

Customer Engagement and Employee Engagement: A Research Review and Agenda

Vikas Mittal, Kyuhong Han, and Robert A. Westbrook

Customers and employees are among the two most important stakeholders that create value for a firm. While customers are the primary source of cash flow for a firm (Gupta and Zeithaml 2006), employees create customer value by transforming raw materials and other inputs into products and services that satisfy customer needs (Heskett et al. 1994; Loveman 1998). Ongoing customer and employee engagement enables firms to create sustainable competitive advantage (Groening et al. 2016; Homburg et al. 2009a).

A Gallup meta-analysis reports that US work units with high employee engagement (i.e., in the top quartile) outperform those with low employee engagement (i.e., in the bottom quartile) by 21% in productivity and 22% in profitability. In the United States, the cost of active employee disengagement is estimated to be between \$450 billion and \$550 billion per year (O’Boyle and Harter 2013). Concurrently, Gallup suggests that engaged customers generate a premium of 23% for firms in terms of profitability and revenue.¹ An emerging body of academic research has examined the association between customer engagement and employee engagement and their effect on firm financial performance (Brodie et al. 2011; Hogreve et al. 2016; Kumar and Pansari 2016). In this chapter, we review extant research, highlight key issues that scholars and managers should consider, and develop a framework (see Fig. 8.1) for understanding and implementing engagement initiatives in firms.

V. Mittal (✉) • K. Han • R.A. Westbrook
Rice University, Houston, TX, USA

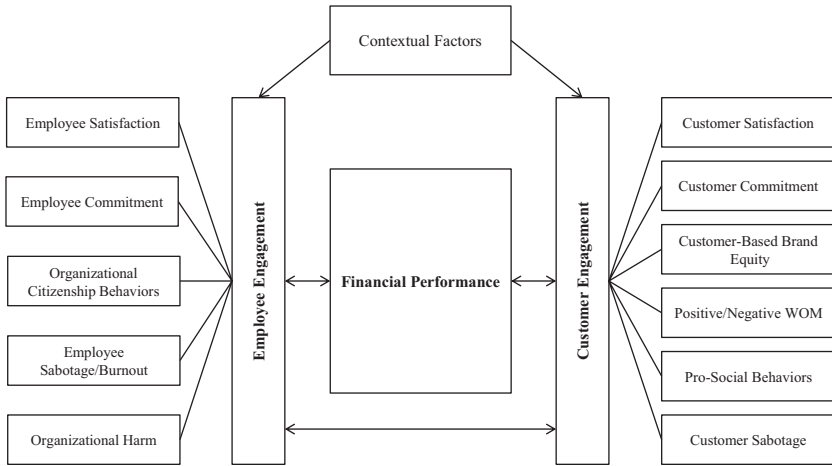


Fig. 8.1 A conceptual model of customer engagement and employee engagement

HOW CUSTOMERS AND EMPLOYEES AFFECT ORGANIZATIONAL PERFORMANCE

The exchange perspective (Bagozzi 1975) examines how customers and employees affect organizational performance. In exchange for goods and services that satisfy their needs, customers provide a firm with monetary and nonmonetary value. Monetary value accrues to the firm in the form of the price customers pay for the goods or services. Nonmonetary value accrues in the form of referrals and recommendations to others, positive reviews, and other behaviors that strengthen the firm's ability to increase revenues from other customers (Van Doorn et al. 2010). Employees, in exchange for wages and benefits, provide value to the firm by creating products and performing services that satisfy customer needs (Payne and Webber 2006). In other words, firms are able to satisfy their customers' needs based on the activities of their employees.

A large number of studies separately measure the association of customer engagement and employee engagement with organizational performance. Regarding customer engagement, research shows several customer-related constructs that are positively associated with increased firm performance, including customer satisfaction (Anderson et al. 1994, 2000; Morgan and Rego 2006), customer commitment (Keiningham et al. 2015), customer-based brand equity (Rego et al. 2009), and customer

word of mouth (Chevalier and Mayzlin 2006). Similarly, employee-based constructs associated with firm performance include employee satisfaction (Harter et al. 2002), employee engagement (Saks 2006), and employee commitment (Arthur 1994). Surprisingly, however, very few studies show a direct impact of employee-based constructs on a firm's financial performance. Some studies show that a firm's financial performance affects job satisfaction among employees (e.g., Bagozzi 1980), and still others show that employee-related constructs are associated with firm performance through customer-related constructs (e.g., Evanschitzky et al. 2012b; Homburg et al. 2009b). The latter set of studies suggests that employee engagement may be associated with firm performance only in the presence of customer engagement.

CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT: DEFINITION

Van Doorn et al. (2010) differentiate customer engagement from related constructs, such as brand engagement and customer commitment. Taking a behavior-based perspective, the authors define customer engagement as

the customers' behavioral manifestation toward a brand or firm, beyond purchase, resulting from motivational drivers. CEBs (*customer engagement behaviors*) include a vast array of behaviors including word-of-mouth (WOM) activity, recommendations, helping other customers, blogging, writing reviews, and even engaging in legal action. (Van Doorn et al. 2010, p. 253, italics added)

Van Doorn and colleagues acknowledge that customer engagement is a consequence of motivational drivers, such as customer satisfaction, customer trust/commitment, and brand performance.

Regarding employee engagement, there is considerable confusion about its definition and measurement. Saks (2006) notes that employee engagement is often confused with constructs such as commitment, organizational citizenship behavior (the opposite of job burnout), and so forth. Robinson et al. (2004) express surprise at the lack of academic research, both theoretical and empirical, on a topic with such high managerial relevance. Harter et al. (2002, p. 269) define employee engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work." Differentiating employee engagement from employee satisfaction, they use

12 items to measure various aspects of employee engagement, with the caveat that each of the items is actionable by an employee's supervisor.

More recently, Kumar and Pansari (2016, p. 498) have defined customer and employee engagement with a broader conceptualization of engagement:

Engagement ...represents cocreation, interaction, solution development, and so on, all of which depend on the attitude that drives the behavior of customers and employees toward a firm. We define engagement as the attitude, behavior, the level of connectedness (1) among customers, (2) between customers and employees, and (3) of customers and employees within a firm.

According to this definition, behavior is a foundational element of engagement, with the explicit acknowledgment that the behaviors are causally driven by customers' and employees' attitudes toward a firm. Thus, engagement *may* be measured using attitudinal metrics such as satisfaction, but it *must* be conceptualized in terms of behaviors. As such, the ideal scale would tap into key behaviors that emanate from specific attitudes toward a firm.

This review recognizes that engagement is a qualitatively different construct from satisfaction or loyalty. Yet it includes studies that measure both to provide a better understanding of pertinent issues that can be addressed in future research.

THEORETICALLY INTEGRATING CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT

Customer engagement and employee engagement are driven by motivational forces based on attitudinal constructs such as satisfaction (Anderson et al. 2000; Harter et al. 2002), commitment (Keiningham et al. 2015), attachment (Schau et al. 2009), and identification (Homburg et al. 2009b). By definition, engagement is a behavioral construct, with an exchange-based component. Thus, a specific customer or a specific employee is engaged with an entity, such as a brand, a firm, and/or stakeholders associated with the brand or firm. In many instances, a specific customer or a specific employee may be simultaneously engaged with multiple exchange partners. For example, the items in the Gallup's employee engagement survey measure how employees engage with multiple entities,

such as the workplace, their supervisor, their associates, fellow employees, and the company (see Table 8.1 in Harter et al. 2002, p. 269).

