moderately low and the roles and responsibilities of the employees were not unclear. The company found many customers' complaints and the number of customers declined. The skill of the employees needed improvement to provide a better service to the customers. There was poor reward and recognition system for the employees which the company needed to refine. The employees had poor creativity to attract the customers. There was a lack of formal meetings among employees. Mentoring and Coaching was needed to conduct to all level of employees to upgrade their skills. The managers needed to upgrade their leadership and management skill to meet the short term and long term goals of the company.

The researcher conducted organization development interventions (ODIs) to solve the current difficulties of the organization. The researcher explained in detail about the vision and mission of the company to all employees. The researcher applied the basic concept of Whole Brain Literacy (WBL) to all level of employees to improve their interpersonal skills and also conducted group discussion to find out better solutions to develop new and innovate ideas from the managers and employees. The researcher applied Tuckman's five stages of team development model to increase employee engagement. The five stages of team development included forming, storming, norming, performing and adjourning.

Further organization development interventions (ODIs) were also conducted to all level of employees to increase their performance. The leadership and management training programs, marketing and general management training programs were introduced to the respective managers. Senior employees attended technical training and junior employees attended on-the-job training programs. Managers provided formal meetings every month to find out better solutions to solve the customers' complaints and to provide better customer services.

After the researcher had conducted organization development interventions (ODIs), the level of employee engagement in terms of employee commitment,

communication and involvement significantly improved resulting to high cooperation and high level of trust and respect between managers and employees after ODIs. Moreover, employee performance increased after organization development interventions. Employee motivation, employee job performance, creativity and leadership and managerial skill of the managers are also increased after organization development interventions. The numbers of customers also improved as the service quality improved after organization development interventions. The researcher conducted organization development intervention on employee engagement and employee performance towards excellent service quality.

Research Methodology

The researcher used action research model. It used the quantitative approach of research. The respondents were selected from two source clusters namely; (1) group A and (2) group B.

The group A composed of the beauty salon employees of TMD beauty salon from the four outlets. It consisted of 57 respondents who were from Sales and Marketing Department, Operation Department, Admin Department and four branches of TMD beauty salon. As the numbers of employees were not too large, the researcher conducted all numbers of employees from all outlets. The male numbers of employees were 7% (4 employees) and the female numbers of employees are 93% (53 employees). Survey questionnaires related to employee engagement and employee performance were conducted to this group.

The group B consisted of 132 respondents who were the listed as regular customers of the four branches of TMD beauty salon and they normally come to the salon twice a month for shampooing, haircut, hair perm, hair straight, facial treatment, body treatment, make-up and any others services. These 132 respondents were chosen from the total of 900 listed regular customers. Convenience sampling method was applied. Each employee conducted survey questionnaires to three regular customers. Female customers were 90.9% and male customers were 9.1%. The same customers participated at both pre ODI and post ODI stages for service quality questionnaires.

Questionnaires for the respondents (Employees and Customers)

The researcher used questionnaires to gather relevant data for Pre ODI and Post ODI stages. The questionnaires for the employees related to employee engagement and employees performance were divided into three parts. Part one included the general information of the respondents. Part two consisted of twenty five questionnaires related to the employee engagement in terms of commitment, communication and involvement. The part three included eighteen survey questionnaires of the employee performance in term of quality, quantity, timeliness, creativity, personal appearance and manager appraisal.

The questionnaires for the customers were divided into two parts. Part one included the general information of the customers. Part two consisted of twenty seven questionnaires related to service quality based on SERVQUAL model in terms of Tangible, Reliability, Responsiveness, Assurance, Empathy and Environmental Element.

The researcher used the six Likert scales for all survey questionnaires of both customers and employees.

Testing for Reliability

Reliability of the questionnaires was determined by pilot testing and based on the use of Cronbach's Alpha Coefficient in which the acceptable at > 0.75.

Pre ODI Stage

During the Pre ODI stage, survey questionnaires were implemented with the permission of the chairman who provided full support to all the research processes during Pre ODI stage. In this phase, the researcher tried to capture the current situation of the organization on employee engagement, employee performance and service quality and found the gap between the organization goals and the ongoing process. Both managers and employees did not understand the vision and mission of the company. The level of employee engagement and relationship between managers and employees at Pre ODI stage were relatively low. Managers failed to consider the ideas of the employees and they did not ask ideas of the employees in decision making process. They did not hold regular information meeting and there was poor team work between managers and employees. The performance level of employee in terms of quantity, creativity and managerial appraisal at Pre ODI stage were moderately low. The Manager appraisal was

poor and it decreased the performance level of the employees. The overall employee performance level needed improvement in providing excellent service and to meet the customer satisfaction. The service quality of the TMD beauty salon service was relatively low at the Pre ODI stage. There were errors in providing customer service and employees could not provide speedy service to the customers at Pre ODI stage. The service quality level was quite moderately low.

