

Stemming the tide: dealing with the imbalance of customer relationship quality with the key contact employee versus with the firm

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Abstract

Purpose – Current relationship marketing literature has stressed the importance of building customer-employee bonds. These efforts sometimes result in customer-employee relationships that overwhelm or supersede the customer-firm relationships. Previous studies report that such an imbalance weakens the firm's position with the customer. Very little research has investigated what factors contribute to the imbalance and its consequences for the firm's relationship with the customer. This research aims to look at customer relationship quality (RQ) imbalance, specifically the imbalance that favors the employee, and identifies six factors as important antecedents. Also studied are the customers' cognitive and emotional reactions to the termination of the customer-employee relationship when RQ imbalance favors the employee.

Design/methodology/approach – In total, 780 customer-employee pairs from 72 service firms were surveyed using a structured questionnaire.

Findings – Analyses of variance (ANOVA) revealed significant group difference along all six antecedents and three consequences.

Research limitations/implications – The findings of this study suggest that imbalanced customer relationships might be prevented, or at least predicted, if the causes of such relationship structure are better understood.

Practical implications – Service organizations should be aware of the negative consequences of imbalanced customer relationships and take necessary caution in their company policies in order to eliminate the negative consequences of imbalanced customer relationships.

Originality/value – This study is the first quantitative inquiry into imbalanced customer relationship issues, which are extremely important in the services industry. Thus, it enhances the literature on services management.

Keywords Customers, Employees, Service industries, Customer service management

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

In the past decade, marketing scholars have called for firms to build strong relationships with their customers because quality relationships with customers could ensure future retention, referrals, and long-term profitability (e.g. Brown, 2001; Anderson and Robertson, 1995; Morgan and Hunt, 1994). One way of building high quality relationships with customers is to encourage customer-employee bond-building (e.g. Hartline and Jones, 1996; Doney and Cannon, 1997; Ramsey and Sohi, 1997; Price and Arnould, 1999; Reynolds and Beatty, 1999; Swan *et al.*, 1999). Previous studies have found that a customer's bond with a firm's employee will lead

to positive word of mouth (WOM) (Gremler *et al.*, 2001), stronger repurchase intention (Reynolds and Arnold, 2000), and higher levels of satisfaction with the organization (Swan *et al.*, 1999; Reynolds and Beatty, 1999). Current wisdom prescribes that companies encourage their employees to build strong personal customer-employee bonds (e.g. Berry and Parasuraman, 1991; Beatty *et al.*, 1996; Price and Arnould, 1999; Gremler *et al.*, 2001). Corporate America has responded by devoting a significant amount of resources towards employee training and recruiting systems that facilitate building strong interpersonal customer-employee relationships. Thus, a quality relationship between the customer and the key contact employee (Stanley, 1985) appears to represent another source of sustained competitive advantage (Hansen *et al.*, 2003).

However, previous studies on customer-employee and customer-firm relationships assume that the key contact

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employee continues working for the firm. Few studies have examined the potential harm caused by the termination of an imbalanced customer-employee relationship, where customer-firm relationships are stronger than customer-employee relationship. We use the *imbalance of relationship quality* to depict such phenomena (Bendapudi and Leone, 2002). Current thinking in this area suggests that the consequences of terminating customer-employee relationships in this situation are daunting. For example, American Express has projected that on average, 30 percent of a financial advisor's clients would move with their advisor if he or she were to leave the firm (Tax and Brown, 1998). Similar transferring events after a key contact employee's leaving have been reported in several other contexts (e.g. Sherden, 1992; Gutek, 1995; Payne *et al.*, 1995; Beatty *et al.*, 1996). Even when switching costs prohibit customers from defecting to a competitor, the dissolution of an imbalanced customer-employee relationship may cause customers to change their attitudinal loyalty to the service organization (Gamble, 1988), to re-evaluate their relationship with the firm (Anderson and Robertson, 1995; Duboff and Heaton, 1999), or to become receptive to competitive promotional activity.

A two-year long study by Bendapudi and Leone (2002) suggested that traditional strategies aimed at preventing the termination of customer-employee relationships or customer defection resulting from the termination (e.g. encouraging employee retention and requiring "non-compete" agreements with employees) have been shown to be largely ineffective. Service firms are especially vulnerable to the effects of an imbalanced customer-employee relationship. The purchase of a service is thought to be a process that depends in part upon the interpersonal interaction between the service provider and the customer (cf. Berry, 1983; Crosby *et al.*, 1990; Iacobucci and Ostrom, 1993; Ostrom and Iacobucci, 1998). Therefore, the attributes of the service context are much more likely to create an imbalanced customer-employee relationship, especially when the services are intense, close, and long-term (e.g. psychotherapist-client, patient-doctor, client-attorney).

Despite the negative impact and the high managerial relevance associated with the issue of imbalanced customer-employee relationship, very little research has investigated the causes of its origin (Bendapudi and Leone, 2001, 2002). Previous studies on customer-employee (service worker) relationships focus mainly on the bright side of such relationships (cf. Bove and Johnson, 2001). Little is known about the customers' emotional and cognitive reactions when the relationship with his/her favorite employee terminates. However, understanding such reactions could enable service organizations to take precautions to prevent switching events and to provide better customer care when facing the termination of an imbalanced customer relationship. We address this gap in the literature by identifying the factors that cause the imbalance of customer relationship quality and by examining customers' cognitive and emotional reactions to such imbalance upon the loss of the key contact employee.

The paper is organized such that it first provides a brief overview of the literatures relevant to the study. It then presents three categories of factors leading to the imbalance of customer RQ, and customers' cognitive and emotional reactions to the leave of the key contact employee under an imbalanced relationship situation. The research methods and

results are then presented. The paper concludes with managerial implications and suggestions for future research.

Conceptual background and hypotheses development

The service triangle model and imbalance of customer RQ

The service triangle model (see Figure 1) reveals that the customer's service experience is defined by the service strategy and systems (controlled by service organization) and the people involved in delivering and receiving the service (the customer and the employee) (Kotler, 1997). Essentially, the service triangle involves three pairs of relationships:

- 1 customer-employee relationships;
- 2 customer-firm relationships; and
- 3 employee-firm relationships.

All three pairs of relationships are typical commercial relationships that are important in the relationship marketing paradigm (Iacobucci and Ostrom, 1996a, b; Martin, 1996). This study aims to examine a variety of factors leading to the imbalance between the two pairs of customer relationships:

- 1 customer-employee; and
- 2 customer-firm relationships.

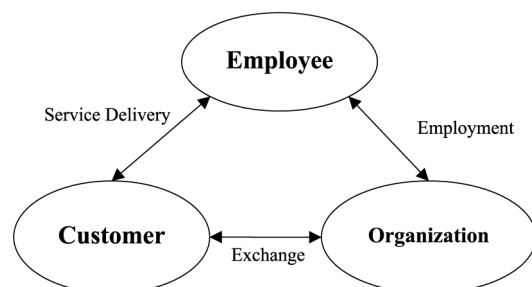
Researchers believe that the customer-employee and customer-firm relationships are fundamentally different constructs (Iacobucci and Ostrom, 1996) and can be empirically discriminated from each other (Macintosh and Lockshin, 1997). Thus, it is desirable to set up some common factors (i.e. features that can be used to describe and compare various commercial relationships) against which we could compare and contrast the two relationships.