Similarly, customer engagement behaviors of a specific customer are likely to involve multiple entities, such as service employees, colleagues, friends, family, other customers, competitor companies, and the brand (Van Doorn et al. 2010). In the case of customer engagement, there are also multiple behaviors directed toward and performed by these different entities. For example, a focal customer's colleagues, friends, and family may become instrumental in engagement by being involved in word-of-mouth and social media activities. Similarly, competitor brands, through comparison shopping, may provide a forum and an opportunity to increase or decrease a customer's level of engagement.

Earlier research on this issue is rooted in the service-profit chain (SPC) paradigm, according to which employee effort is considered an input to customer satisfaction and customer satisfaction is considered an input to customer loyalty as well as firm financial outcomes (e.g., Kamakura et al. 2002). Most of the empirical research using the SPC paradigm generally confirms the positive association between customer satisfaction and downstream firm outcomes, though the association of employee satisfaction with customer satisfaction and firm financial outcomes is tenuous (Frennea et al. 2013). The SPC paradigm may be limiting in terms of understanding engagement because it is based on a systems approach that is more mechanistic than organic. Within a mechanistic approach, most relationships are unidirectional, with little or no room for contingent associations (Frennea et al. 2013).

Two theoretical perspectives are important for further understanding the interplay between customer engagement and employee engagement. From a macro-perspective, stakeholder theory explains how different levels of engagement by two key stakeholders—customers and employees—can affect financial consequences for a firm (Donaldson and Preston 1995). Recent empirical evidence shows that simultaneously achieving positive outcomes for customers and employees can increase firm value in the long run (Groening et al. 2016). Thus, engaging customers and employees should not be viewed as a zero-sum game. Rather, there is a symbiotic and mutually reinforcing association between fulfilling both customers' *and* employees' interests.

The micro-foundations for understanding the interplay between customer engagement and employee engagement can be traced to generalized exchange theory or GET (Bearman 1997; Marshall 1998; Molm et al. 2007). GET goes beyond dyadic exchanges and examines three or more

Table 8.1 Customer engagement, employee engagement, and financial performance

<i>Paper</i>	<i>Data type</i>	<i>Industry (unit of analysis)</i>	<i>Sample</i>	<i>Matched employees and customers</i>	<i>Lag between EE and CE</i>	<i>Analysis</i>
Bernhardt et al. (2000)	Cross-sectional	Restaurant (store)	3009 employees 342,308 customers 8 waves (12 months) From 382 stores (employee) and 432 stores(customer)			Correlation analysis
Bettencourt and Brown (1997)	Cross-sectional	Bank (branch)	50 managers 232 tellers From 50 branches	✓ ^b		Correlation analysis
Brown and Chin (2004)	Cross-sectional	Manufacturing (individual)	248 employees 3926 customers	✓		Partial least squares
Brown and Lam (2008)	Meta-analysis	(Research paper)	22 papers			Meta-analysis SEM
Brown and Mitchell (1993)	Cross-sectional	Bank (branch)	93 employees 5490 customers from 52 branches			Correlation analysis
Chi and Gursoy (2009)	Cross-sectional	Hotel (hotel)	2023 employees 3346 customers From 250 hotels			SEM
Chuang et al. (2012)	Cross-sectional	Services (individual)	55 managers 214 employees 210 customers From 52 stores	✓		HLM
Evanschitzky et al. (2011)	Cross-sectional	Retail (individual)	50 owner–franchisees 933 employees 20,742 customers From 50 outlets			SEM HLM

<i>Effect size of EE-CE^a</i>	<i>Mediator of EE-CE</i>	<i>Moderator of EE-CE</i>	<i>Relationship of EE and CE with financial performance^a</i>
ES-CS (<i>r</i> = .53, <i>p</i> < .05)			CS(t)-Profit(t)/Sales(t) (<i>r</i> = 0.04, n.s./ <i>r</i> = 0.05, n.s.) ES(t)-Profit(t)/Sales(t) (<i>r</i> = 0.05, n.s./ <i>r</i> = 0.07, n.s.) ΔCS(t - 1)-ΔProfit(t)/ΔSales(t) (<i>r</i> = 0.42, <i>p</i> < 0.05)
ES-CS (<i>r</i> = -0.05, n.s.)			
ES → CS (<i>b</i> = .07, n.s.)	Employee- perceived service performance Customer- perceived service quality		
ES-CS (<i>r</i> = 0.23, <i>p</i> < 0.05)	Customer- perceived service quality	Personal vs. nonpersonal service Encounter vs. relationship business B2B vs. B2C contexts Level of analysis (individual vs. organizational unit) Timing sequence of surveys (employee first vs. concurrent) Measurement scales (global ES vs. ES by job facet)	
ES-CS (n.s.)			
ES → CS (<i>b</i> = 0.34, <i>t</i> = 5.93)			CS → Financial performance [Profitability/ROI/Net profit] (<i>b</i> = 0.24, <i>t</i> = 6.30) ES → Financial performance (<i>b</i> = 0.09, n.s.) ES → CS → Financial performance (<i>b</i> = 0.08, <i>t</i> = 4.40)
ES → CS (<i>b</i> = .28, <i>p</i> < .01)	Service performance		
ES → CS (<i>b</i> _{SEM} = 0.24, <i>p</i> < 0.01; <i>b</i> _{HLM} = 0.07, <i>p</i> < 0.05)			

(continued)

Table 8.1 (continued)

<i>Paper</i>	<i>Data type</i>	<i>Industry (unit of analysis)</i>	<i>Sample</i>	<i>Matched employees and customers</i>	<i>Lag between EE and CE</i>	<i>Analysis</i>
Evanschitzky et al. (2012a)	Cross-sectional	B2B bank (individual)	18 employees 188 customers	✓		HLM
Evanschitzky et al. (2012b)	Panel	Retail (outlet)	7668/6040/2755 employees 44,965/100,351/161,922 customers 3 periods (year) From 119 outlets		✓ ^c	3SLS
Frey et al. (2013)	Experiment Field study: Cross-sectional	B2B services (individual)	Experiment: 172 MBA students Field study: 112 dyads of professional services employees and clients	✓		Experiment: MANOVA Field study: SEM
Gazzoli et al. (2013)	Cross-sectional	Restaurant (individual)	186 employees 1117 customers From 11 restaurants	✓		Correlation analysis
Gounaris and Boukis (2013)	Cross-sectional	Bank (individual)	183 employees 604 customers From 15 branches			HLM path analysis
Grandey et al. (2011)	Cross-sectional	Warehouse retail (store)	328 stores		✓	Regression analysis
Harter et al. (2002)	Meta-analysis	Multi-industry (business unit)	Employee: 42 studies (198,514 employees from 7939 business units in 36 companies) Customer: 24 studies (20 companies) Performance: 3–28 studies			Correlation analysis
Hogreve et al. (2016)	Meta-analysis	(Research paper)	518 studies (576 independent datasets with 1591 correlations)			Meta-analytic SEM
Homburg and Stock (2004)	Cross-sectional	B2B manufacturing and services (individual)	164 employees 328 customers	✓		SEM
Homburg and Stock (2005)	Cross-sectional	B2B manufacturing and services (individual)	164 employees 328 customers	✓		SEM

