

# The Effect of Employee Behavior on Customer Participation——A Model Construction<sup>\*</sup>

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**Abstract** - Because customer participation is inevitable, so customer participation can be influenced by enterprise, customer itself and the service employee. According to the service encounter theory, social interaction theory and “Stimulus-Organism-Response” model, service employee behavior will have an impact on customer participation in service encounter and this impact plays a role through customer emotions. This paper reviews research literature about the impact of service employee behavior on customer participation based on the perspective of customer emotion, and constructs a theory model in which customer emotion is as intermediary.

**Index Terms** – service employee behavior, customer emotion, customer participation

## 1. Introduction

Unlike tangible products, the services cannot be owned, they can only be experienced, to be created and participated. Service inseparability determines that production processes and customer consumption process are carried out at the same time; it means that customer must participate the service production process. Customer participation is inevitable, and then what factors will drive customers to participate in the service process? Previous studies mainly expanded their researches from the customer's own factor and business factor. According to the service marketing triangle theory, enterprise, customers and service provider are three key participants (Gronroos, 1996) [1]. Obviously, customer participation cannot avoid to be influenced by enterprise, customer itself and the service employee. However, the existing research of driving factors of customer participation lacks the study of impact of service employee on customer participation.

According to the social interaction theory, social interaction is based on reciprocity and considers that exchange should abide by the principle of fairness. In the interaction, if the individual received income from others, he will have a sense of debt, and the only way to get rid of this feeling is to make a return. Therefore, in the interaction between service employee and customer, if the service employee gives customer care, respect, courtesy, etc, then for reasons of social interaction and exchange, the customer will show a willingness to return, and will be better to participate in the service process.

In addition, according to the service encounter theory, compared to the “service outcome,” the contact of “service

process” has more effect on customer satisfaction and quality perception. Parasuraman believed that the service “functional quality” is more important than the “technical quality”. Because technical quality refers to what is transmitted to the customer, and functional quality refers to how the service is delivered to the customer. Functional quality includes employee attitudes, employee behavior, the relationship between staff and the appearance of staff which can be usually observed with the naked eye, some customers will tend to form a judgment on the service quality from these aspects.

Moreover, according to Mehrabian and Russell in 1974's “Stimulus - Organism - Response” model, individual emotional response is mediating variable between environmental stimuli and individual behavior. Environmental stimuli include the physical environment and people in this environment. Reactions include proximity reaction (Approach) and avoidance reactions (Avoidance). Approach refers to a willingness to stay, look around, explore the environment, communication with other people and avoidance contains some contrary behaviors. Based on the above discussion, service employee behavior will have an impact on customer participation in service encounter. Therefore, this paper aims to study service employee's effect on customer participation from the perspective of customer emotion, and hope that the result will offer guidelines for service enterprises' management practice.

## 2. Literature Review

### A. Customer Participation

Most scholars believed that customer participation was a behavioral concept, and summarized the behavior contents. This article agrees with the definition which was given by Hsieh, Yen and Chin (2004). They thought that customer participation was the degree of customer investing resources in the service production and delivery process, and the resources included time, effort, providing information and co-production.

As for the dimensions of customer participation, there are two-dimensional theory, three-dimensional theory and four-dimensional theory. This article agrees with Ennew and Binks (1999)'s division of customer participation dimension. They believed that customer participation had three dimensions: information sharing, responsible behavior, and personal

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interaction. (1) Information sharing means that customers need to share information with service providers in order to ensure that they are provided with a service that meets their particular needs. (2) Responsible behavior, also known as cooperative behavior, refers to as a co-producers, customer needs to fulfill their duties and responsibilities. (3) Personal interaction refers to the personal interaction between customers and the staff delivering the service including factors such as trust, reliability, support, cooperation, flexibility and commitment.

#### *B. Service Employee Behavior*

Employee behavior is a series of action shown by employees that can affect organizational objects. Scholars divided employee behavior into in-role behavior and extra-role behavior and formal role prescription in the organization is defined as the boundary.