In the psychological literature Wish *et al.* (1976) identified four underlying dimensions of interpersonal relations:

- 1 the power symmetry-asymmetry;
- 2 the valence;
- 3 the intensity of the relationship; and
- 4 whether a relationship is primarily social or work-related.

Marketing researchers have used similar dimensions in their relational work. For example, Krapfel *et al.* (1991) use a combination of "amount of common interest" (which might correspond to intensity) and "relationship value" (which might correspond roughly to valence) to classify a business's relationships into quadrants (partner, friend, rival, acquaintance). Iacobucci and Ostrom (1996a, b) argue that commercial relationships (e.g. individual-to-firm, individual-

Figure 1 Customer-employee-organization triad



to-individual, and firm-to-firm relationships) have four standard properties:

- 1 closeness (similar to intensity);
- 2 valence;
- 3 asymmetry; and
- 4 formality (formal versus informal).

All these four properties were shown to be useful in characterizing dyadic relations. Because our two commercial relationships are both formal, and symmetry in power, the two other dimensions – valence and intensity – could be used to differentiate these two types of relationships. However, this research assumes that both customer-firm and customer-employee relationships have a positive valence because a bad relationship with the firm but a good relationship with an employee is uncommon. Therefore, we will focus on the intensity difference of customer-employee and customer-firm relationships for the rest of the paper.

Following Bove and Johnson (2001), we adopted customer relationship quality (RQ) to measure the intensity of customer-employee and customer-firm relationships. Customer RQ can be defined as the magnitude, degree or extent of a customer relationship with a service organization (and contact employee) and treat it as a second-order latent construct, encompassing satisfaction, trust and commitment (cf. Roberts *et al.*, 2003). We also conceptualized the intensity difference of the two pairs of relationships as the imbalance of customer RQ. Theoretically, the imbalance of two levels of customer RQ can occur when the customer-employee relationship is stronger than the customer-organization relationship (i.e. imbalance of RQ in favor of the employee), or *vice versa*. The imbalance of RQ in favor of a key contact employee is the focus of our study. By definition, *the imbalance of RQ in favor of a key contact employee occurs when customers' perceived relationship quality with a key contact employee is significantly higher than their relationship quality with the firm the employee represents*. The following section will examine a list of antecedents that could potentially lead to the imbalance of customer RQ.

Antecedents of RQ imbalance

In understanding the antecedents leading to the imbalance of RQ, we believe that the attribution theory (Heider, 1958) and relationship benefits literature (e.g. Hennig-Thurau *et al.*, 2000) is relevant. In particular, through the attribution process customers “locate” relative importance to the key contact employee or to the firm, or both. When they believe that the key contact employee is more important in delivering positive service experiences than the firm (or *vice versa*), they may differentiate their relationships with the two targets. Similarly, customers may also differentiate the relative contributions from a key contact employee or from the firm in providing the relational benefits, as reported in the relationship marketing literature (e.g. Hennig-Thurau *et al.*, 2002).

Attribution theory

Attribution theory (Heider, 1958) suggests two fundamental factors that affect how consumers form their attitudes, perceptions, or behavioral intentions; stability and controllability (Weiner, 1985, 2000). The stability dimension is defined as the consistency with which one can anticipate the likelihood of product (service) satisfaction. The controllability dimension (locus of control) concerns the

ability or responsibility for the various elements of the product (service) experience. Understanding how customers make attributions about the firm versus the key contact employee with regards to their locus of control and stability in service experiences could better illuminate how the RQ imbalances develop. If customers believe that the key contact employee is important in delivering such positive experiences and in maintaining such positive experiences in the future than the firm, they will certainly trust more in the key contact employee and commit to stronger relationships with the key contact employee.

Relational benefits

It is generally agreed that both parties in a relationship must benefit for it to continue in the long run. The relationship marketing literature has identified relationship benefits as either the core service benefits and/or the relational benefits (Hennig-Thurau *et al.*, 2000; Reynolds and Beatty, 1999). Previous studies suggest that there are three types of relational benefits:

- 1 confidence benefits;
- 2 special treatment benefits; and
- 3 social benefits (Bendapudi and Berry, 1997; Berry, 1995; Gwinner *et al.*, 1998).

By definition, confidence benefits are “feelings of reduced anxiety, trust, and confidence in the provider” (Gwinner *et al.*, 1998, p. 104); special treatment benefits are exemplified as “receiving price breaks, faster service, or individualized additional services”; and social benefits “are characterized by personal recognition of customers by employees, the customer’s own familiarity with employees, and the creation of friendships between customers and employees” (Hennig-Thurau *et al.*, 2002, p. 234).

We believe that it is desirable to examine the impacts of various organizational, employee, and customer variables on the customers’ perceived relational benefits generated from both customer-employee and customer-organization relationships. That is, when a certain organization, employee, or customer variable makes customer-employee relationship more beneficial (i.e. perceived higher/stronger relational benefits), this variable will, in turn, lead to imbalance of customer RQ. Table I illustrates how the variables of interest influence the relative contributions of the key contact employee and the firm in providing relational benefits.

Drawn from the attribution theory and the relationship marketing literature, three categories of variables are proposed to lead to RQ imbalance (see Figure 2):

- 1 organizational variables including empowerment level and the degree of multi-facet interaction;
- 2 employee variables including extra-role performance toward the customer and job-tenure with the organization; and
- 3 customer variables including gender and trust propensity.

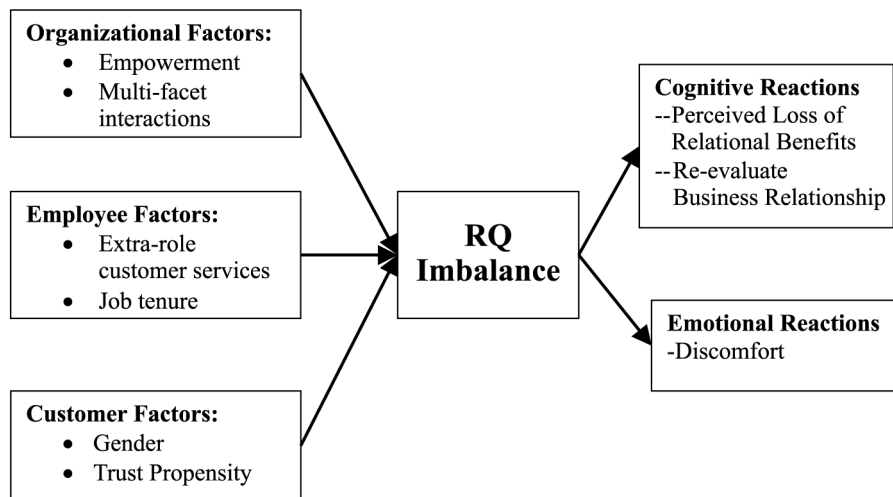
These three categories of antecedents echo the three parties at the service triangle model. Table I summarizes how these factors impact the relative importance of the key contact employee and the firm in delivering positive service experiences. Figure 2 also presents three potential outcomes of RQ imbalance. Detailed arguments will be provided below.