<i>Effect size of EE-CE^a</i>	<i>Mediator of EE-CE</i>	<i>Moderator of EE-CE</i>	<i>Relationship of EE and CE with financial performance^a</i>
ES → CS (b = 0.205, t = 2.921) ES → CS (b = .218, t = 3.20)			CS(t - 1) → Operating profit(t) (b = 66,513.17, t = 5.96) CS(t) → Operating profit(t) (b = 12,219.02, n.s.) ES(t - 1) → Operating profit(t) (b = -21,403.43, n.s.)
Experiment: CS → ES (b = 0.66, p < 0.01) Field study: CS → ES (b = 0.34, p < 0.01)	Perceived appreciation	Employee-client attitudinal congruency	
ES-CS (r = 0.10, p < 0.05)			
ES → CS (b = 0.50, p < .001)		Branch size Employee age	
ES → CS (b = 0.25, p < 0.01)	Employee responsiveness	Store busyness	
EE-CS (r = 0.16)			EE-Profitability (r = 0.10) EE-Productivity (r = 0.15)
ES → CS (b = 0.081, p < 0.01)		Service intangibility	• CS → Profitability (b = 0.105, p < 0.01) ES → Profitability (b = -0.014, p < 0.01)
ES → CS (b = 0.24, p < 0.05)	Quality of customer interaction	• Frequency of customer interaction • Intensity of customer integration into the value-creating process Product/service innovativeness	
ES → CS (b = 0.34, t = 8.53)	Employee's customer orientation	Employee empathy Employee expertise Employee reliability Customer trust Customer price consciousness Customer importance of product/service	

(continued)

Table 8.1 (continued)

<i>Paper</i>	<i>Data type</i>	<i>Industry (unit of analysis)</i>	<i>Sample</i>	<i>Matched employees and customers</i>	<i>Lag between EE and CE</i>	<i>Analysis</i>
Homburg et al. (2009)	Cross-sectional	Travel agency (individual)	258 employees 597 customers From 109 travel agencies	✓		HLM path analysis
Hur et al. (2015)	Cross-sectional	Senior care service (individual)	282 employees 282 customers	✓		SEM
Jeon and Choi (2012)	Cross-sectional	Private education (individual)	277 employees 277 customers	✓		SEM
Koys (2001)	Panel	Restaurant (store)	64/79 managers 774/693 employees 5565/4338 customers 2 periods (year)		✓	Regression analysis
Kumar and Pansari (2016)	Panel	Multi-industry (firm)	120 public firms 2 periods (year)		✓ ^c	HLM
Loveman (1998)	Cross-sectional	Bank (branch)	409–955 branches			Regression analysis
Namasivayam et al. (2014)	Cross-sectional	Restaurant (unit)	238 employees 2915 customers From 40 units			SEM
Netemeyer et al. (2010)	Cross-sectional	Clothing and accessories (individual)	306 managers 1615 employees 57,656 customers From 306 stores	✓		HLM path model
Ostroff (1992)	Cross-sectional	School (school)	13,808 teachers 24,874 students From 193–298 schools			Correlation analysis

<i>Effect size of EE-CE^a</i>	<i>Mediator of EE-CE</i>	<i>Moderator of EE-CE</i>	<i>Relationship of EE and CE with financial performance^a</i>
ES → CS (b = 0.024, t = 0.79)	Customer orientation		CS-Financial performance [sales per employee] (r = -0.06, n.s.) ES-Financial performance [sales per employee] (r = -0.07, n.s.)
ES → CS (b = 0.34, p < 0.01)			
ES → CS (b = 0.133, t = 2.660) CS → ES (b = 0.051, t = 0.439)		Employee self-efficacy Employee cooperative orientation Employee perceived fairness Employee perceived supervisory support	
• ES(t1) → CS(t2) (b = 0.62, p < .01) CS(t1) → ES(t2) (b = 0.39/0.34, n.s.). ΔEE → ΔCE (b = 0.510, p < 0.001)		B2B vs. B2C firms Manufacturing vs. services firms Employee empowerment	ES(t1) → Profit(t2)/Profit-to-sales(t2) (b = 0.06, n.s./b = 0.15, n.s.) ΔEE → ΔRevenue/ΔNet income (b = 0.377, p < 0.001/b = 0.352, p < 0.001) ΔCE → ΔRevenue/ΔNet income (b = 0.631, p < 0.001/b = 0.622, p < 0.001)
ES with company → CS (b = 1.9, p < 0.05) ES with job → CS (b = 1.3, p < 0.05) ES → CS (b = 0.42, p < 0.01)			
Manager satisfaction → CS (b = 0.30, t = 5.29) ES → CS (b = 0.17, t = 2.93)			• Manager satisfaction → Average customer transaction value (b = 0.29, t = 5.39) ES → Average customer transaction value (b = 0.04, n.s.) CS → Average customer transaction value (b = 0.13, t = 2.43)
Teacher satisfaction-student satisfaction with the teachers (r = 0.24) Teacher satisfaction-student overall satisfaction (r = 0.44)			

(continued)

Table 8.1 (continued)

<i>Paper</i>	<i>Data type</i>	<i>Industry (unit of analysis)</i>	<i>Sample</i>	<i>Matched employees and customers</i>	<i>Lag between EE and CE</i>	<i>Analysis</i>
Pantouvakis and Bouranta (2013) ^d	Cross-sectional	Shipping (individual)	168 employees			SEM
Payne and Webber (2006)	Cross-sectional	Hairstylists (individual)	249 employees 249 customers	✓		Correlation analysis
Pritchard and Silvestro (2005)	Cross-sectional	Home improvement store (store)	Number of employees not reported Over 24,000 customers From 75 stores			Correlation analysis
Reynierse and Harker (1992)	Cross-sectional	Bank (branch)	145 customer service representatives 322 tellers 4065 customers From 79 branches			Correlation analysis
Ryan et al. (1996)	Panel	Finance (branch)	142 branches 2 periods (year)		✓	SEM
Schlesinger and Zornitsky (1991) ^d	Cross-sectional	Insurance (individual)	1277 employees 4269 customers			Correlation analysis
Siddiqi and Sahaf (2009)	Cross-sectional	Bank (Branch)	211 employees 630 customers From several branches of 4 banks	✓		Regression analysis
Silvestro and Cross (2000)	Cross-sectional	Grocery retail (store)	6 stores			Correlation analysis
Steinke (2008) ^d	Cross-sectional	Emergency department (individual)	180 nurses			SEM

<i>Effect size of EE-CE^a</i>	<i>Mediator of EE-CE</i>	<i>Moderator of EE-CE</i>	<i>Relationship of EE and CE with financial performance^a</i>
ES → CS (b = 0.24, t = 3.35)	Interactive service feature		
ES-CS (r = 0.137, p = 0.031) ES-CS (r = -0.044, n.s.)		Employee affective commitment	ES-Revenue growth/Profit (r = 0.279, p < .02/r = 0.131, n.s.) ES-Sales per staff/Sales per square foot (r = -0.268, p < 0.05/ r = 0.097, n.s.) CS-Revenue growth/Profit (r = -0.038, n.s./r = -0.016, n.s.) CS-Sales per staff/Sales per square foot (r = -0.079, n.s./r = -0.312, p < .01)
ES-CS (r = +, p < 0.05)			
ES(t1)-CS(t2) (r = 0.19, p < .05) ES(t2)-CS(t2) (r = 0.18, n.s.) ES-CS (r = 0.18, p < 0.01)			
ES → CS (b = .37, p < 0.001)			
ES-CS (r = -0.64, n.s.)			ES-Profit margin (r = -0.87, p < 0.05) ES-Sales per square foot (r = -0.61, n.s.) CS-Profit margin (r = 0.70, n.s.) CS-Sales per square foot (r = 0.59, n.s.)
ES-CS (r = 0.31, p < 0.01)			

