Marketing and operations researchers approach services with widely divergent paradigms, focusing on different routes to success. These different approaches often cause these researchers to come to opposing conclusions and subsequently to recommend conflicting actions to practitioners. In this work, marketing and operations are considered simultaneously in order to highlight the trade-offs necessary when providing services. Earlier research and a preliminary qualitative study indicated that these trade-offs are made by a service unit’s manager. Data were gathered to test two models that explored how the manager’s Operating Orientations might be related to customer, firm and employee outcomes. Data were gathered from managers, district managers, employees and customers of two restaurant chains.

One of the proposed models that explored how the discrepancy between the manager’s Operating Orientations and employee Climates were related to employee outcomes received support, particularly when examining two categories of employees – Customer-Contact and Backroom Employees – separately. However, the model that posited a relationship between the manager’s Operating Orientations and customer and firm outcomes received no support. A series of post-hoc analyses explored the relationship between climates and customer and firm outcomes and between the manager’s Operating Orientations and unit climates. These post-hoc analyses indicated that unit climates have differential effects on customers and firm outcomes, particularly when the employees are categorized as Customer-Contact or as Backroom employees.