In-role behavior is the behavior that must be done and be asked to do in order to complete the work, which is the basis of the work done (Katz, 1964) [2]. In a paper published in *Journal of Marketing Management*, Farrell et al. (2001) mentioned that the customer will come to evaluate the service quality according to the service employee behavior rather than attitudes, and service employee behavior can be seen as Service Quality Implementation behavior (SQI) representing the behavior in the process to achieve the organization service quality policy. In the interaction between customer and service employee, service employee should give customer good service quality perception through their own behavior.

Farrell et al. (2001) considered SQI can achieve service quality, customer satisfaction, behavioral intention and brand loyalty. SQI took into account not only service employee behavior, but also customer's perception, therefore meet the interactive characteristics of service encounter. This paper also considers in-role behavior as service employee behavior that affecting customer behavior through service quality in the service delivery process, including reliability behavior, responsiveness behavior, assurance behavior and empathy behavior.

Organ is considered a pioneer in the study employee's extra-role behavior, and first to use concept of "organizational citizenship behavior" (OCB). Organ's definition of OCB (1988) is generally recognized and accepted. He defined OCB as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization". Organ explained further: discretionary meant that the behavior was not an enforceable requirement of the role or the job description, that was the clearly specifiable terms of the person's employment contract with the organization; the behavior was rather a matter of personal choice, such that its omission was not generally understood as punishable.

About construct dimensions of OCB, scholars have different viewpoints. However, in empirical research, we generally use the Organ's (1988) classification: OCB has five main dimensions, namely, altruism, conscientiousness, civic virtue, courtesy and sportsmanship. Altruism includes all

discretionary behaviors that have the effect of helping a specific work colleague with an organizationally relevant task or problem. Conscientiousness consists of behaviors that go well beyond the minimum role requirements of the organization. These behaviors indicate that employees accept and adhere to the rules, regulations, and procedures of the organization. Civic virtue is characterized by behaviors that indicate the employee's deep concerns and active interest in the life of the organization, including attending meetings, reading and replying to messages sent by others and discussing the company's business in personal time (Graham, 1986; MacKenzie, et al., 1991) [3] [4]. Courtesy includes respecting the rights of others to share resources, taking into account the impact of their behavior on others, giving a colleague ample notice when you alter something that will affect them. Sportsmanship means employees do not complain, do not defame others who despising them, and do not make a fuss over a trifling matter.

#### *C. Customer Emotion*

In this paper, emotion, mood, feeling and affect have no strict distinction, unified with the word "emotion" to represent the mental state of the individual feeling. Now, there is no single, widely accepted definition for customer emotion. Gardner (1985) believed that emotion means customer's subjectively perceived affective state in service encounter. Richins' definition of emotion (1997) is considered to discuss clearly emotional characteristics (Ortony, Clore, Foss, 1987; Ortony, Clore, Collins, 1988) [5] [6], namely, emotion is an affective reaction to perceptions of situations. Izard (1977) emotional scale has been widely used in customer research, his definition is: emotion is conscious experience or feeling that can be shown and observed (especially in the face), occurring in the brain or nervous system processes.

Judging from the literature, PANAS scale proposed by Watson et al. (1988) is the most commonly used measuring tool in the measurement of customer emotion, which is considered to be a very reliable and effective measurement tools.

PANAS scale requires individuals indicated the degree of 20 kinds of emotions that they experienced, in which 10 kinds of emotions represent positive emotions (PA), another 10 kinds of emotions represent negative emotions (NA). PA reflects the individual happily involved in environmental, NA reflects individual participating environment painfully.

So far, most scholars used "positive" and "negative" two-dimensional emotion reaction view (Chaudhuri, 1998) [7]. Therefore, this paper also used the positive emotion and negative emotion as the two dimensions of customer emotion.