(continued)

Table 8.1 (continued)

<i>Paper</i>	<i>Data type</i>	<i>Industry (unit of analysis)</i>	<i>Sample</i>	<i>Matched employees and customers</i>	<i>Lag between EE and CE</i>	<i>Analysis</i>
Subramony et al. (2008)	Cross-sectional	Manufacturing and services (firm)	1530 employees From 126 companies		✓	SEM
Tornow and Wiley (1991)	Cross-sectional	Computer (business unit)	667 employees 633 customers From 30 business units			Correlation analysis
Ugboro and Obeng (2000) ^d	Cross-sectional	Multiple industries	250 employees			Correlation analysis
Wangenheim et al. (2007)	Cross-sectional	DIY retail (outlet)	1659 employees 53,645 customers From 99 outlets			SEM
Whitman et al. (2010)	Meta-analysis	(Unit-team, branch, organization)	60 articles (5849 units)			Correlation analysis
Wiley (1991)	Cross-sectional	Retail (store)	4854 employees 158,878 customers From 56 stores			Correlation analysis
Zablah et al. (2016)	Panel	Retail (individual)	1470 employees 49,242 customers 2 waves (year)	✓	✓	SEM

Notes: *B2B* business-to-business, *B2C* business-to-consumer, *CS* customer satisfaction, *CE* customer engagement, *ES* employee satisfaction, *EE* employee engagement, *HLM* hierarchical linear model, *MANOVA* multivariate analysis of variance, *ROI* return on investment, *SEM* structural equation model, and *3SLS* three-stage least squares, *DIY* do it yourself, *n.s.* not significant

^a*r* indicates the correlation coefficient, *b* indicates the path/regression coefficient; direct effects are reported. For studies that do not provide significance levels, only effect sizes are reported. For studies that do not provide effect sizes, only the sign of the effects are reported

^bBettencourt and Brown's (1997) sample has matched tellers–customer service managers; however, customers are not matched with these employees

^cEvanschitzky et al. (2012b) have time lags between the measurement of constructs but not between ES and CS. Kumar and Pansari (2016) measure the constructs as changes rather than as levels

^dPantouvakis and Bouranta (2013), Schlesinger and Zornitsky (1991), Steinke (2008), and Ugboro and Obeng (2000) measure employees' perceived level of customer satisfaction

^eWhitman et al. (2010) measure of productivity includes various financial (e.g., ROI, sales, financial growth) and nonfinancial (e.g., academic competency, innovation rate) measures

<i>Effect size of EE-CE^a</i>	<i>Mediator of EE-CE</i>	<i>Moderator of EE-CE</i>	<i>Relationship of EE and CE with financial performance^a</i>
ES → CS (b = 0.34, p < 0.01)			
ES with company-CS (r = +, p < 0.05)			CS-Gross profit (r = n.s.)
ES with job-CS (r = +, p < 0.05)			ES with company-Gross profit (r = n.s.)
ES-CS (r = 0.60, p = 0.00 for manufacturing firms; r = 0.67, p = 0.00 for service firms)		Manufacturing vs. service firms	ES with job-Gross profit (r = n.s.)
ES → CS (b = 0.27, p < 0.01)		Employee group (storeroom workers, cashiers, services and sales employees)	
ES-CS (r = 0.34, p < 0.05)			ES-Productivity ^c (r = 0.29, p < 0.05)
ES-CS (r = +, p < 0.01)			CS-Net sales/Net income (r = -, p < 0.01/r = -, p < 0.01)
ES(t1) → CS(t2) (b = 0.05, p < 0.01)			
CS(t1) → ES(t2) (b = 0.14, p < 0.01)			

actors who engage in a chain of indirect and reciprocal transfers among each other. Different from bilateral exchanges, such as those between a customer and an employee, GET recognizes the reality and importance of multilateral exchanges, such as those among the focal customer, other customers, service employees, and even potentially the managers of the service employees.

Evanschitzky et al. (2011) use GET to examine the reciprocal association between satisfaction levels of three actors in a do-it-yourself retailer context. They examine the relationships among customer satisfaction, customer loyalty (purchase intentions), frontline employee satisfaction, and employer/manager satisfaction. The results show a complex association among these constructs. Specifically, the association between employer satisfaction and customer satisfaction was fully mediated by frontline employee satisfaction. Frontline employee satisfaction not only directly affected customer satisfaction but also moderated the relationship between customer satisfaction and customer loyalty, such that customer satisfaction had a stronger association with customer loyalty when frontline employee satisfaction was relatively high than when it was relatively low.

In summary, supplementing the SPC model with stakeholder theory and with GET can provide a framework for better understanding the association between customer engagement and employee engagement. This approach also articulates the larger nomological and contextual network of constructs needed to understand customer engagement and employee engagement.

CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT: EMPIRICAL ASSESSMENT

Table 8.1 summarizes studies that simultaneously examine both customer engagement and employee engagement. For each study, the table describes the research setting (data, industry, sample size, unit analysis), methodological details (method of analysis, matched samples of employees and customers, lags between constructs), contingent factors (mediators and moderators), and the association of employee engagement and customer engagement with firm financial performance. Several important observations can be distilled from Table 8.1:

- Most studies, whether cross-sectional or longitudinal, support a statistically significant and positive association between employee engagement and customer engagement. However, the magnitude of

the association varies substantially across studies. This may be due to potential moderators of the relationship at the individual, firm, and industry levels.

- Virtually all the studies support a strong, direct, and positive association between customer engagement and firm financial outcomes.
- There are divergent findings with regard to the association between employee engagement and firm financial outcomes. Table 8.1
- includes 13 studies that investigate 22 associations between employee engagement and firm financial outcomes. Among these 22 associations, 13 are statistically nonsignificant, 6 are statistically significant and positive, and the remaining 3 are statistically significant and negative.
- Among these studies, 72.7% show a negative or nonexistent association between employee engagement and firm financial performance. Only 27.3% of the studies support the widely held lay belief that higher levels of employee engagement are financially beneficial for a firm.
- Overall, these empirical results suggest that theoretically the association between employee engagement and firm financial outcomes may best be conceptualized as being mediated by customer engagement.
- With the exception of Kumar and Pansari (2016) and Subramony et al. (2008), most of the studies in Table 8.1 are conducted within a single firm.
- Most studies are conducted in the business-to-consumer (B2C) context rather than the business-to-business (B2B) context (exceptions include Evanschitzky et al. 2012a; Frey et al. 2013; Homburg and Stock 2004, 2005).

Finally, it is notable that virtually all of the studies have taken a monovalent and unidirectional view of customer engagement and employee engagement. Specifically, it is assumed that engagement ranges from a person being disengaged to a person being positively engaged. However, as the literature on negative word of mouth (Luo 2009; Richins 1983), employee burnout (Jackson et al. 1986), and organizational sabotage by both customers (Reynolds and Harris 2009) and employees (Harris and Ogbonna 2006), shows active negative engagement is a reality. It is important to note here that negative engagement is not exactly the opposite of positive engagement. An asymmetry exists between the negative and the positive aspects of engagement (Singh and Sirdeshmukh 2000). The nature and magnitude of the antecedents and consequences of negative engagement are likely to differ from those associated with positive engagement. There are also likely to be differences

among the interrelationships in positive and negative disengagement, both within and between customer engagement and employee engagement. Thus, measuring both the positive and negative domain of engagement should be a key priority for future research.

CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT: CONTINGENT FACTORS

Most studies examining employee engagement and customer engagement have been conducted within the context of a single firm, with a focus on ascertaining the focal relationships. As such, few, if any, studies have examined the moderated nature of the key relationships.

In a recent study, Kumar and Pansari (2016) examine the moderating effect of a firm's business type (B2B vs. B2C, manufacturing vs. services) on the association of employee engagement with customer engagement and firm financial performance. The authors find a positive association in both cases. Furthermore, they show that the effect of employee engagement on customer engagement and firm performance becomes stronger (1) for firms operating in a service (vs. manufacturing) sector and (2) for B2B (vs. B2C) firms.

Groening et al. (2016, p. 2) examine the role of firm business scope, defined as "the number of business segments in which a firm competes." They find that the joint effect of a firm's activities designed to affect customers and employees on firm value is stronger for firms with a narrower business scope than for those with a broader business scope. At a more granular level, Grandey et al. (2011) demonstrate that the relationship between employee satisfaction and customer satisfaction is stronger in busier than in slower stores.

Aspects of employee–customer relationships have also been examined as contingent factors. Wangenheim et al. (2007) find a moderating role of customer contact, such that the association of employee engagement with customer engagement is stronger for employees who have more direct contact with customers (e.g., service and sales employees). In a similar context, Homburg and Stock (2004) show that salespeople's job satisfaction has a stronger association with customer satisfaction when there are higher levels of interaction between the salesperson and the customer. Frey et al. (2013) show that attitudinal congruence between customers and employees strengthens the employee engagement–customer engagement association.

Studies also examine the moderating role of employee and customer perceptions on the association between employee engagement and customer engagement. Kumar and Pansari (2016) show that the association is stronger when employees are more empowered. Homburg and Stock (2005) find that employee empathy, expertise, and reliability as well as customer trust strengthen the association, whereas customer price consciousness weakens the association between the two constructs. Jeon and Choi (2012) demonstrate that employees' levels of self-efficacy and cooperative orientation strengthen the employee satisfaction–customer satisfaction relationship.

Many other psychological and sociological factors should be examined as potential moderators in future studies. These may include firm-level constructs, such as organizational identity (Homburg et al. 2009b), or individual-level constructs, such as gender identity (Winterich et al. 2009), local–global identity (Gao et al. 2017), political identity (Winterich et al. 2012), and moral identity (Reed et al. 2007). For example, studies show that customers and employees with a stronger moral identity may be more willing to engage in prosocial behaviors, which in turn can improve a firm's financial outcomes (Bove et al. 2009; Shao et al. 2008). However, it is also possible that an increase in prosocial behaviors will distract employees from performing certain core functions designed to increase customer engagement. These are just some examples of potential moderating influences. There are many other possibilities for researchers to consider.

OUTCOMES OF CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT

As Table 8.1 shows, studies of employee engagement and customer engagement have focused on financial performance metrics, such as sales, revenue, and profit. A broader set of metrics—especially behavioral metrics—should be examined in future research.

In addition to separately measuring the positive and negative domain of engagement, research should also ascertain the outcomes of positive and negative engagement. Likely, they are not mere opposites of each other. In terms of positive customer engagement, a variety of consequences beyond customer loyalty could be examined. These may include prosocial customer behaviors, such as donating to charitable organizations associated with the firm or the brand (Varadarajan and Menon 1988). Do more

engaged customers also display more environmentally friendly and sustainable behaviors, such as recycling and reusing? In contexts such as healthcare and education, would positive customer engagement result in higher levels of compliance and consequent outcome gains among patients and students? In contrast, negatively engaged customers (Harris and Reynolds 2003) can exhibit behaviors such as harming and mistreating employees and service providers (Reynolds and Harris 2006; Skarlicki et al. 2008), cheating and stealing from the firm (e.g., shoplifting; Babin and Babin 1996), and providing misleading and false feedback to other customers in social media forums (Tuzovic 2010).

Regarding employee engagement, research suggests that positively engaged employees may demonstrate extra-role behaviors in their jobs. According to McNeely and Meglino's (1994) definition, these extra-role behaviors include being receptive to new ideas, tolerating temporary inconveniences, using organizational resources judiciously, helping plan social events in the office, bringing food and gifts for coworkers, or donating to community organizations and charities (see also Van Dyne and LePine 1998). Mittal et al. (2007) suggest that more satisfied employees are better able to assess customer satisfaction because the gap between employee and customer perceptions of service quality is smaller for more satisfied employees. In terms of negative employee engagement, a substantial body of research shows that negatively engaged employees may indulge in service sabotage (Harris and Ogbonna 2006), customer sabotage (Skarlicki et al. 2008), and other acts of organizational harm (Ambrose et al. 2002).

Regarding firm performance, research should investigate the longitudinal effects of customer and employee engagement on firm's financial outcomes. As Evanschitzky et al. (2012b) argue, the consequences of customer and employee engagement may be realized in the long run rather than in the short run; as a result, making future investments based on short-term outcomes may backfire. Bernhardt et al. (2000) suggest patience in implementing customer and employee engagement programs because their impact may manifest only over a longer period of time. A major obstacle to conducting such studies would be the difficulty of collecting longitudinal data. An alternative approach would be linking these constructs to long-term financial performance metrics, such as firm value (Srinivasan and Hanssens 2009).

In summary, customer and employee engagement should be understood in terms of both positive and negative engagement. Initially, qualitative and inductive research methodologies will be required to address this issue

(Deshpande 1983), which may be followed by measuring constructs using formalized scales and then causally testing hypotheses through field and experimental studies. Investigating their long-term effects—financial and nonfinancial, positive and negative—should also be a research priority.

METHODOLOGICAL ISSUES IN EXAMINING CUSTOMER ENGAGEMENT AND EMPLOYEE ENGAGEMENT

The majority of the studies in Table 8.1 take a cross-sectional approach to quantify the association between customer engagement, employee engagement, and their outcomes. Most studies are conducted within the context of a single firm and rely only on survey data. Although some studies use matched samples of employees and customers to infer more accurate relationships between the constructs, such an approach—that is, single period, single firm, and an exclusive reliance on survey data—can preclude the ability to make strong causal conclusions. At the same time, obtaining organizational cooperation to collect multiperiod data that combines surveys and secondary data is time consuming and resource intensive. To this end, we advocate the use of traditional approaches used in consumer behavior research—namely, small-scale, randomized experiments conducted with consumers and employees that enhance the internal validity of key conclusions.

Kumar and Pansari (2016) are an exception to the traditional approach based on cross-sectional data from a single firm. They use data from multiple firms and multiple periods and combine survey data (on customer and employee engagement) and nonsurvey data (on financial performance). Their approach also enables an assessment of firm-level moderators of the key relationships. Future research should build on Kumar and Pansari's (2016) methodological paradigm. This may require larger research teams to gain the cooperation of many firms. If such large-scale data collection is possible, and with executive cooperation, there may be the possibility of conducting field experiments to better explicate cause-and-effect relationships.