OD Intervention stage

After conducting the survey questionnaires at the Pre ODI stage, the researcher captured the current situation of the TMD beauty salon services and found the gap between organizational goals and the ongoing process. The researcher shared and proposed to the leaders to conduct organization interventions to the managers and employees.

Based on the identification of the problem area as the result of pre ODI data collection, the researcher prepared interventions to improve Employee Engagement, Employee Performance and Service Quality. Team building process, management training, leadership training and WBL concepts were delivered by the researcher to the employees. The members of the team developed common norms, goals, energy and building trust among them. The detail organization development interventions are shown on Table1.

Table 1

Organization Development Interventions to improve employee engagement

ODI title	Objectives	Results	Target Audience
"Understanding WBL concepts through Vision, Mission and Goals of the TMD Beauty	Managers and employees able to identify and understand the vision, mission and goals and expected outcomes of the TMD beauty salon. Employee Applying WBL concepts to	Understand WBL concepts among managers and employees	Managers and Employees of TMD Beauty Salon from

Salon Services"	increase their personal skill.		4 outlets
"Benefits of team development at work place"	Enhancing Employee Engagement by team developing through excellent service quality	Changing employees' mindsetto implement the common goal through forming, storming, norming, performing and adjourning.	Managers and Employees from four outlets
Discussion concerns with Employee Engagement and Employee Performance	To find out better solution for Employee Engagement by group discussion through excellent service quality	Many useful comments were developed from the discussion to enhance Employee Engagement, Employee Performance and Service Quality.	Managers and Employees from four outlets

Understanding Vision, Mission and WBL

The researcher conducted a seminar on Vision, Mission and Goals of the TMD beauty salon services and basic concepts of Whole Brain Literacy (WBL) for three hours to all employees. The participants were General Manager, Sales and Marketing manager, Admin Manger, Beauty salon mangers and all level of employees from four outlets. The desired outcome of the activity was to identify and understand the mission, vision, and goals of TMD beauty salons services to all level of employees. Then, the researcher also conducted a two hour training on WBL to employees to improve interpersonal skills of the managers and employees.

Team Building

Tuckman's five stages of team building model have applied to improve employee engagement. The researcher engaged the five stages of team building that involved Forming, Storming, Norming and Performing.

Forming: The objectives of these activities were to break the ice among the employees and let them express their actual feels and encourage learning from other members in order to minimize the gap among the employees. Firstly, the researcher encouraged team members to introduce each other in every group. Team members know each other and the

researcher tried to build trust among them. The researcher supported guidance to all team members at this stage in order to develop close and open relationship among team members.

Storming: In this stage, team members expressed their buffet hobbies differently. After spreading out their ideas, the researcher also found some conflict between team members. The researcher handled the conflict situation and suggested employees to focus on the common purpose and common goal. The research also supported guidance to develop better solution and avoid conflicts among team members. The researcher encouraged than to develop a common approach to meet team objectives.

Norming: At this stage, the team members agreed and showed their common favorite things and they carried on their discussion in the groups. They started accepting the desires of the other team members and made an effort to move forward. The team members had the desire to work for the achievement of the team's goals. The teams gained confidence and felt a sense of momentum at the norming stage.

Performing: At this stage, team members worked together to implement the team goal. Team members discussed openly and wrote down their opinions and ideas on the paper. Team members understood very well about the benefit of team improvement to implement the common goal. In performing stage, team members were interested and well-informed. They were understood the process, independent and able to handle the process without supervision. Team achieved effectively and satisfying results.

Adjourning: At this stage, the researcher delivered a congratulation speech to team members for their participation and collaboration. The team members were satisfied with their effort and felt happy. In this way, the members developed very close and open relationships among them.

Actually, team development was done through negotiation, communication, decision making and problem solving. The members of the team developed common norms, goals, energy and building trust among themselves. The discussion encouraged them to change their mindset, attitude and to implement their common goals. The team building process was intended to positively improve the relationship between managers and employees.

Group Discussion

Group discussion was conducted to develop strategic decision developing employee performance. Each group discussed concerns dealing with Employee Engagement, Employee Performance and Service Quality. Each team member expressed their opinions openly. They pointed out key factors to improve Employee performance. The actions to develop employee performance were based on the group discussions as shown in table2.