Table I Antecedents of RQ imbalance and attribution process

Categories	Antecedents	Locus of control	Stability	Confidence	Special treatment	Social benefits
Organizational factors	Empowerment	E ^a	E	E	E	
	Single-facet customer interaction	F ^b	F	F		F
Employee factors	Extra-role customer service	E	E	F	E	E
	Job tenure	E/F ^c	E/F			
Customer factors	Customer gender (female)			E	E	E
	Customer trust propensity			E/F		

Notes: ^aE means that the key contact employee will be perceived to be more important than the firm; ^bF means that the firm will be perceived to be more important than individual employees; ^cE/F means that the key contact employee and the firm are equally important

Figure 2 Antecedents and consequences of RQ imbalance



Empowerment

Empowerment refers to the process of enabling employees by giving them the power and autonomy to exercise control over job-related situations and decisions (Conger and Kanungo, 1988; Bowen and Lawler, 1992). Empowerment research indicates that empowerment increases the likelihood that employees will take extra measures to ensure that customers have positive service experiences, which lead to higher satisfaction and higher customer loyalty (Lawer *et al.*, 1995; Scott and Bruce, 1994). Thus, the empowerment of key contact employees has often been recommended as an effective strategy for enhancing customer loyalty (e.g. Parasuraman *et al.*, 1988; Hartline *et al.*, 2000). Chebat and Kollias (2000) find that empowerment significantly affects the behavior and attitudinal dispositions of boundary-spanning service employees. Empowered employees are found to be more likely to exhibit customer-oriented behaviors because they become more flexible and adaptive in the face of changing customer needs (see Scott and Bruce, 1994). Empowerment also increases employee discretion and encourages employee-initiated control because employees enjoy more flexibility. In other words, under higher empowerment policies, employees are more likely to interact with customers in a less scripted fashion (i.e. more flexible).

Based on all these previous studies, we argue that an individual employee may be credited more under higher empowerment policies. First, under higher empowerment policy, the flexibility and adaptability demonstrated by individual employees may increase the variance of perceived service quality delivered by different contact employees. Thus, the customer believes that one key contact employee is the vital component of the service experience and this employee will “make” the desirable service experience happen next time. Therefore, the customer will allocate higher importance to the key contact employee than to the firm. Second, due to the possible variance of perceived service quality, the customer may rest his/her confidence solely on one key contact employee. Similarly, the flexible responses given to the customer may lead the customer to believe that the employee is offering a special treatment, and only this employee will offer that special treatment. In sum, the customer will allocate more confidence and special treatment benefits to the individual contact employee than to the firm. Therefore, we would expect the degree of empowerment will positively influence the imbalance of RQ in favor of the employee. Based on the above discussion, the following hypothesis is offered:

H1. Employees with high levels of empowerment are more likely to creat RQ imbalance compared to those with low levels of empowerment.

Multi-facet customer interaction

The nature of customers' interaction with the firm and its impact on customer attitude has long been documented in the marketing literature (File and Prince, 1993; Hartline and Jones, 1996). Generally speaking, customer interactions can be conducted in one of two ways:

- 1 between the customer and one employee from the firm; or
- 2 between the customer and several employees from the firm.

For the purpose of our study, we define multi-facet interaction as the interaction pattern where the customer has direct interactions with multiple employees from the firm during a single service experience.

Multi-facet customer interaction may take many forms, such as selling teams (Moon and Armstrong, 1994), selling centers (Hutt *et al.*, 1985), and employee rotation (Bendapudi and Leone, 2001). Employees may interact with the customer simultaneously or with the customer individually over the service experience. Multi-facet interactions reduce the likelihood that customers will establish exclusive relationships with any of the employees since the service is provided by multiple employees. In contrast, under single-facet interactions, where a key contact employee is the only contact that links the customer and the service organization, customers are more likely to develop exclusive relationships, such as "commercial friendships" (Price and Arnould, 1999). Thus, the exclusive social benefits attributed to an individual employee are more likely to happen. Therefore, the following hypothesis is offered:

- H2. Customers under single-facet interactions are more likely to develop an imbalance of customer RQ in favor of a key contact employee compared to those under multi-facet interactions.

Extra-role performance

There are two types of employee prosocial behavior:

- 1 role-prescribed performance; and
- 2 extra-role performance (Organ, 1988).

Role-prescribed performance refers to the expected employee behaviors (Brief and Motowidlo, 1986; Katz and Kahn, 1978), which derive from explicit norms in the workplace or from job descriptions and performance evaluation standards (Bettencourt and Brown, 2003). Extra-role performance refers to employee discretionary behaviors that extend beyond the formal job description (Brief and Motowidlo, 1986; Katz and Kahn, 1978). From a customer's perspective, extra-role performance may not exactly reflect all the behaviors that extend beyond job description. However, customers may use the "standard" behaviors of other employees from the firm or even from the industry standards to "gauge" the extent to which an employee has engaged in extra-role behaviors.

In the services marketing context, studies on extra-role performance (i.e. extra-role customer service) suggest its strong, positive impacts on customer satisfaction and positive emotional responses (cf. Bitner, 1990) and is assumed to be beneficial to the firm (Katz and Kahn, 1978; Organ, 1988; Puffer, 1987). However, we argue that extra-role customer service may increase the likelihood of RQ imbalance that favors the key contact employee. The proposition lies in the different attribution process that the customer may adopt to infer the role-prescribed versus extra-role performance.

Generally, customers will attribute the role-prescribed performance as a requirement for continued employment and as such it lies within the firm's locus of control. However, duties performed outside of the roles prescribed by the firm may be attributed to the individual employee's good intentions and his or her commitment to the customer (Doney and Cannon, 1997). Further, the extra-role service may be interpreted by the customer as special treatment initiated by the key contact employee. Extra-role performance also enhances the social rapport with customers and offers an opportunity for customers to observe the employee as an individual, thus helping them predict the employee's future behaviors with greater confidence (Price and Arnould, 1999). Since all these positive attributions are directed at the individual employee, one would expect to observe higher imbalance of RQ in favor of the key contact employee if the employee conducts more extra-role customer services. Therefore, we propose the following:

- H3. Employees engaged in more extra-role performance toward the customer are more likely to cause imbalance of customer RQ in favor of the key contact employee compared to those engaged in less extra-role performance.

Job tenure

Job tenure in the organization refers to the length of time that an individual employee has worked for the organization. Previous studies support a positive relationship between job tenure and organizational commitment (e.g. Mowday, 1981; Stevens *et al.*, 1978; DeCotiis and Summers, 1987; Mathieu and Zajac, 1990). As employees' organizational commitment increases, they are more likely to behave in the best interests of the organization. Therefore, we would expect that they are less likely to intentionally block the transference process through which customers attribute a positive experience not only to the employee but also to the firm (cf. Doney and Cannon, 1997). Previous studies frequently reported that salespeople or independent agents intentionally enhance customer dependency to increase their own bargaining power (e.g. Anderson and Robertson, 1995). It is expected that such intentional blocking should be more likely to occur for a newer employee because his/her personal interests are less likely to align with the firm's [1]. Therefore, we would expect that shorter job tenure leads to higher likelihood of RQ imbalance that favors the key contact employee. Based on the above discussion, the following hypothesis is offered:

- H4. Employees with short job tenure are more likely to cause RQ imbalance compared to those with long job tenure.