### **3. Analyses on Relationship between Service Employee Behavior and Customer Participation**

Psychosocial factors influencing people's behavior include social perception, values and roles. Social perception refers to the reflection of overall properties of objective stimuli in the human brain, including both objects and people. People will have perception with others' external behavior, and

understand others' motivations, feelings, intentions and other internal mental activity through this perception, and at last people will produce their own behavioral response. Therefore, people's behavior will affect each other.

Service inseparability characteristic determines the service production and consumption processes are carried out simultaneously, so customers must participate in the service process. Customer must have an influence on service process and results, and service delivery depends mainly on the employee behavior, so service can be said to be completed by customer and service employee together. In the "moment of truth", service employee contacts with customer, thus both sides form a small group and they form an interdependent relationship, this relationship will inevitably lead to the mutual influence between the two behaviors and the results (Kelley et al., 1983) [8].

In high-medium- contact service industry, for the customer, service employee is an integral part of the service delivery, so the attitudes and behaviors of service employee will affect customer satisfaction, customer loyalty and behavioral intentions largely (Hartline & Ferrell, 1996) [9]. John (2003) considered that service employee behavior has a direct impact on customer behavior, so meeting customer preferences needs to be completed by employee.

In summary, service employee behavior will affect customer participation.

#### **4. Analyses on Customers Emotional Intermediary Mechanism**

##### *A. Service Employee Behavior and Customer Emotion*

If environment give individuals a positive stimulus, individuals will have a positive emotion, on the contrary, negative environmental stimuli will bring individuals a negative emotion (Pugh, 2001) [10]. As an important part of customer perceived environment, service employee behavior will stimulate the customer inevitably, and this stimulation also will provoke customer positive or negative emotion reaction. Westbrook (1987) considered that the service was composed by a series of characteristics; customer evaluated these characteristics during and after service experiences, so each character could be seen as a potential source of positive or negative emotion. The service features are reflected by employee behavior, thus service employee behavior is also a source of customer emotion.

Bitner (1994) considered the attitudes and behaviors of service employee would affect customer's perception of service encounter, interaction between employee and customer conveyed a wealth of emotional information and had a very significant impact on customer emotion.

Price et al. (1995) used participant observation / consumer diary method to study the effect of service employee behaviors and attitudes on customer consumption emotion. They found that service employee's ability to understand customer, additional care, sincere, service ability and courteous all would enhance the positive emotion of customer.

Mahn Hee Yoon and Jaebeom Suh (2003) considered that there were several reasons why employees' OCBs could be expected to relate to the customers' perceptions of service. Firstly, from the internal marketing perspective, only after effective internal exchanges had occurred, could successful external exchanges between employees and customers take place (Kelley and Hoffman, 1997) [11]. Secondly, much of the interest in OCB had been based on the assumption that OCBs lead to greater overall organizational effectiveness, while the external customers' evaluation of service quality was a major element of organization effectiveness. Thirdly, the spillover effect of employees' OCB on the service quality was expected to take place through the socialization process. Socialization research suggested that one type of helping behavior was more likely to facilitate other types of helping behaviors (Grusec, 1991) [12], and altruism-oriented persons tended to be more willing to perform other types of prosocial behaviors (Clary and Snyder, 1999) [13]. In the service encounter, the customer could be seen as a co-producer or a partial employee. Thus, in this light, employees who exhibited higher OCBs for coworkers or their organization would be more active in the fulfillment of customer needs in the customers' best interest.

These findings above indicate that service employee behavior including in- role behavior and OCB can cause emotional reactions of customers.

##### *B. Customer Emotion and Customer Participation*

Emotional factors have a very important psychological effect in regulating the people's behavior and the relationship between people and things, people and people. In the service process, because customers are real people, so customers will be affected by the factors of emotions and feelings.