It would also be useful to develop measures and indices of customer engagement and employee engagement that can correlate with secondary measures of the constructs. For example, Groening et al. (2016) find a positive association between survey-based measures of customer and employee satisfaction and secondary measures of customer- and employee-based achievements, obtained through Kinder, Lydenberg, Domini, & Co. More generally, academics and practitioners will benefit from continued

tracking of customer engagement and employee engagement at the firm level by a neutral third party. Such data exist with regard to other constructs, such as customer satisfaction (e.g., the American Customer Satisfaction Index²) and brand equity (e.g., Harris Poll EquiTrend, Young & Rubicam's BrandAsset Valuator, YouGov's BrandIndex³). Sources of secondary measures of negative customer engagement can also be found. These include customer complaints compiled by regulatory agencies such as the US Department of Transportation⁴ (for airline travel complaints) and the Consumer Financial Protection Bureau⁵ (for complaints against financial institutions).

There is also a need to further clarify the underlying constructs and adopt measures that are widely accepted by all. Consistency and consensus with regard to construct definition and measurement can significantly improve programmatic empirical research that can guide theory and practice. In this regard, we point to the explosion of research in areas such as service quality (Cronin and Taylor 1992; Parasuraman et al. 1988), customer equity (Reinartz and Kumar 2000), and brand equity (Aaker 1996).

CONCLUSION

Customers and employees enable firms to achieve sustained competitive advantage. Engaged customers and employees, in many ways, are the fundamental determinants of managerial success versus firm failure. Given the complex, reciprocal, and multilateral relationships between the related constructs, understanding the joint association of customer engagement and employee engagement and their effects on firm performance is critical for marketing scholars and managers alike. An improved understanding of these dynamics will provide firms with more concise guidance with regard to formulating appropriate marketing strategies and will enable firms to induce synergistic associations among customers, employees, and the management.

The current chapter has reviewed extant research on the association between customer engagement and employee engagement and the relationship of these two constructs with firm performance. The review suggests the need to develop clearer measures of customer engagement and employee engagement that tap the core concepts, to apply a theoretical perspective that may combine existing perspectives on the links between these constructs, and to generalize previous findings in different contexts to find important boundary conditions and moderators of these links. We also call for alternative approaches to data collection that lead to

more consistent measures and stronger causal inferences. We encourage marketing scholars to further investigate these issues to enhance this classic, yet timeless, research area.

NOTES

1. See <http://www.gallup.com/services/169331/customer-engagement.aspx>
2. See <http://www.theacsi.org/>
3. EquiTrend:<http://www.theharrispoll.com/equitrend-information/>;
BrandAsset Valuator: <http://www.yr.com/BAV>; BrandIndex: <http://www.brandindex.com/>
4. See <https://www.transportation.gov/airconsumer/>
5. See <http://www.consumerfinance.gov/data-research/consumer-complaints/>

REFERENCES

- Aaker, D. A. (1996). Measuring Brand Equity Across Products and Markets. *California Management Review*, 38(3), 102–120.
- Ambrose, M. L., Seabright, M. A., & Schminke, M. (2002). Sabotage in the Workplace: The Role of Organizational Injustice. *Organizational Behavior and Human Decision Processes*, 89(1), 947–965.
- Anderson, E. W., Fornell, C., & Lehmann, D. R. (1994). Customer Satisfaction, Market Share, and Profitability: Findings from Sweden. *Journal of Marketing*, 58(3), 53–66.
- Anderson, E. W., Fornell, C., & Mittal, V. (2000). Strengthening the Satisfaction-Profit Chain. *Journal of Service Research*, 3(2), 107–120.
- Arthur, J. B. (1994). Effects of Human Resource Systems on Manufacturing Performance and Turnover. *Academy of Management Journal*, 37(3), 670–687.
- Babin, B. J., & Babin, L. A. (1996). Effects of Moral Cognitions and Consumer Emotions on Shoplifting Intentions. *Psychology and Marketing*, 13(8), 785–802.
- Bagozzi, R. P. (1975). Marketing as Exchange. *Journal of Marketing*, 39(4), 32–39.
- Bagozzi, R. P. (1980). Performance and Satisfaction in an Industrial Sales Force: An Examination of Their Antecedents and Simultaneity. *Journal of Marketing*, 44(2), 65–77.
- Bearman, P. (1997). Generalized Exchange. *American Journal of Sociology*, 102(5), 1383–1415.
- Bernhardt, K. L., Donthu, N., & Kennett, P. A. (2000). A Longitudinal Analysis of Satisfaction and Profitability. *Journal of Business Research*, 47(2), 161–171.
- Bettencourt, L. A., & Brown, S. W. (1997). Contact Employees: Relationships Among Workplace Fairness, Job Satisfaction and Prosocial Service Behaviors. *Journal of Retailing*, 73(1), 39–61.

- Bove, L. L., Pervan, S. J., Beatty, S. E., & Shiu, E. (2009). Service Worker Role in Encouraging Customer Organizational Citizenship Behaviors. *Journal of Business Research*, 62(7), 698–705.
- Brodie, R. J., Hollebeek, L. D., Jurić, B., & Ilić, A. (2011). Customer Engagement: Conceptual Domain, Fundamental Propositions, and Implications for Research. *Journal of Service Research*, 14(3), 252–271.
- Brown, K. A., & Mitchell, T. R. (1993). Organizational Obstacles: Links with Financial Performance, Customer Satisfaction, and Job Satisfaction in a Service Environment. *Human Relations*, 46(6), 725–757.
- Brown, S. P., & Chin, W. W. (2004). Satisfying and Retaining Customers Through Independent Service Representatives. *Decision Sciences*, 35(3), 527–550.
- Brown, S. P., & Lam, S. K. (2008). A Meta-Analysis of Relationships Linking Employee Satisfaction to Customer Responses. *Journal of Retailing*, 84(3), 243–255.
- Chevalier, J. A., & Mayzlin, D. (2006). The Effect of Word of Mouth on Sales: Online Book Reviews. *Journal of Marketing Research*, 43(3), 345–354.
- Chi, C. G., & Gursoy, D. (2009). Employee Satisfaction, Customer Satisfaction, and Financial Performance: An Empirical Examination. *International Journal of Hospitality Management*, 28(2), 245–253.
- Chuang, A., Judge, T. A., & Liaw, Y. J. (2012). Transformational Leadership and Customer Service: A Moderated Mediation Model of Negative Affectivity and Emotion Regulation. *European Journal of Work and Organizational Psychology*, 21(1), 28–56.
- Cronin, J. J., & Taylor, S. A. (1992). Measuring Service Quality: A Reexamination and Extension. *Journal of Marketing*, 56(3), 5–68.
- Deshpande, R. (1983). ‘Paradigms Lost’: On Theory and Method in Research in Marketing. *Journal of Marketing*, 47(4), 101–110.
- Donaldson, T., & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. *Academy of Management Review*, 20(1), 65–91.
- Evanschitzky, H., Groening, C., Mittal, V., & Wunderlich, M. (2011). How Employer and Employee Satisfaction Affect Customer Satisfaction: An Application to Franchise Services. *Journal of Service Research*, 14(2), 136–148.
- Evanschitzky, H., Sharma, A., & Prykop, C. (2012a). The Role of the Sales Employee in Securing Customer Satisfaction. *European Journal of Marketing*, 46(3/4), 489–508.
- Evanschitzky, H., Wangenheim, F. V., & Wunderlich, N. V. (2012b). Perils of Managing the Service Profit Chain: The Role of Time Lags and Feedback Loops. *Journal of Retailing*, 88(3), 356–366.
- Frennea, C., Mittal, V., & Westbrook, R. A. (2013). The Satisfaction Profit Chain. In R. T. Rust & M.-H. Huang (Eds.), *Handbook of Service Marketing Research* (pp. 182–218). Northampton: Elwood Elgar.