Customer gender

Marketing researchers have examined the gender effects across a number of areas (e.g. Fischer and Arnold, 1990; Mattila *et al.*, 2003; Iacobucci and Ostrom, 1993). One interesting finding relevant to our study is that women tend to focus on process more than outcomes (Iacobucci and Ostrom, 1993; Deaux and Major, 1987). Women are typically socialized to maximize the interpersonal aspects of their relationships, thus contributing to an emphasis on the process component (Gilligan, 1982). Consequently, we would expect women customers to focus their attention more on the service

process than their male counterparts, including the interpersonal contacts with the key contact employee. Thus, they are more likely to maximize such interpersonal aspects of the service experience. As a matter of fact, several studies have shown that women, compared with men, are more likely to develop stronger relationships at the interpersonal level than at impersonal level (e.g. Iacobucci and Ostrom, 1993). Therefore, women customers may be generally more sensitive to relational aspects of a service encounter and pay more attention to personal contribution of individual employees. Thus, we expect that women customers are more likely to develop stronger RQ with individual employees. Therefore, the following hypothesis is offered:

H5. Compared with men, women customers are more likely to develop imbalance of customer RQ in favor of the key contact employee.

Customer trust propensity

Customer trust propensity refers to a customer's general inclination to display faith in humanity, and to adopt a trusting stance toward others (Gefen, 2000). This tendency to believe in another party's benevolence is not based on experience with, or knowledge of, that party, but the result of lifelong experience and socialization (Fukuyama, 1995; McKnight *et al.*, 1998). Consequently, customers with higher trust propensity are more likely to develop relationships with another entity based on limited experience or knowledge. In other words, customers with higher trust propensity are more likely to trust anybody (entity). Thus, the additional contribution of knowledge or experience with a specific entity is lower for them when evaluating relationship quality with that entity. Applying this argument in the context of this study, we would expect the difference between customer RQ with employee versus with the firm to be less influenced by the behaviors or performance of the employee. Instead, their general inclination may lead them to allocate more comparable trust, hence comparably commit to, both entities. Thus, we hypothesize that the imbalance of RQ between the two levels is lower for customers with higher trust propensity.

H6. Customers with higher trust propensity are less likely to develop an imbalance of customer RQ in favor of the key contact employee.

Consequences of imbalance of customer RQ

As discussed above, most studies on customer relationships were conducted in the context of ongoing relational exchanges (Bendapudi and Leone, 2002). Two exceptional studies that address the possible consequences of the leaving of a star employee were exploratory in nature (Bendapudi and Leone, 2002; Beatty *et al.*, 1996). Both studies utilized qualitative research methods. This study will quantitatively gauge the potential consequences caused by RQ imbalance. The following section elaborates on customers' cognitive and emotional reactions to the leave of their favorite key contact employee.

Customer cognitive reactions

When a customer's favorite key contact employee is no longer available to serve him/her, we anticipate at least two cognitive reactions to occur:

- 1 perceived loss of relational benefits; and
- 2 re-evaluation of business relationship with the service organization.

Perceived loss of relational benefits

The relationship marketing literature consistently suggests that strong interpersonal relationships between customer and employee will enhance the perceived relational benefits toward the service organization (e.g. Reynolds and Beatty, 1999; Reynolds and Arnold, 2000). However, the relational benefits derived from the interpersonal relationships will be lost when a key contact employee is no longer available to the customer (Guiltinan, 1989; Burnham *et al.*, 2003). We argue that if the key contact employee is no longer available, customers may perceive a loss of all three types of relational benefits and such loss would be greater when there is an imbalance of customer RQ. Specifically, when a key contact employee is no longer available, the customer needs to rebuild his or her confidence in the service quality provided by the replacement. If the customer also has a strong RQ with the service organization, he or she will have more faith in other employees from the service organization. However, if the customer does not equally trust the service organization, he or she will show greater concerns about the quality of services provided by other employees (Bendapudi and Leone, 2001). Therefore, when RQ imbalance favors the key contact employee, the customer will experience a greater loss of confidence benefits when their key contact employee is unavailable. Similarly, because interpersonal friendships and familiarity are not transferred to other employees instantly, customers will also feel that they are losing social benefits and the special treatment extended by the key contact employee. Therefore, when the customer's RQ with the key contact employee is stronger than their RQ with the organization, such feelings of loss will be increased. Therefore, the following hypothesis is offered:

H7. Customers with RQ imbalance are more likely to perceive more loss of relational benefits when the key contact employee stops serving the customer.

Re-evaluation of business relationship

Previous studies have repeatedly shown that customer RQ with employees has a positive impact on customer retention (e.g. Beatty *et al.*, 1996). Therefore, if a customer has a strong relationship with one service contact employee, the service organization will benefit from this strong linkage because the customer is more likely to maintain the business relationship with the service organization. However, if the key contact employee is no longer available, the strength of the relationship between a customer and the service organization will determine the customer's inclination to maintaining business relationship. If the customer also has a strong relationship with the service organization, he or she will be more likely to patronize the business even when the key contact employee is no longer available. However, we would expect that RQ imbalance in favor of one employee would lead customers to re-evaluate their business relationship with the service organization when the key contact employee becomes unavailable (cf. Bendapudi and Leone, 2002). The re-evaluation process opens a door for competitors and increases the likelihood that the customer

becomes dissatisfied with the service (Beatty *et al.*, 1996). Accordingly, we hypothesize:

- H8. Customers with RQ imbalance are more likely to re-evaluate business relationship with the service organization when the key contact employee stops serving the customer.

Customer emotional reaction: discomfort

Consumer emotions evoked by marketing stimuli have been shown (in numerous contexts) to play an important role in consumer decision-making processes (cf. Laros and Steenkamp, 2005). A large number of basic consumer emotions have been measured and studied before (e.g. Richins, 1997), but we believe that discomfort could be a unique emotional reaction when a customer “loses” his/her favorite contact employee.

Price and Arnould (1999) suggest that close “commercial friendships” between customer and service worker could generate comfortable service delivery environment. Spake *et al.* (2003) found that as customers develop relationships with service providers (both individual employee and service organization) they will experience more comfort. But, when the individual service provider is no longer available, the customer may experience discomfort. For example, Spake and Beatty (2000) had this quote from one informant: “I talked so ugly to her when she told me she was leaving. I had a fit. I had an absolute fit. I told her I couldn’t believe she was going. I felt abandoned. I was lost. I was so lost”. Similarly, Bendapudi and Leone (2001) have reported that customers generally will show concern and feel discomfort when their trusted salesperson leaves the selling company. When the customer’s RQ with the service organization is weaker than that with a key contact employee, the customer will experience greater discomfort, because the customer will perceive more risks or uncertainty with future transactions. Thus, the following hypothesis is offered:

- H9. Customers with RQ imbalance are more likely to experience discomfort when the key contact employee stops serving the customer.

Methods

Sample and survey administration

Given the purpose of this study, we chose service contexts where customers have repeated contacts with one primary service provider (Gutek, 1995) rather than with a different provider each visit (e.g. hair-stylist, insurance agent, doctor, or fitness coach). Such focus enables us to see variations in RQ imbalance because one-to-one dyads will exhibit stronger customer relationships with key contact employees (e.g. hair dresser, insurance agent) than services where the contact employee is different with each interaction (e.g. checking out at a grocery store). Keeping this consideration in mind, the authors prepared a list of service businesses (see the Appendix) from which customer-employee dyads were recruited. Several rounds of interviews were conducted with a convenience sample of service providers to finalize the wording of the questionnaire.