A key feature of emotion is that it has an immediate and direct impact on human behavior. Different emotions will be accompanied by a different behavior. For example, fear will lead individuals to go away from the interaction, and anger can lead individuals to take a hostile attitude. Many studies have shown that customer emotion will greatly affect the various aspects of customer behavior, then customer emotions in the consumption process has been an important factor to affect customer psychology and behavior. George (1991) believed that positive emotion made people perceive stimuli from more positive aspects, and be attracted to others. As a result, individual with a positive emotion are more likely to look upon with employees and other customers with admiration, and he will have a positive social view.

In summary, customer with positive emotion is more likely to participate in service process.

##### *C. Intermediary Role of Customer Emotion*

In service encounter, customer emotion often plays an intermediary role in the interaction between service employee and customer. Jin Li-yin (2008) examined the effects of service employee's communication behaviors on customer's affective and behavioral responses in service encounter in the context of banking services. The study results show that employee communication behaviors have a significant impact

on both customers' positive emotion and negative emotion, while the customer's emotional response will directly affect their willingness to participate directly in collaborative production and interaction with employees.

After having studied the interaction between customers and sales staff, Lee et al. (2011) found that the customer would evaluate the entire service, behavior and attitude, and then compared these evaluations with their own standards. Moreover, these evaluations would lead to some kind of emotion, and in turn this kind of emotion would affect the customer to judge whether or not he satisfied with the relationship with employee. So customer emotion played an intermediary role between characteristics of sales staff and customer satisfaction.

In accordance with the cognitive - emotional - behavioral theory, Su lu-jun and Huang fu-cai (2011) considered that customers in the process of service consumption first had perception of service quality, and then generated emotional experience based on the assessment of service quality, finally affected their behaviors. These two scholars verified that customer consumer emotion played a partial mediator between service quality and customer loyalty.

Beyond that, there are other studies to prove that customer emotion play an intermediary role between customer participation, perceived service quality and behavioral intentions, customer participation and brand relationship quality, Personnel Service in department stores and customer patronage intention.

## 5. Construction of Theoretical Model

All told, service employee in-role behavior and organization citizenship behavior may influence customer emotion, and then affect customer participation. For this reason, this paper constructs a theoretical model based on customer emotion intermediary role, see the following figure.

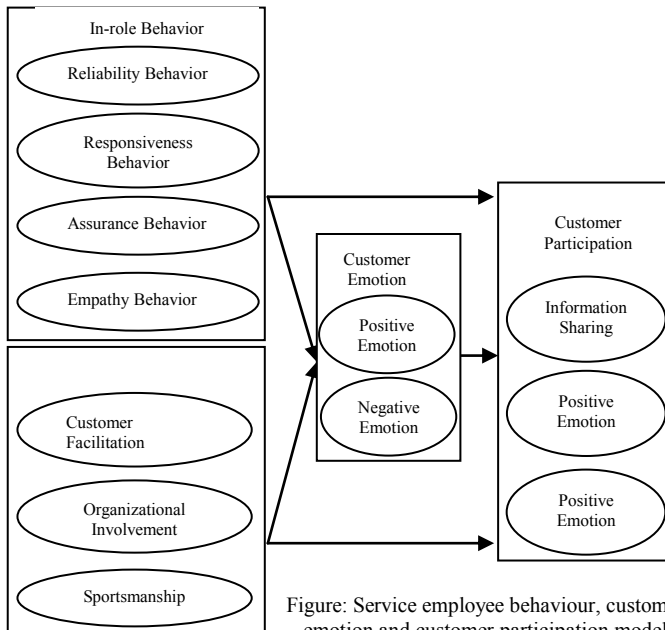


Figure: Service employee behaviour, customer emotion and customer participation model

The contribution of the theoretical model is that it enriches the study on the antecedents of customer participation, service employee behavior research. Nevertheless, this is just a theoretical model, in the future it should be proven through an empirical study. If this model is proven to be right, then it will give practical suggestions to service companies that employee behavior should be changed through the activities of human resource management to cause customer positive emotions, in order to increase customer participation and customer satisfaction.

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