- Frey, R.-V., Bayón, T., & Totzek, D. (2013). How Customer Satisfaction Affects Employee Satisfaction and Retention in a Professional Services Context. *Journal of Service Research, 16*(4), 503–517.
- Gao, H., Zhang, Y., & Mittal, V. (2017). How Does Local-Global Identity Affect Price Sensitivity? *Journal of Marketing*, forthcoming, doi: [10.1509/jm.15.0206](https://doi.org/10.1509/jm.15.0206).
- Gazzoli, G., Hancer, M., & Kim, B. C. (2013). Explaining Why Employee-Customer Orientation Influences Customers' Perceptions of The Service Encounter. *Journal of Service Management, 24*(4), 382–400.
- Gounaris, S., & Boukis, A. (2013). The Role of Employee Job Satisfaction in Strengthening Customer Repurchase Intentions. *Journal of Services Marketing, 27*(4), 322–333.
- Grandey, A. A., Goldberg, L. S., & Douglas Pugh, S. (2011). Why and When Do Stores With Satisfied Employees Have Satisfied Customers? The Roles of Responsiveness and Store Busyness. *Journal of Service Research, 14*(4), 397–409.
- Groening, C., Mittal, V., & Anthea Zhang, Y. (2016). Cross-Validation of Customer and Employee Signals and Firm Valuation. *Journal of Marketing Research, 53*(1), 61–76.
- Gupta, S., & Zeithaml, V. (2006). Customer Metrics and Their Impact on Financial Performance. *Marketing Science, 25*(6), 718–739.
- Harris, L. C., & Ogbonna, E. (2006). Service Sabotage: A Study of Antecedents and Consequences. *Journal of the Academy of Marketing Science, 34*(4), 543–558.
- Harris, L. C., & Reynolds, K. L. (2003). The Consequences of Dysfunctional Customer Behavior. *Journal of Service Research, 6*(2), 144–161.
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-Unit-Level Relationship Between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology, 87*(2), 268–279.
- Heskett, J. L., Jones, T. O., Loveman, G. W., Earl Sasser, W., Jr., & Schlesinger, L. A. (1994). Putting the Service-Profit Chain to Work. *Harvard Business Review, 72*(2), 164–174.
- Hogreve, J., Iseke, A., Derfuss, K., & Eller, T. (2016). The Service-Profit Chain: A Meta-Analytic Test of a Comprehensive Theoretical Framework. *Journal of Marketing*, forthcoming, doi:[10.1509/jm.15.0395](https://doi.org/10.1509/jm.15.0395).
- Homburg, C., & Stock, R. M. (2004). The Link Between Salespeople's Job Satisfaction and Customer Satisfaction in a Business-to-Business Context: A Dyadic Analysis. *Journal of the Academy of Marketing Science, 32*(2), 144–158.
- Homburg, C., & Stock, R. M. (2005). Exploring the Conditions Under Which Salesperson Work Satisfaction Can Lead to Customer Satisfaction. *Psychology and Marketing, 22*(5), 393–420.
- Homburg, C., Wieseke, J., & Bornemann, T. (2009a). Implementing the Marketing Concept at the Employee-Customer Interface: The Role of Customer Need Knowledge *Journal of Marketing. 73*(4), 64–81.

- Homburg, C., Wieseke, J., & Hoyer, W. D. (2009b). Social Identity and the Service–Profit Chain. *Journal of Marketing*, 73(2), 38–54.
- Hur, W.-M., Moon, T.-W., & Jung, Y. S. (2015). Customer Response to Employee Emotional Labor: The Structural Relationship Between Emotional Labor, Job Satisfaction, and Customer Satisfaction. *Journal of Services Marketing*, 29(1), 71–80.
- Jackson, S. E., Schwab, R. L., & Schuler, R. S. (1986). Toward an Understanding of the Burnout Phenomenon. *Journal of Applied Psychology*, 71(4), 630–640.
- Jeon, H., & Choi, B. (2012). The Relationship Between Employee Satisfaction and Customer Satisfaction. *Journal of Services Marketing*, 26(5), 332–341.
- Kamakura, W. A., Mittal, V., de Rosa, F., & Mazzon, J. A. (2002). Assessing the Service-Profit Chain. *Marketing Science*, 21(3), 294–317.
- Keiningham, T. L., Frennea, C. M., Aksoy, L., Buoye, A., & Mittal, V. (2015). A Five-Component Customer Commitment Model: Implications for Repurchase Intentions in Goods and Services Industries. *Journal of Service Research*, 18(4), 433–450.
- Koys, D. J. (2001). The Effects of Employee Satisfaction, Organizational Citizenship Behavior, and Turnover on Organizational Effectiveness: A Unit-Level, Longitudinal Study. *Personnel Psychology*, 54(1), 101–114.
- Kumar, V., & Pansari, A. (2016). Competitive Advantage Through Engagement. *Journal of Marketing Research*, 53(4), 497–514.
- Loveman, G. W. (1998). Employee Satisfaction, Customer Loyalty, and Financial Performance: An Empirical Examination of the Service Profit Chain in Retail Banking. *Journal of Service Research*, 1(1), 18–31.
- Luo, X. (2009). Quantifying the Long-Term Impact of Negative Word of Mouth on Cash Flows and Stock Prices. *Marketing Science*, 28(1), 148–165.
- Marshall, K. P. (1998). Generalized Exchange and Public Policy: An Illustration of Support for Public Schools. *Journal of Public Policy & Marketing*, 17(2), 274–286.
- McNeely, B. L., & Meglino, B. M. (1994). The Role of Dispositional and Situational Antecedents in Prosocial Organizational Behavior: An Examination of the Intended Beneficiaries of Prosocial Behavior. *Journal of Applied Psychology*, 79(6), 836–844.
- Mittal, V., Rosen, J., Govind, R., Degenholtz, H., Shingala, S., Hulland, S., Rhee, Y. J., Kastango, K. B., Mulsant, B. H., Castle, N., Rubin, F. H., & Nace, D. (2007). Perception Gap in Quality-of-Life Ratings: An Empirical Investigation of Nursing Home Residents and Caregivers. *The Gerontologist*, 47(2), 159–168.
- Molm, L. D., Collett, J. L., & Schaefer, D. R. (2007). Building Solidarity Through Generalized Exchange: A Theory of Reciprocity. *American Journal of Sociology*, 113(1), 205–242.