Marketing students from a Southeastern University were trained in a data-collection session hosted by the authors. Specific instructions concerning participant qualifications

were given to reduce error in the data collection process. Students were recruited to serve as data collectors, a technique that has been successfully used in a variety of services marketing studies (e.g. Hennig-Thurau *et al.*, 2002; Gwinner *et al.*, 1998).

A group of trained marketing students approached 72 service firms based on the above-mentioned list, and asked the firm’s management for permission to survey their employees and customers. During a ten-day period, 67 agreed to participate, yielding a 93 percent response rate at the firm level[2]. Upon agreement from the managers, at least four service contact employees were randomly selected and were asked to complete a short paper-and-pencil survey (the employee survey). From the 67 participating service firms, we were able to recruit 279 employees to participate in the employee survey – about 4.2 employees per firm[3]. Once the employee survey was completed, the employee was asked if we could survey their regular customers. Participating employees provided a list of their regular customers from which four customers were randomly selected from the list using simple randomization.

It is worth noting that, in the customer survey, we utilized a hypothetical scenario by asking customers to imagine if the key contact employee were no longer available for serving them. Such scenario-based role-playing has been used frequently in services research (e.g. Smith *et al.*, 1999). Based on contact information provided by the 279 participating employees, we were able to approach about 1,100 customers, 780 of whom actually completed the customer paper-and-pencil survey (the customer survey), yielding a response rate of 71 percent at the customer level. In total, 780 customer responses were matched with employee responses to create a single dataset in which the cases represent pairs of customer-employee rather than individual employees or customers. The following data analyses are based on the 780 pairs. All respondents were independently validated by the authors either through e-mail or phone call.

The customer and employee respondent demographics are shown in Table II. The customer profile was 64.4 percent female (obviously, more females than males), relatively young (47.1 percent are 18-25 years of age), and were long term customers for both the service organization (on average, 60 months of service relationship with the firm) and the individual employee (on average, 40 months of service relationship with the employee). The employee profile was 54.1 percent female, relatively young (85.7 percent are below 49 years of age), educated (86.4 percent of them have some college education), and diversified (21.9 percent African American and 74.6 percent White/Caucasian). The employee respondents are also long-term employees for the organization (on average 81.33 months of working experience with the firm) and for the industry (on average, 117.33 months of working experience in the industry).

Measures

The measures used in the study and corresponding Cronbach’s α are reported in Table III. Table III also provides information about where the scales appeared – i.e. in the customer survey or in the employee survey.

Table II Respondent demographics

	Customer profile		Employee profile	
	<i>n</i>	Percentage of respondents	<i>n</i>	Percentage of respondents
Sex				
Male	271	34.7	128	45.9
Female	503	64.4	151	54.1
	(6 missing)			
Age				
18-25 years old	365	47.1	103	36.9
26-35 years old	145	18.7	78	28.0
36-49 years old	141	18.2	58	20.8
>50 years old	123	15.7		
	(6 missing)			
50-65 years old	40	14.3		
History with the company	M = 60 months			
History with the employee	M = 40 months			
Education				
High school or lower	38	13.6		
Some college	135	48.4		
College graduate and above	106	38.0		
Frequency of interaction with the company				
Once a week or more	302	38.7		
Once every two or three weeks	157	20.1		
Once every one or two months	144	18.4		
Once every three to six months	109	14.0		
Less than once a year	56	7.2		
	(12 missing)			
Marital status				
Single	145	51.9		
Married	112	40.1		
Divorced/widowed	22	8.0		
Ethnicity				
African American	61	21.9		
White/Caucasian	208	74.6		
Asian/Hispanic/others	10	3.5		

Customer RQ with the employee and with the organization

Although there is no consensus regarding the components or dimensions of relationship quality in past research (*cf.* Roberts *et al.*, 2003), it is generally agreed that customer satisfaction with the employee's (firm's) performance, trust in the employee (firm), and commitment to the relationship with the employee (firm) are key components of relationship quality (Hennig-Thurau *et al.*, 2002; Crosby *et al.*, 1990; Garbarino and Johnson, 1999).

Customer satisfaction with the service contact employee and the organization was measured with a previously developed scale (Oliver and Swan, 1980). Trust was measured using five items from a scale developed by Morgan and Hunt (1994). Four items were adopted from Garbarino and Johnson (1999) to measure customer's commitment to the relationship with the service contact employee and the organization. All of these scales have a Cronbach's α of 0.92 or higher. The combined mean score of the three constructs is then computed as an index of customer relationship quality.

As defined above, the imbalance of RQ is conceptualized as the difference between customer RQ with an individual employee versus with the organization the employee represents. To operationalize the imbalance of RQ in favor of the employee, we first computed the mean score of customer-employee RQ and then subtracted the mean score of customer-organization RQ from it to arrive at the degree of imbalance.

Empowerment

Four items were adopted from a scale developed by Cook *et al.* (1981). The composite of the four items has a high reliability α (0.90).

Multi-facet interaction

A single item asked the customer about the extent to which she/he has contact with employees other than the primary employee.

Table III Measures of constructs

Empowerment (four items) (Cronbach's $\alpha = 0.90$; employee survey)	<p>Anchors: strongly disagree (1)-strongly agree (7)</p> <ol style="list-style-type: none"> 1. In my company, employees are allowed complete freedom in our work 2. In my company, employees are permitted to use our own judgment in solving problems 3. In my company, we are encouraged to do our work the way we think best 4. In my company, we are trusted to exercise good judgment
Extra-role performance toward customers (five items) (Cronbach's $\alpha = 0.91$; employee survey)	<p>Anchors: never (1)-always (7)</p> <ol style="list-style-type: none"> 1. I voluntarily assist customers even if it means going beyond job requirements 2. I help customers with problems beyond what is expected or required 3. I go above and beyond the call of duty when serving customers 4. I am willing to go out of my way to make a customer satisfied 5. I go out the way to help a customer
Job tenure (one item) (employee survey)	How long have you worked for this company? ___years and ; ___months
Relationship quality with the key contact employee/ company (three dimensions; customer survey)	<p>Satisfaction (Cronbach's $\alpha = 0.93/0.94$)</p> <ol style="list-style-type: none"> 1. I am satisfied with the relationship I have with her/him (this company) 2. I am pleased with the relationship I have with her/him (this company) 3. My relationship with her/him (this company) has more than fulfilled my expectations <p>Trust (Cronbach's $\alpha = 0.92/0.96$)</p> <ol style="list-style-type: none"> 1. S/he (this company) can be trusted completely 2. S/he (this company) can be counted on to do what is right 3. S/he (this company) is someone that I have great confidence in 4. S/he (this company) can be relied upon <p>Commitment (Cronbach's $\alpha = 0.96/0.93$)</p> <ol style="list-style-type: none"> 1. The relationship with her/him (this company) is very important to me 2. The relationship with her/him (this company) is something I really care about 3. The relationship with her/him (this company) deserves my maximum effort to maintain 4. I am very committed to the relationship with her/him (this company)
Degree of multi-facet interaction (one item) (customer survey)	<p>Anchors: strongly disagree (1)-strongly agree (7)</p> <ol style="list-style-type: none"> 1. I have regular contacts with more than one employee from this company
Customer trust propensity (three items) (Cronbach's $\alpha = 0.88$; customer survey)	<p>Anchors: very unlikely (1)-very likely (7)</p> <ol style="list-style-type: none"> 1. Most people are trustworthy 2. Most people can be relied upon to tell the truth 3. In general, people can be trusted to do what they say they will do
Perceived loss of relational benefits (four items) (customer survey)	<p>Anchors: strongly disagree (1)-strongly agree (7)</p> <p>If s/he (the key contact employee) stopped serving me ...</p> <ol style="list-style-type: none"> 1. ... the service I might receive from her/his colleagues could be worse than what I am now receiving 2. ... I might not be sure what level of service would be from his/her colleagues 3. ... I would lose preferential treatment 4. ... I might lose certain special offers to exercise good judgment 5. ... I would have to learn how things work at a new one 6. ... I would not receive particular privilege from his/her colleagues
Discomfort (eight items) (Cronbach's $\alpha = 0.96$; customer survey)	<p>Anchors: strongly disagree (1)-strongly agree (7)</p> <p>If s/he (the key contact employee) stopped serving me ...</p> <ol style="list-style-type: none"> 1. ... I would feel uncomfortable 2. ... I would feel very uneasy 3. ... I would feel worried 4. ... I would feel distressed 5. ... I would feel troublesome 6. ... I would feel turbulent 7. ... I would feel very tense 8. ... I would feel insecure
Propensity to re-evaluate business relationship (one item) (customer survey)	<p>Anchors: strongly disagree (1)-strongly agree (7)</p> <ol style="list-style-type: none"> 1. If s/he (the key contact employee) stopped serving me, I would seriously re-evaluate my business relationship with the company