Table 2

Group Idea on how to improve employee performance

Participants	Type of ODI	Objectives
1.General Manager 2.Beauty salon managers form four outlets	Leadership training course	To improve their leadership skill and to change their mindset in managing employees
3.Operation manager	Operation Management course	To support the salon operation process
4. Marketing Manger	Marketing Management course	Better understanding of marketing management
5. Admin Manger	General Management Course	To improve general management skill
6. Make-up artist (One employee)	Advance make-up course	To update make-up skills and to contribute to other salon members
7 Hair Dressers (three employees)	Modern hair designs course	To upgrade their skills and contribute to other salon members
8. Nail Artist (two employees)	Modern nail art course	To upgrade their skills and contribute to other salon members
9. All Employees from Four outlets	On the job training by seniors	To upgrade skills of junior employees

The researcher, CEO, General Manager, Sales and Marketing Managers, Admin manager, Marketing managers and Beauty salon managers from four outlets

accomplished a formal meeting after the organization development interventions. In the meeting, they agreed to introduce reliable training programs for the managers and employees and they selected outstanding employees to attend the training programs.

The General Manager and Beauty salon managers from four outlets attended the leadership training intended to improve both leadership and managerial skill. These training programs also aimed to develop the relationship between managers and employees by enhancing the managerial skill of the managers. The course included Operation Management Course which aimed to support the operation manager to handle well in the salon operation processes. The marketing manager attended a Marketing Management course which intended to understand marketing management more and to support marketing activities of the beauty salon well. The admin Manager attended a general management course to improve administration skill. One Make-up artist and three hair dressers attended a make-up and modern hair design course. Two nail artists attended a modern nail art course. Seniors employees conducted on-the-job training programs to junior employees to upgrade their skills. The Training programs intended to improve the level of Employee Engagement, Employee Performance towards Service Quality. The training programs were intended to foster a change of mindset, attitude of the managers and employees and also intended to implement their common goals and to improve their confidence level.

Post ODI stage

The post ODI stage included the measurement of the impact of ODI. At this stage, the same questionnaires used in the Pre-ODI phase were employed. The post ODI stage included the comparison between pre ODI and post ODI on employee engagement, employee performance and service quality. The data showed the impact of ODI on Employee Engagement, Employee Performance and Service Quality.

Results

After conducting deliberate organization development interventions (ODIs), the level of employee engagement, employee performance and service quality significantly improved. The Organization development interventions facilitated change in the mindset, behavior and attitude of the managers and employees. After conducting organization development interventions, there was a better relationship between managers and

employees and managers' leadership style. Managers accepted ideas of the employees and they both were committed to work together after organization development interventions. There was an open and honest communication between managers and employees. The Manager appraisal significantly improved after organization development interventions. Employee engagement in terms of commitment, communication and involvement levels were significantly improved. Employee performance in terms of quality, quantity, timeliness, manager appraisal and creativity were significantly increased. Service quality in terms of tangible, reliability, responsiveness, assurance and empathy were significantly enhanced. The improvement level of pre and post ODI in terms of employee engagement, employee performance and service quality are shown detail in Table 3.

Table 3

Paired Samples t-test of Employee Engagement, Employee Performance and Service Quality between Pre and Post ODI

Paired Sample t- test		Paired Difference					T	df	Sig	Improved %
		Mean	SD	Std. Mean Error	95% Confidence Interval of difference					
					Loser	Upper				
Pair 1	Post EE-Pre EE	.51	.37	.05	.42	.61	10.59	56	.00	15.50%
Pair 2	Post EP-Pre EP	.36	.48	.06	.23	.49	5.67	56	.01	10.10%
Pair 3	Post SQ-Pre SQ	.20	.09	.01	.18	.21	24.18	131	.00	4.70%

Table 3 shows the Paired Samples t-test of Employee Engagement, Employee Performance and Service Quality at Pre and Post ODI stages. In order to analyze the improvement level of Employee Engagement, Employee Performance and Service Quality, paired sample t-test was applied. According to the results, the calculated t-values of the employee engagement, employee performance and service quality were significant at 1% level. Employee engagement, Employee Performance and Service quality levels of two periods were different at 1% level of significance. As the calculated t-values was an positive sign, the post Employee Engagement, Employee Performance and Service

Quality were higher than Pre stages. It can be concluded that organization development interventions affected on the Employee Engagement, Employee Performance and Service Quality. Therefore, the organization development interventions caused the improvement of Employee Engagement, Employee Performance and Service Quality. Employee Engagement increased 15.50% and Employee Performance increased 10.10%.Service Quality improved 4.70% after ODIs. It can be assumed that ODI was affected on employee engagement, employee performance and service quality.