- Morgan, N. A., & Rego, L. L. (2006). The Value of Different Customer Satisfaction and Loyalty Metrics in Predicting Business Performance. *Marketing Science*, 25(5), 426–439.
- Namasivayam, K., Guchait, P., & Lei, P. (2014). The Influence of Leader Empowering Behaviors and Employee Psychological Empowerment on Customer Satisfaction. *International Journal of Contemporary Hospitality Management*, 26(1), 69–84.
- Netemeyer, R. G., Maxham, J. G., III, & Lichtenstein, D. R. (2010). Store Manager Performance and Satisfaction: Effects on Store Employee Performance and Satisfaction, Store Customer Satisfaction, and Store Customer Spending Growth. *Journal of Applied Psychology*, 95(3), 530–545.
- O’Boyle, E., & Harter, J. (2013). *State of the American Workplace: Employee Engagement Insights for US Business Leaders*. Washington, DC: Gallup.
- Ostroff, C. (1992). The Relationship Between Satisfaction, Attitudes, and Performance: An Organizational Level Analysis. *Journal of Applied Psychology*, 77(6), 963–974.
- Pantouvakis, A., & Bouranta, N. (2013). The Interrelationship Between Service Features, Job Satisfaction and Customer Satisfaction: Evidence from the Transport Sector. *TQM Journal*, 25(2), 186–201.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perceptions of Service Quality. *Journal of Retailing*, 64(1), 12–40.
- Payne, S. C., & Webber, S. S. (2006). Effects of Service Provider Attitudes and Employment Status on Citizenship Behaviors and Customers’ Attitudes and Loyalty Behavior. *Journal of Applied Psychology*, 91(2), 365–378.
- Pritchard, M., & Silvestro, R. (2005). Applying the Service Profit Chain to Analyse Retail Performance: The Case of The Managerial Strait-Jacket? *International Journal of Service Industry Management*, 16(4), 337–356.
- Reed, A., II, Aquino, K., & Levy, E. (2007). Moral Identity and Judgments of Charitable Behaviors. *Journal of Marketing*, 71(1), 178–193.
- Rego, L. L., Billett, M. T., & Morgan, N. A. (2009). Consumer-Based Brand Equity and Firm Risk. *Journal of Marketing*, 73(6), 47–60.
- Reinartz, W. J., & Kumar, V. (2000). On the Profitability of Long-Life Customers in a Noncontractual Setting: An Empirical Investigation and Implications for Marketing. *Journal of Marketing*, 64(4), 17–35.
- Reynierse, J. H., & Harker, J. B. (1992). Employee and Customer Perceptions of Service in Banks: Teller and Customer Service Representative Ratings. *Human Resource Planning*, 15(4), 31–47.
- Reynolds, K. L., & Harris, L. C. (2006). Deviant Customer Behavior: An Exploration of Frontline Employee Tactics. *Journal of Marketing Theory and Practice*, 14(2), 95–111.

- Reynolds, K. L., & Harris, L. C. (2009). Dysfunctional Customer Behavior Severity: An Empirical Examination. *Journal of Retailing*, 85(3), 321–335.
- Richins, M. L. (1983). Negative Word-of-Mouth by Dissatisfied Consumers: A Pilot Study. *Journal of Marketing*, 47(1), 68–78.
- Robinson, D., Perryman, S., & Hayday, S. (2004). *The Drivers of Employee Engagement*. Brighton: Institute for Employment Studies.
- Ryan, A. M., Schmit, M. J., & Johnson, R. (1996). Attitudes and Effectiveness: Examining Relations at an Organizational Level. *Personnel Psychology*, 49(4), 853–882.
- Saks, A. M. (2006). Antecedents and Consequences of Employee Engagement. *Journal of Managerial Psychology*, 21(7), 600–619.
- Schau, H. J., Muñoz, A. M., Jr., & Arnould, E. J. (2009). How Brand Community Practices Create Value. *Journal of Marketing*, 73(5), 30–51.
- Schlesinger, L. A., & Zornitsky, J. (1991). Job Satisfaction, Service Capability, and Customer Satisfaction: An Examination of Linkages and Management Implications. *Human Resource Planning*, 14(2), 141–149.
- Shao, R., Aquino, K., & Freeman, D. (2008). Beyond Moral Reasoning: A Review of Moral Identity Research and Its Implications for Business Ethics. *Business Ethics Quarterly*, 18(4), 513–540.
- Siddiqi, M. A., & Sahaf, M. A. (2009). Customer Orientation of Service Employees and Organizational Performance: Empirical Evidence from Indian Banking. *Decision*, 36(2), 133–153.
- Silvestro, R., & Cross, S. (2000). Applying the Service Profit Chain in a Retail Environment: Challenging the ‘Satisfaction Mirror’. *International Journal of Service Industry Management*, 11(3), 244–268.
- Singh, J., & Sirdeshmukh, D. (2000). Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments. *Journal of the Academy of Marketing Science*, 28(1), 150–167.
- Skarlicki, D. P., van Jaarsveld, D. D., & Walker, D. D. (2008). Getting Even for Customer Mistreatment: The Role of Moral Identity in the Relationship Between Customer Interpersonal Injustice and Employee Sabotage. *Journal of Applied Psychology*, 93(6), 1335–1347.
- Srinivasan, S., & Hanssens, D. M. (2009). Marketing and Firm Value: Metrics, Methods, Findings, and Future Directions. *Journal of Marketing Research*, 46(3), 293–312.
- Steinke, C. (2008). Examining the Role of Service Climate in Health Care: An Empirical Study of Emergency Departments. *International Journal of Service Industry Management*, 19(2), 188–209.
- Subramony, M., Krause, N., Norton, J., & Burns, G. N. (2008). The Relationship Between Human Resource Investments and Organizational Performance: A Firm-Level Examination of Equilibrium Theory. *Journal of Applied Psychology*, 93(4), 778–788.

- Tornow, W. W., & Wiley, J. W. (1991). Service Quality and Management Practices: A Look at Employee Attitudes, Customer Satisfaction, and Bottom-Line Consequences. *Human Resource Planning, 14*(2), 105–115.
- Tuzovic, S. (2010). Frequent (Flier) Frustration and the Dark Side of Word-of-Web: Exploring Online Dysfunctional Behavior in Online Feedback Forums. *Journal of Services Marketing, 24*(6), 446–457.
- Ugboro, I. O., & Obeng, K. (2000). Top Management Leadership, Employee Empowerment, Job Satisfaction, and Customer Satisfaction in TQM Organizations: An Empirical Study. *Journal of Quality Management, 5*(2), 247–272.
- Van Doorn, J., Lemon, K. N., Mittal, V., Nass, S., Pick, D., Pirner, P., & Verhoef, P. C. (2010). Customer Engagement Behavior: Theoretical Foundations and Research Directions. *Journal of Service Research, 13*(3), 253–266.
- Van Dyne, L., & LePine, J. A. (1998). Helping and Voice Extra-Role Behaviors: Evidence of Construct and Predictive Validity. *Academy of Management Journal, 41*(1), 108–119.
- Varadarajan, P. R., & Menon, A. (1988). Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy. *Journal of Marketing, 52*(3), 58–74.
- Wangenheim, F. V., Evanschitzky, H., & Wunderlich, M. (2007). Does the Employee–Customer Satisfaction Link Hold for All Employee Groups? *Journal of Business Research, 60*(7), 690–697.
- Whitman, D. S., Van Rooy, D. L., & Viswesvaran, C. (2010). Satisfaction, Citizenship Behaviors, and Performance in Work Units: A Meta-Analysis of Collective Construct Relations. *Personnel Psychology, 63*(1), 41–81.
- Wiley, J. W. (1991). Customer Satisfaction: A Supportive Work Environment and Its Financial Cost. *Human Resource Planning, 14*(2), 117–121.
- Winterich, K. P., Mittal, V., & Ross, W. T. (2009). Donation Behavior Toward In-Groups and Out-Groups: The Role of Gender and Moral Identity. *Journal of Consumer Research, 36*(2), 199–214.
- Winterich, K. P., Zhang, Y., & Mittal, V. (2012). How Political Identity and Charity Positioning Increase Donations: Insights from Moral Foundations Theory. *International Journal of Research in Marketing, 29*(4), 346–354.
- Zablah, A. R., Carlson, B. D., Todd Donovan, D., Maxham, J. G., III, & Brown, T. J. (2016). A Cross-Lagged Test of the Association Between Customer Satisfaction and Employee Job Satisfaction in a Relational Context. *Journal of Applied Psychology, 101*(5), 743–755.