Job tenure

Job tenure measures the length of employment at the firm. A numerical answer to the single question “how long have you worked for this company?” was gathered and measured on a monthly basis.

Extra-role performance towards customers

As part of the prosocial behaviors, extra-role performance towards customers measures the frequency of helpful employee behaviors directed towards customers. Five items were adopted from Organ (1988), and the scale has a high reliability α of 0.91.

Customer trust propensity

Customer trust propensity measures a customer’s general tendency to adopt a trusting stance toward others. For the sake of parsimony, only three items from a pre-established scale (Gefen, 2000) were used to measure customer’s trust propensity. The reliability α was 0.88.

Perceived loss of relational benefits

This construct is the opposite of perceived relational benefits. Therefore, we adopted a subset of items from Hennig-Thurau *et al.* (2002) by rewording them into the loss of three types of relational benefits. For the sake of parsimony, we adopted two items for each type of relational benefits (i.e. confidence benefits, special treatment benefits, and social benefits) from their study to measure the composite loss of relational benefits. Since classifying the loss of each type of relational benefits is not the focus of our study, we treat the six items as an overall index scale. It has a reliability of 0.83.

Discomfort

Eight items were adopted from Spake *et al.* (2003) to measure the level of discomfort. The original scale was a semantic differential scale, but we changed them into Likert scale, to unify the format of questions in this survey. Consistent with their report, this scale demonstrated a high reliability in our study too (0.96).

Propensity to re-evaluate business relationship

A self-developed single-item scale was used to capture a customer’s likelihood to re-estimate their ongoing relationship with the service organization upon the key contact employee leaving.

Analysis and results

Measurement model analysis

Measurement reliability and validity is assessed by estimating a factor confirmatory measurement model, where all three consequences and six antecedents of RQ imbalance were included. In the model, each item was set to load only on its own factor, and the factors were allowed to correlate. Although the χ^2 statistic, which is highly influenced by a large sample size, was significant (χ^2 of with 369 degrees of freedom = 1,282.38, $p < 0.001$), other indices not as heavily influenced by a large sample size indicate support for the measurement model (CFI = 0.957, NFI = 0.941, IFI = 0.957, RMSEA = 0.067; Bollen, 1989). These results indicate the unidimensionality of the measures (Anderson and Gerbing, 1988). Further, all factor loadings were statistically significant ($p < 0.01$) and the composite reliabilities of each construct all exceeded the usual 0.60 benchmark (Bagozzi

and Yi, 1988). Thus, these measures demonstrate adequate convergent validity and reliability. Moreover, all the cross-construct correlations were significantly smaller than $|1.00|$ ($p < 0.01$), signifying the discriminant validity of these measures (Phillips, 1981).

Hypotheses testing

Given the supportive evidence for the construct validity of antecedents and outcomes of RQ imbalance, we tested our hypotheses by conducting an analyses of variance (ANOVA)[4]. The results indicate that all nine hypotheses were supported by the data.

First, we checked the normality of the imbalance of RQ by conducting a Q-Q testing, which tests whether one dataset is normally distributed. The results confirmed the normality of the imbalance of RQ (i.e. the difference between customer-employee RQ and customer-organization RQ; $\mu = -2.722$, $\sigma = 2.375$). Then, we categorized the 780 customers into three groups. The first, the balanced group ($n = 462$) included customers whose RQ with the key contact employee were about equal to their RQ with the service organization. We quantified this group by identifying those whose scores of RQ imbalance were within one standard deviation. The second group, the favoring-organization group ($n = 167$), included those customers who have stronger RQ with the service organization than with the key contact employee and their RQ differences favoring the service organization are at least one standard deviation bigger than the balanced group. Lastly, the favoring-employee group ($n = 151$) were those customers who have stronger RQ with the key contact employee and their RQ differences favoring individual contact employees are at least one standard deviation bigger than the balanced group.

Given the possible contamination effects of some variables, including customer-employee relationship history, customer-firm interaction frequency, and firm size, we treated these three variables as covariates in all ANOVA calculations. Results from ANOVAs on all the six antecedent variables and three consequences indicate that there is significant group difference along all factors of our interest. The results of Duncan’s multiple range procedure, which was adopted to further test whether there are significant mean difference of variables of interest across these three groups, are reported in Table IV. For the empowerment, employees serving the favoring-employee group have reported significantly higher empowerment from their organization than those serving the balanced group and the favoring-organization group ($\bar{X}_{\text{favoring-employee}} = 6.10$ versus $\bar{X}_{\text{balanced group}} = 5.26$ and $\bar{X}_{\text{favoring-organization}} = 5.15$; $p < 0.001$). The rest of the post-hoc comparisons can be interpreted in the same way. Table IV shows that all six antecedents and three outcomes of RQ imbalance differ by groups and the direction of group difference is as predicted.