Table 4

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	R	F	Sig.	Collinearity Statistics	
	B	Std. Error	Beta					Tolerance	VIF
Constant	2.39	.57		4.22	.483[a]	6.24	.00		
Post EE	.24	.12	.29	2.08			.04	.99	1.01
Post EP	.24	.08	.42	3.04			.00	.99	1.01

a. Dependent Variable: Pre SQ

Table 4 shows the impact of Employee Engagement, Employee Performance on Service Quality at post ODI stage. The multiple linear regression models were used to analyze the impact of EE and EP on SQ at post ODI stage. Since the F value was significant at 1% level, it could be said that the estimated model could explain the impact of EE, EP on SQ.As R square value was .233, 23.3% could explain the variation of SQ. Since EE was significant at 5% level and the sign of coefficient of EE was positive, the enhancement of EE caused the improvement of SQ. EP was significant at 5% level and the sign of coefficient of EP was positive, the enhancement of EP caused the improvement of SQ.

Proposed Roadmap of the Organization

Although there was significant difference between pre and post ODI impacts on Employee Engagement, Employee Performance and Service Quality after ODIs, the improvement % level of these factors were still relatively low and need to conduct related organization development interventions for more improvement to implement the beauty salon vision, mission and goals in the future.

Manager level: As the relationship between managers and employees still need to improve, the formal meetings, team building and group discussions should be conducted more often not only for the relationship improvement between them but also to implement the objectives and goals of the beauty salon. Moreover, the managers should conduct pleasure trips, excursions and other similar social activities quarterly to develop a closes relationship among employees. In order to improve the managers' leadership skills, related training programs should be conducted for their continuous learning and career improvement. The company should nominate the best manager of the year and also provide rewards and incentives to the outstanding managers based on the numbers of customers and income level of the salons. The top level management should keep in touch with managers and should provide continuous guidance by holding formal information meetings to implement the short term goals which would support the implementation of the long term goals.

Employee Level: The managers should conduct monthly formal meetings with the employees and should provide attractive incentives to the employees for their motivation and implementation the company's goals. The Managers should provide rewards to outstanding employees by nominating the best employee quarterly. Moreover, the company should provide incentives and bonus plans at all level of employees based on the number of customers and their job accomplishment. The company should provide promotion plans based on skill development of the employees. As the skill and creativity of the employees were still needed to upgrade, the company should provide related training programs to every employee such as on-the-job training and classroom training. The manager should provide opportunities for creativity and support them by participation in hair design and skin treatment programs. The managers should encourage every employee to set his or her goal and should align with the goals of the company.

Organization Level: The organization should focus on implementing the salon business plans to attain the long term ultimate salon business goal successfully. In order to develop a healthy and happy organization, the company should provide related training programs to all levels of employees to improve their confidence level. The company should provide necessary equipment and salon physical facilities for customer satisfaction. The advertisement materials need improvement using a new webpage for online advertisement. In order to expand new outlets and to become a well-known beauty salon, the company should conduct franchising system for the new investors who are interested in the beauty salon industry. The hair and skincare technicians of the company always should focus on new hair trends and technologies to provide awesome customer delight. The company should reward customers with discounted or free services depending on the numbers of customers they bring. The company may monitor and evaluate the progress every six months.

Conclusions

The researcher applied action research and determined that the key difficulties were the need to leverage Employee Engagement, Employee Performance to improve Service Quality. After researcher conducted organization development interventions, the pre and post data of Employee Engagement, Employee Performance and Service Quality were analyzed by using statistic analytic software. All the findings showed that the OD intervention activities in this study had a significant effect on Employee Engagement, Employee Performance and Service Quality. There were significant differences between pre and post ODI on Employee Engagement, Employee Performance and Service Quality. According to statistic data analysis results, Employee Engagement and Employee Performance had a significant impact on Service Quality. After the six months of the OD intervention, the mindset and behaviors of the managers and employees were relatively changed. Overall it could be concluded that the organization development interventions improved Employee Engagement, Employee Performance and Service Quality.

Recommendations

Although the organization development interventions caused the improvement of Employee Engagement, Employee Performance and Service Quality, the improvement percentage level of these were relatively low. In fact, the six months intervention period was not sufficient and the organization should continue purposeful organization

development interventions for the whole organization. The leaders should accept the ODI for the development of human capital that is a key factor in the success of every business and also should encourage implementing the proposed roadmap to sustain the change and also to meet the vision of the company.

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