Discussion

Although previous studies suggest that the imbalance of customer RQ in favor of the employee may well pose vulnerability to the service organization, especially when the employee is no longer available (Bendapudi and Leone, 2001, 2002), little research has been conducted to understand what causes such imbalance. Few studies have investigated into the potential consequences of such imbalance upon the leave of

Table IV Analysis of variance for six antecedents and three consequences

Variable	Customers by RQ imbalance			F(2)	p-value
	Favoring-organization group (n = 167)	Balanced group (n = 462)	Favoring-employee group (n = 151)		
<i>Antecedents</i>					
Empowerment	5.15 ^a	5.26 ^a	6.10 ^b	28.25	< 0.001
Multi-facet interactions	5.09 ^a	4.21 ^b	3.39 ^c	27.19	< 0.001
Job tenure	122.31 ^a	74.54 ^b	55.05 ^c	22.99	< 0.001
Extra-role performance	5.69 ^a	5.87 ^a	6.33 ^b	21.79	< 0.001
Gender (percentage of females)	60.0 ^a	65.6 ^a	79.6 ^b	7.61	= 0.001
Trust propensity	5.45 ^a	4.93 ^b	4.69 ^c	24.99	< 0.001
<i>Consequences</i>					
Perceived loss of relational benefits	3.81 ^a	4.23 ^b	4.67 ^c	17.23	< 0.001
Discomfort	3.90 ^a	3.46 ^b	3.20 ^b	9.82	< 0.001
Re-evaluate business relationship	3.75 ^a	4.23 ^b	5.40 ^c	35.42	< 0.001

Notes: Means within a row with matching superscripts (a, b, c) are not significantly different, $\alpha \leq 0.05$, by Duncan's multiple range procedure

the key contact employee. Drawing upon the attribution theory and relationship marketing literature, we identified six factors from three categories as important antecedents of the imbalance of customer RQ in favor of the employee and three consequences reflecting customers' cognitive and emotional reactions to the leave of the key contact employee. The predictive powers of all these factors and the proposed consequences were tested by surveying 780 customer-employee pairs. The results confirmed our propositions. These findings, as well as the implications to service organizations, will be elaborated as follows.

Three consequences

Imbalanced customer-employee relationships (i.e. the imbalance of customer RQ that favors the key contact employee) may not be an issue for the service organization as long as the key contact employee serves the customer on the organization's behalf. However, when the key contact employee is unavailable, the service organization may have to deal with negative reactions from customers. First, customers may perceive that they are losing the relational benefits that they have developed through the key contact employee. The results reported by this study demonstrate that the stronger the RQ imbalance, the greater sense of loss in relational benefits (including confidence, special treatment and social benefits). Second, our study shows that customers will experience discomfort when the key contact employee becomes unavailable. The discomfort level increased as the RQ imbalance increased. Finally, we found that when RQ imbalance exists customers are more likely to re-evaluate their business relationship with the service firm. These negative consequences create challenges for the service organizations attempting to establish customer loyalty. It appears that the loss of key contact employees threatens the continuity that service organizations have with their established customer base when there is imbalance of customer RQ. Our findings suggest that service organization must identify causes of such RQ imbalance and find ways to prevent its occurrence.

Six antecedents

Organizational variables

This study looked at two key aspects in how service firms manage its service processes and employees: empowerment and multi-facet interaction. Results showed that empowering employees in the service process might lead to RQ imbalance that favors the employee. This finding echoes the concerns about the side effects of empowerment raised by Hartline and Ferrell (1993). It appears that empowerment may be a double-edged sword to a service organization; it leads to unbalanced customer-employee relationship, but it also increases organizational commitment, service quality, and customer satisfaction (Chebat and Kollias, 2000; Meglino *et al.*, 1989). Given our findings and those of previous studies, service organizations may want to re-examine their policies concerning employee empowerment. Policies concerning employee empowerment should be developed in such a way that employee commitment and customer satisfaction are maintained without harming the customer-organization relationship. Future work could test the cost/benefit of employee empowerment. Specifically, subsequent research can examine whether the benefit of customer and employee satisfaction that comes from empowerment in specific areas outweighs its negative effect of causing RQ imbalance.

We also find that developing multi-facet interaction between customer and organization will significantly reduce the customer RQ in favor of the employee. In other words, the more points of interaction that are included in the service experience, the lower the possibility of RQ imbalance that favors the employee. Thus, in designing the service delivery, firms may want to expand the points of contact. However, the optimal points of contact may have to be weighed against the increased management and operational costs associated with multi-facet interactions. Therefore, findings from this study by no means suggest all service firms to increase points of customer contact. It is always a tradeoff between increase customer RQ and operational costs.

Employee characteristics

This study also looked at two employee characteristics that could affect imbalance of customer RQ. We found that an

employee's tenure with the company has a significant impact on the likelihood of relationship imbalance; the longer the employee works for the company, the less likely the imbalance of customer RQ in favor of the employee. This finding further confirms that employee tenure bolsters the reputation of the organization. Therefore, companies may be able to gain a competitive advantage by focusing on retaining employees. Oftentimes, companies associate the cost of employee turnover with sunk cost of training, loss of expertise, and the cost of recruiting and training new employees. Few have addressed the negative impact on the firm's relationship with the customer. This study suggests that the lack of seasoned employees increases the risk of imbalance of customer RQ and weakens the organizations ability to form relationships with its customer.

The study also supported that when employees go above and beyond the call of duty to secure customer satisfaction, the likelihood of customer RQ imbalance increases. By no means does our finding suggest that extra-role performance should be discouraged. However, service firms may want to communicate with customers about how company encourages and inspires employee's extra-role performance. Then, the bond to the individual employee will be more likely to be transferred to the firm as a whole. For example, Special Expeditions, Inc. always informs its customers that its organizational culture is the source for inspiration for individual employees' extra efforts for customer services. Thus, findings from this study suggest service firms to proactively communicate organizational culture for "extra-role" customer services to increase the customer's level of satisfaction without creating a relationship imbalance that favors the employee.

Customer factors

We found that women are more likely to develop imbalance of RQ that favors the employee, it appears that service organizations should work on developing their relationships with women customers to prevent imbalance of customer RQ. This finding suggests to researchers that future work concerning relationship marketing should include gender as a potential moderator. While some researchers have investigated the moderating role of gender in service failure/recovery contexts (e.g. McColl-Kennedy *et al.*, 2003), more studies are needed to understand how gender differences affect the relationship building process.

The study also found that customers with a lower propensity to trust are more likely to develop relationship imbalances that favor the employee. Customers with a lower propensity to trust may use their relationship with a key contact employee as a coping mechanism. In particular, due to the people-intensive nature of the services industry, key contact employees may serve as "tangible" cues for lower trust propensity customers to infer service qualities. Thus, this type of customers may allocate greater contributions of their good service experience to one key contact employee than customers with higher trust propensity. Our finding suggests that service organizations should provide and advertise assurances with respect to the quality of the service. Providing assurances and a plan of recourse for these customers will increase their level of comfort and reduces the level of perceived risk associated with the service.

Limitations and future research

While useful insights have been obtained through this study, there are a number of limitations that could be addressed with future research. First, our study sampled a large number of service organizations (67) and varied number of customer-employee pairs from each. This design certainly enhanced the generalizability of our findings, but it also posed the question of extraneous factors outside the study such as organizational size effects, industry effects[5], or even the regional effects. Although we believe that the large sample size, both at organizational level and at customer-employee level, will cancel out any of these effects, future studies should be conducted to look at the potential impact of factors outside this study. It would be important for both service researchers and service providers to know how the organization size, nature of service, types of service, and other factors moderate the predictive power of these six antecedents studied in this study.

Second, we have focused on six antecedents and three consequences of the imbalance of customer RQ, but these factors by no means are inclusive. For each category, there are other antecedents that future studies should investigate. For example, customer relationship proneness may be another useful variable in understanding this phenomenon (cf. Wulf *et al.*, 2001). Besides gender, other demographic factors from both customer and employee perspectives could lead to more insights. Since our sample had more females (64.4 percent) than males, our findings about customer gender may need to be re-tested in future studies. From an organizational perspective, several other variables such as employee-management styles, compensation structure, and perceived organizational justice may be highly relevant in our understanding of imbalanced customer RQ. More importantly, all three consequences that we studied are from the customer's perspective. The other side of the story could also be interesting: how will the key employee react when he/she cannot serve his/her close customers any more? Future research should address this unanswered question.

Third, this study only focuses on the imbalance of customer RQ with the individual employee versus with the firm, and such asymmetries may be extended to other pairs of business relationships such as customer-brand and customer-product/service relationships (Martin, 1996). Previous studies suggest that customers may develop a person-like relationship with brands and/or products (e.g. Fournier, 1998). Future research in this area could examine how RQ imbalance which favors the brand affects the customer's ability to form relationships with new brands launched by the company.

Finally, using a cross-sectional survey design, our study took a composite view of some variables such as empowerment, extra-role performance, and multi-facet interactions. Future studies may want to use experimental designs to dissect the variables in a more elaborate fashion. Such an approach could give service providers more specific direction on how to manage relationship imbalance.

Notes

- 1 Although it is also arguable that longer job tenure may increase the likelihood of longer customer-employee

- relationship history, which may in turn enhance the interpersonal RQ. However, we have treated the customer-employee relationship history as a covariate in the "Study design and data analyses" section.
- 2 The obviously high response rate at the firm level was largely due to the fact that we were using convenience sample frames.
 - 3 Even though we set a goal of having four employees per firm, we asked student recruiters to approach more than four employees in case of unusable responses. That resulted in more than four employees per firm. Again, the obviously high response rate at the employee level was largely due to our using convenience samples. We also believed that cooperation from the management level helped improving employee response rate.
 - 4 Given the concerns shown by several scholars about using difference scores (cf. Edwards, 2001), we triangulated the findings reported above by conducting a structure equation model using LISREL 8.7. The results were consistent with findings from ANOVA.
 - 5 When revisiting the distribution of various service providers surveyed in this study, we find that most customer-employee pairs are from about ten types of service industries (e.g. hair dresser, health care, salon, day care, etc.). We believe all these service industries show one similarity: intensive personal-interactions are required to deliver service experiences.

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Appendix. List of service companies/service employees

- Accountant;
- Banking – personal banker, loan officer;
- Bar;
- Car repair;
- Car sales;
- Chiropractor;
- Cosmetics;
- Day care;
- Dry cleaner;
- Fabric store;
- Florist;
- Gas station;
- Grocery store;
- Hair salon/barber/stylist/hair colorist;
- Health care – doctor, hospital, physical therapy, nursing home;
- Health club;
- In-home sales – Tupperware, Avon;
- Insurance;
- Lawn care service;
- Lawyer;
- Maid service;
- Mail carrier/FedEx/parcel shipping;

- Manicurist/pedicurist;
- Massage therapist;
- Nursery/garden center;
- Personal shopper;
- Personal trainer;
- Pharmacy;
- Photographer;
- Plumber;
- Public golf/tennis center;
- Record store;
- Restaurant;
- Retail store – apparel;
- Retail store – housewares;
- Stock broker;
- Tanning salon;
- Travel agent;
- Veterinarian; and
- Video store.

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.

Far from contempt, familiarity tends to breed loyalty when a customer gets to know and like a company's employees – perhaps more so if it's a particular employee with whom the customer builds up a rapport.

The phenomena of customer-employee bonding is not lost, of course, on companies who recognize the value of such relationships and encourage them as a means to retention, referrals and long-term profitability. Indeed, significant amounts of resources are aimed at employee training and recruiting systems that facilitate the building of strong interpersonal relationships between customer and employee – relationships which can be a source of competitive advantage.

However, there is an important downside to all this. What happens when the employee moves on? That strong, valued and valuable relationship isn't between the customer and the organization, but between the customer and the employee. Maybe the customer will also leave as a result of the loss, as financial companies often find to their cost when advisors leave, taking the clients along with them.

Sijun Wang and Lenita Davis examine factors leading to the imbalance between the customer-employee and the customer-firm relationships, identifying important antecedents of the imbalance of customer relationship quality (RQ) in favor of the employee. Such an imbalanced relationship may not be an issue until the key contact employee is unavailable with the

risk that customers perceive they are losing the relational benefits that have been developed.

The loss of key contact employees threatens the continuity that service organizations have with their established customer base when there is imbalance of customer RQ and they must identify causes of such imbalance and find ways to prevent its occurrence.

It appears that employee empowerment may be a double-edged sword to a service organization; it leads to an unbalanced customer-employee relationship, however, it also increases organizational commitment, service quality, and customer satisfaction. Service organizations may want to re-examine their policies concerning employee empowerment, developing them in such a way that employee commitment and customer satisfaction are maintained without harming the customer-organization relationship. For instance, does the benefit of customer and employee satisfaction that comes from empowerment in specific areas outweigh its negative effect of causing RQ imbalance?

The more points of interaction that are included in the service experience, the lower the possibility of RQ imbalance that favors the employee. Consequently, in designing the service delivery, firms may want to expand the points of contact. However, the optimal points of contact may have to be weighed against the increased management and operational costs associated with multi-facet interactions. Findings from this study by no means suggest all service firms should increase points of customer contact. It is always a tradeoff between increased customer RQ and operational costs.

An employee's tenure with the company had a significant impact on the likelihood of relationship imbalance; the longer the employee works for the company, the less likely the imbalance of customer RQ in favor of the employee. This finding further confirms that employee tenure bolsters the reputation of the organization. Therefore, companies may be able to gain a competitive advantage by focusing on retaining employees. Often companies associate the cost of employee turnover with sunk cost of training, loss of expertise, and the cost of recruiting and training new employees. Few have addressed the negative impact on the firm's relationship with the customer. This study suggests that the lack of seasoned employees increases the risk of imbalance of customer RQ and weakens the organization's ability to form relationships with its customer.

When employees go above and beyond the call of duty to secure customer satisfaction, the likelihood of customer RQ imbalance increases. But that's not to suggest it should be discouraged. However, service firms may want to communicate with customers about how the company encourages and inspires employees' extra-role performance. Then, the bond to the individual employee is more likely to be transferred to the firm as a whole.

Women were found to be more likely to develop imbalance of RQ that favors the employee, so it appears that service organizations should work on developing their relationships with women customers.

The study also found that customers with a lower propensity to trust are more likely to develop relationship imbalances that favor the employee. Such customers may use their relationship with a key contact employee as a coping mechanism. In particular, due to the people-intensive nature of the services industry, key contact employees may serve as

“tangible” cues for lower trust propensity customers to infer service qualities. As a result, this type of customers may allocate a greater proportion of their good service experience to one key contact employee than customers with higher trust propensity.

Service organizations should provide and advertise assurances with respect to the quality of the service. Providing assurances and a plan of recourse for these

customers will increase their level of comfort and reduce the level of perceived risk associated with the service.

(A précis of the article “Stemming the tide: dealing with the imbalance of customer relationship quality with the key contact employee versus with the firm”. Supplied by Marketing Consultants for Emerald.)

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